

IMESS DISSERTATION



Note: Please email the completed mark sheet to Year 2 coordinator (jiri.vykoukal@post.cz)

Please note that IMESS students are not required to use a particular set of methods (e.g. qualitative, quantitative, or comparative) in their dissertation.

Student:	Yixuan Zhang
Dissertation title:	Determinants of Commercial Banks' Financial Performance in Central and East European Countries

	70+	69-65	60-61	59-55	54-50	<50
	A	B	C	D	E	F
Knowledge <i>Knowledge of problems involved, e.g. historical and social context, specialist literature on the topic. Evidence of capacity to gather information through a wide and appropriate range of reading, and to digest and process knowledge.</i>	X					
Analysis & Interpretation <i>Demonstrates a clear grasp of concepts. Application of appropriate methodology and understanding; willingness to apply an independent approach or interpretation recognition of alternative interpretations; Use of precise terminology and avoidance of ambiguity; avoidance of excessive generalisations or gross oversimplifications.</i>	X					
Structure & Argument <i>Demonstrates ability to structure work with clarity, relevance and coherence. Ability to argue a case; clear evidence of analysis and logical thought; recognition of an argument's limitation or alternative views; Ability to use other evidence to support arguments and structure appropriately.</i>	X					
Presentation & Documentation <i>Accurate and consistently presented footnotes and bibliographic references; accuracy of grammar and spelling; correct and clear presentation of charts/graphs/tables or other data. Appropriate and correct referencing throughout. Correct and contextually correct handling of quotations.</i>	X					
Methodology <i>Understanding of techniques applicable to the chosen field of research, showing an ability to engage in sustained independent research.</i>	X					

ECTS Mark:	A/72	Charles Mark:	A	Marker:	František Čech
<i>Deducted for late submission:</i>				Signed:	
<i>Deducted for inadequate referencing:</i>				Date:	September 4 2024

MARKING GUIDELINES

A (UCL mark 70+) = A (Charles mark 91-100 - excellent): Note: marks of over 80 are given rarely and only for truly exceptional pieces of work.

Distinctively sophisticated and focused analysis, critical use of sources and insightful interpretation. Comprehensive understanding of techniques applicable to the chosen field of research, showing an ability to engage in sustained independent research.

B (UCL mark 69-65) = B (Charles mark 81-90 - very good)

C (UCL mark 64-60) = C (Charles mark 71-80 - good): A high level of analysis, critical use of sources and insightful interpretation. Good understanding of techniques applicable to the chosen field of research, showing an ability to engage in sustained independent research. 65 or over equates to a B grade.

D (UCL mark 59-55) = D (Charles mark 61-70 - satisfactory)

E (UCL mark 54-50) = E (Charles mark 51-60 - sufficient):

Demonstration of a critical use of sources and ability to engage in systematic inquiry. An ability to engage in sustained research work, demonstrating methodological awareness. 55 or over equates to a D grade.

F (UCL mark less than 50) = F (Charles mark 0-50 - insufficient):

Demonstrates failure to use sources and an inadequate ability to engage in systematic inquiry. Inadequate evidence of ability to engage in sustained research work and poor understanding of appropriate research techniques.

Please provide substantive and detailed feedback!

Comments, explaining strengths and weaknesses (*at least 300 words*):

The thesis under consideration thoroughly examines the financial performance of banks in the CEE region, focusing on the period following their transition from centrally planned to market economies. It examines the key factors influencing bank performance, including macroeconomic conditions, bank-specific characteristics, and industry-specific elements. The study also assesses the impact of major events, such as the financial crisis and the COVID-19 pandemic, on the region's banking sector and provides insights into how these events have shaped the resilience and profitability of CEE banks.

The thesis provides a detailed literature review covering a wide range of studies discussing various determinants of bank performance in the CEE region. Thus, it is easy for the reader to fit the thesis topic and contributions into the existing literature. The thesis' focus on the CEE region is valuable given the unique economic and political transitions that these countries have undergone. The discussion of the impact of EU accession and the influence of the euro area on bank performance adds value to the thesis. Similarly, the inclusion of recent events, such as the financial crisis and the COVID-19 pandemic, provides an important analysis of their impact on the banking sector. This increases the relevance of the study, especially in terms of understanding the resilience of CEE banks under stress. The only drawback I found is the sometimes mechanical summarization of individual studies in some parts of the literature review.

The thesis employs standard econometric techniques, namely panel data analysis using the fixed-effects models. The author correctly tests whether random effects would not be better, but the results of the Hausman test reject the RE model in favor of FE. I am glad that the author tests the stationarity of the data and, in case of non-stationarity, applies an appropriate transformation. The results of the analysis are well commented.

The manuscript form of the thesis is adequate. The thesis is written in clear language, it is easy to read and understand. The only drawback is the format of tables - all tables should be formatted in a similar way. Also, the presentation of regression results could be a bit confusing - when variable name is spread over two lines, at first glance it looks like two variables are being studied, not one. Also, since the author reports the significance of variables by asterisks, reporting standard errors might be redundant - if standard errors were not reported, the table would fit on one page and the results would have better readability.

Overall, it is a nice master's thesis that provides interesting empirical results that could be further studied/applied by bank regulators.

Specific questions you would like addressing at the oral defence (*at least 2 questions*):

Would it be possible to use the dataset studied in the thesis for cross-country comparison? I.e. can we make comparison directly among the individual countries? What might we learn from such comparison?