

## Abstract

During the crisis of 2007-2008, many banks had to improve their management because their previous models could not cope with the increase in the number of defaults on mortgage loans and new risks produced by credit derivatives. The goal of this study is to define what factors were the most significant determinants of the stability of large banks of Europe during the crisis of 2007-2008. This study concentrates mostly on the indicators of the management of loan portfolio in major banks of Europe. For this purpose, the thesis uses a balanced panel data of 69 banks in 18 largest European countries during 2006-2009. Furthermore, from the results of tests on the significance of used variables, the model that evaluates the distance from the insolvency for banks is constructed.