

Report on Bachelor / Master Thesis

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

Student:	Tereza Hudcová
Advisor:	Mgr. Petr Polák, MSc.
Title of the thesis:	Analysis of Czech P2P lending investors' behaviour drivers

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

Please provide your assessment of each of the following four categories. The minimum length of the report is 300 words.

The purpose of the thesis is to research P2P lending market and to analyze potential relationships between individual lender's risk and time preferences and their real online behavior, as well as providing valuable insight into what determinants have key influence on the portfolio of funded loans in terms of value of expected return. Author focuses on the situation in the Czech Republic and works with unique dataset, extracted specifically for purpose of the thesis from popular local P2P platform Zonky, that describes real online behavior of lenders. Obtained dataset is matched to dataset resulting from conducted survey, distributed online among registered lenders of mentioned platform. **The main value added of the thesis** thus lies in collecting unique and highly relevant regional microdata and creating an empirical analysis of the local P2P market, together with novel approach using data survey matching method, that has so far lied outside of the scope of research on such topic. The thesis constitutes of introduction, description of online P2P lending market background, literature review, methodology and conceptual framework, data description and empirical results and concluding remarks with tips for further research.

The author shows her proficiency with resources by providing **comprehensive literature review**, presenting both relevant topics related to theory and overview of available research outcomes. However, the overview of research stream, i.e. related to performance of P2P lending for a given level of risk, might deserve short but further elaboration (p.15). I nevertheless appreciate author's addition of discussion on thesis' approach, where she shows the key contribution to current research.

Regarding **methodology and empirical analysis**, author succeeds in testing the key assumptions, as well as discussing and addressing key sources of concerns and limitations related to the methodology, such as biases in gathered sample within investors' survey. Empirical results reveal interesting mismatch between investors preferences and their actual online behavior, showing that actual behavior of lenders of the P2P platform Zonky is much riskier compared to their stated risk preference in the survey. Results moreover show that the only factor that influences Czech lenders' portfolio composition is high interest rate, which contrasts with research outcomes from other countries. Author also points out increased usage of robots or autoinvest tools, resulting in conclusion that Czech community of lenders highly rely on screening procedures conducted by Zonky.

Regarding the **manuscript form**, the use of English language is generally at very high standard, even though some parts would benefit from proof-reading as author did not avoid several minor errors in the manuscript. Nevertheless, all formal requirements are met and usage of tables and graphs underlines the clarity of the text.

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Overall, I am very pleased with the thesis. Author clearly demonstrates appropriate knowledge of the topic, presents novel approach, uses thorough empirical methods and performs comprehensive analysis of current situation in the P2P lending market in the Czech Republic, together with critical thinking. Conclusions of the thesis are then presented in a very clear way. As the P2P lending rapidly gains on its importance within financial sector, the topic of the thesis is up to date and the results significantly contribute to further discussions regarding challenges of P2P lending and investors' behavioral patterns and sets ground for further research in the Czech Republic. The above mentioned criticism is only marginal, therefore I recommend grade 1.

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

CATEGORY	POINTS
<i>Contribution</i> (max. 30 points)	30
<i>Methods</i> (max. 30 points)	30
<i>Literature</i> (max. 20 points)	19
<i>Manuscript Form</i> (max. 20 points)	19
TOTAL POINTS (max. 100 points)	98
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE: *Lenka Dvořáková Švejdová*

DATE OF EVALUATION: 8.6. 2017

Referee Signature

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.*

Strong Average Weak
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.*

Strong Average Weak
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.*

Strong Average Weak
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.*

Strong Average Weak
20 10 0

Overall grading:

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