

This thesis uses data of more than 180 banks from CEE region to identify the main determinants of long term credit ratings assigned to these banks in period between 2010 - 2012. This is done by employing two frequently used classification methods - Multiple Discriminant Analysis and Ordered Logit Model. The main contribution lies in including explanatory variables from various areas which have impact on financial health of examined banks. Apart from standard spheres of banks' performance such as capital adequacy, asset quality or profitability we investigate relevance of macroeconomic and qualitative factors as well. Although our results suggest that all mentioned areas are relevant for credit risk and hence rating assignment process the bank specific variables, both quantitative and qualitative, still play the key role.