

# Report on Master Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University in Prague

Student:	Bc. Vendula Bečvařiková
Advisor:	Doc. PhDr. Petr Teplý, Ph.D.
Title of the thesis:	Non-interest income management of banks in a global low interest rate environment

## **OVERALL ASSESSMENT** (provided in English, Czech, or Slovak):

The EU and US banking industries have been facing significant challenges in a recent global low interest rate environment, one of them is their declining profitability. Besides interest income management, non-interest income management of banks has got attention of both academics and practitioners yet, what makes Vendula's thesis up-to-date.

The work encompasses four main chapters. After short introduction the second chapter deals with theoretical background including basic terms, risk management and regulatory issues (one researches hypothesis is tested). The key third chapter includes an empirical analysis, where two hypotheses are tested through GMM system. Both subchapters reflect a standard paper's structure. Finally, the fourth chapter summarizes the work and states final remarks.

Vendula has developed a solid academic approach, reviewed the existing literature, identified and investigated open questions and drew relevant conclusions from that. Her thesis meets standard format requirements on bibliography and notes, figures, tables and pictures well illustrates discussed issues. The author has been meeting her advisor on a regular basis, cooperated with him closely and reflected his comments to the final version of the work.

Questions to the defense:

- 1) Lessons from the author's empirical results - what is Vendula's opinion on the recent regulatory trend of separation of commercial and investment banking?
- 2) Table 3.4 on page 43 (Estimation results of System GMM regression model) reveals that a net non-interest income to total assets ratio comes was insignificant, what might be surprising. What is Vendula's comment on it?

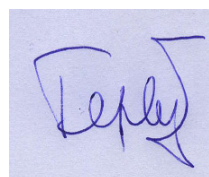
All in all, the thesis by Vendula Bečvařiková is written on highly attractive subject, what makes her contribution valuable. I consider this master thesis as a good piece of academic work and therefore I would like to propose **Grade A from this work**.

## **SUMMARY OF POINTS AWARDED** (for details, see below):

CATEGORY	POINTS
Literature (max. 20 points)	18
Methods (max. 30 points)	26
Contribution (max. 30 points)	27
Manuscript Form (max. 20 points)	17
<b>TOTAL POINTS</b> (max. 100 points)	<b>88</b>
<b>GRADE</b> (1 – 2 – 3 – 4)	<b>1</b>

**NAME OF THE REFEREE:** Petr Teplý

**DATE OF EVALUATION:** 29. 5. 2016



**Examiner Signature**

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## EXPLANATION OF CATEGORIES AND SCALE:

**LITERATURE REVIEW:** *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
20	10	0

**METHODS:** *The tools used are relevant to the research question being investigated, and adequate to the author's level of studies. The thesis topic is comprehensively analyzed.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
30	15	0

**CONTRIBUTION:** *The author presents original ideas on the topic demonstrating critical thinking and ability to draw conclusions based on the knowledge of relevant theory and empirics. There is a distinct value added of the thesis.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
30	15	0

**MANUSCRIPT FORM:** *The thesis is well structured. The student uses appropriate language and style, including academic format for graphs and tables. The text effectively refers to graphs and tables and disposes with a complete bibliography.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
20	10	0

## Overall grading:

TOTAL POINTS	GRADE		
81 – 100	<b>1</b>	= excellent	= výborně
61 – 80	<b>2</b>	= good	= velmi dobře
41 – 60	<b>3</b>	= satisfactory	= dobře
0 – 40	<b>4</b>	= fail	= nedoporučuji k obhajobě