

Report on Rigorous Thesis

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

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Title of the thesis:	Interest Rate Pass-Through: Does It Change with Financial Distress? The Czech Experience

OVERALL ASSESSMENT:

The submitted rigorous thesis is based on the previously defended master's thesis with the same name, which has been defended with grade "1" in summer semester of the year 2010. The major improvement stands on the enlargement of the dataset with a corresponding change of results presented.

As already mentioned in the master's thesis report, the main aim of the thesis is to examine the effect of the current financial crisis on the transmission mechanism of interbank rates (PRIBOR and EURIBOR with various maturities) to retail bank interest rates (broad portfolio of loans/mortgages/deposits rates). To efficiently do so, the author describes the basic facts about different transmission mechanisms with a main focus on the interest rate channel and adds a literature review. The author then turns to the applied part and uses techniques of simple OLS, recursive OLS and Impulse response functions from standard Vector autoregression models (VAR). The fact that the author uses various methods strongly improves the analysis and makes the results quite robust.

The author also included a short chapter summarizing the changes and differences between the master's thesis and rigorous thesis version, which is highly appreciated. All issues raised in the master's thesis report have been answered and added to the text. Therefore, **I recommend the thesis to be accepted for a successful rigorous defense.**

NAME OF THE REFEREE: PhDr. Ladislav Krištofuk

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Referee Signature