

# Opponent's Report on Dissertation Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University  
Opletalova 26, 110 00 Praha 1, Czech Republic  
Phone: +420 222 112 330, Fax: +420 222 112 304

Author:	<b>Petr Hanzlík</b>
Advisor:	Prof. PhDr. Petr Teplý Ph.D. (IES)
Title of the Thesis:	Banks' performance in low and negative interest rate environment
Type of Defense:	<b>DEFENSE</b>
Date of Pre-Defense	February 23, 2022
Opponent:	Doc. Ing. Zdeněk Tůma CSc. (IES)

Address the following questions in your report, please:

- a) Can you recognize an original contribution of the author?
- b) Is the thesis based on relevant references?
- c) Is the thesis defensible at your home institution or another respected institution where you gave lectures?
- d) Do the results of the thesis allow their publication in a respected economic journal?
- e) Are there any additional major comments on what should be improved?
- f) What is your overall assessment of the thesis? (a) I recommend the thesis for defense without substantial changes, (b) the thesis can be defended after revision indicated in my comments, (c) not-defensible in this form.


*(Note: The report should be at least 2 pages long.)*

---

Petr Hanzlík's thesis consists of four papers. Two of them are focused primarily on performance of banks in low interest environment, one deals with a specific issue of the prepayment risk, and the fourth one analyses the impact of implementation of new regulation in terms of liquidity coverage ratio. Petr is interested in banking since his studies at the University and I have no doubt that he contributed to papers substantially. He started to cooperate with one major bank in the Czech Republic in recent years and could benefit from personal experience in banking.

- A. I recognize Petr's original contribution to this thesis and the underlying papers. The discussion during the pre-defense and responses to comments of opponents questions prove that Petr is well oriented in the subject.

- B. The thesis is based on relevant references and they have been extended after recommendations provided during the pre-defense.
- C. The thesis is defensible at the IES FSV UK where I lecture.
- D. Three papers presented in the thesis have been published, the last chapter is prepared for the publication. Petr could have an ambition to target a journal with a higher impact factor in the future.
- E. Petr has responded to comments of the opponents as well as to questions raised during the pre-defense. I am satisfied with his answers to my questions.
  - a. In the Defense, we could return to the point 8 of his response to prof. Tripe where Petr states that banks “leave a small percentage of the volume underhedged due to the prepayment risk”. I do not understand this point; I thought that banks hedge interest rate risk fully (both assets and liabilities) and it is not clear to me how an “underhedge” could help them with the prepayment risk.
  - b. As to another point (no. 9) of the same response, there might be another factor preventing interest rates spreads on mortgages to widen, namely the structure of the banking (mortgage) market. The mortgage business was dominated by 3-4 banks, i.e. that the impact of lowering interest rates and associated with prepayment risk regarded primarily these banks. For other banks that wanted to enter the mortgage market, it was a good opportunity as they had no mortgage portfolio from the past and did not bear this prepayment risk.
- F. I recommend the thesis for defense.

Date:	5 <sup>th</sup> September, 2022
Opponent's Signature:	
Opponent's Affiliation:	Doc. Ing. Zdeněk Tůma CSc. (IES)