

Report on Bachelor / Master Thesis

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

Student:	Bc. Dana Klímová
Advisor:	PhDr. Boril Šopov, MSc., LL.M.
Title of the thesis:	Impact of the Basel III Liquidity Rules on EU Banks

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

The thesis deals with very relevant topic of banks' liquidity, how it is measured and most importantly how it is regulated and reported. Dana's thesis ranks amongst the best thesis in terms of manuscript quality, topic importance and diligence, which it has been researched and written with.

The thesis opens with introduction and then proceeds to review relevant literature. I point out that Dana also review non-scientific literature, which in this case is not detrimental and further strengthens the information value of the thesis; though I would welcome distinctions of these two sources in the Bibliography.

Following the review, Dana introduces the concept of banks' liquidity, regulatory framework and finally in Chapter 6 the measures: Liquidity coverage ratio and Net stable funding ratio. Both measures are put forward by Basel III and hence have become the industry's standard.

Further, the thesis focuses on modelling the relationship between meeting NSFR regulatory demands and its effects on bank's performance (using various performance measures: NIM, ROAA and ROAE). Dana employs two stage model, which follows literature.

The model itself is given by the literature, so the main contribution is the data collection and the model estimation. Dana used WLS regression to overcome the two stage modelling drawbacks. I would welcome some more details about the variable selections and slightly more critical evaluation of the results.

Dana concludes that smaller banks tend to fulfill the regulatory requirements more easily and that the NSFR requirement adversely affect banks performance (ROAE).

Generally speaking, the thesis is well structured and clearly written. I have no hesitation awarding **Grade A**.

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

CATEGORY	POINTS
Literature (max. 20 points)	18
Methods (max. 30 points)	23
Contribution (max. 30 points)	26
Manuscript Form (max. 20 points)	19
TOTAL POINTS (max. 100 points)	86
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE:

DATE OF EVALUATION:


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