

Report on Bachelor / Master Thesis

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

Student:	Lucia Mária Hatalová
Advisor:	Doc. Petr Janský, Ph.D.
Title of the thesis:	The impact of Brexit on the activity of banks: 2013-2021 country by country reporting data

OVERALL ASSESSMENT

Contribution

Lucia Hatalová wrote an excellent thesis, in which she answers the question of what change in banking activity took place after Brexit?

She applies a gravity model to a new source of detailed panel data on multinational banks, the so-called country-by-country reporting. Her careful analysis leads her to several conclusions, some of which are novel in the literature. Most importantly, her results suggest a negative effect of 24% on the turnover of British banks abroad relative to the domestic turnover. Her findings provide new insights into the continued debates on the impact of Brexit on the economy and might be of interest to the research community in case Lucia decided to rework her thesis into a paper for an academic journal.

Methods

In short, Lucia did as well as she can methodologically and data-wise. She applies a standard gravity model to, innovatively, a new source of detailed information on multinational enterprises, the so-called country-by-country reporting data. This is a firm-level source with detailed country breakdown information. Given the fact that she is a student, she has no access to private data sources such as Orbis, which she could in theory combine with the publicly available firm-level country-by-country reporting data and this might be a good avenue for her future research agenda. Lucia goes well beyond methodology- and data-wise expectations for a bachelor thesis and demonstrated several skills that will serve her well in her future studies, research or career.

Literature

Lucia has demonstrated a very good grasp of the relevant literature, in several areas that she builds on – banks, country-by-country reporting or gravity models.

One of the sources that Lucia correctly cites is a recent master thesis by Petr Moravec, who has investigated the impact of the Brexit referendum on banks. In contrast, Lucia has access to more recent data which include not only the referendum, but the Brexit itself and this enables her to go beyond the existing research.

The results of the Urkund analysis do not indicate significant text similarity with other available sources.

Manuscript form

Lucia structured her thesis very well.

The thesis is written in appropriate English and the formatting of the text is adequate for a thesis.

One aspect I was not sure about was the labelling and ordering of the results table. Specifically and most importantly, "Table 1" should include the headline results, but there does not seem to be Table 1 in the thesis. Tables A1-A3 in the Appendix do include the detailed results, including those of robustness checks, but it is not clear whether Table 1 is Table A1 (and if so, why it is not included in the main body of the text, but in the Appendix). Even if there is no mistake in labelling or including tables, I wish this was done in a clear way.

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Suggested questions for the committee

Given the timing of your empirical analysis, you already have access to banks' data post-Brexit and you innovatively make use of it in your thesis. But by definition, you are able to investigate the impact of Brexit only in the short run. Would you expect the impact to be different in the long run (say 3-5 years post-Brexit), how and why?

Summary

In short, the thesis fulfils the requirements for a bachelor thesis at IES, Faculty of Social Sciences, Charles University, and, in my view, Lucia Hatalová did an excellent job of writing a thesis and I recommend **a grade of A**. Moreover, due to its quality, I recommend his thesis for a distinction and other awards.

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

CATEGORY	POINTS
<i>Contribution</i> (max. 30 points)	30
<i>Methods</i> (max. 30 points)	30
<i>Literature</i> (max. 20 points)	20
<i>Manuscript Form</i> (max. 20 points)	19
TOTAL POINTS (max. 100 points)	99
GRADE (A – B – C – D – E – F)	A

NAME OF THE REFEREE:

DATE OF EVALUATION:

Digitally signed (29. 8. 2023)
Petr Janský

Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

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.*

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.*

LITERATURE REVIEW: *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

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.*

Overall grading:

TOTAL	GRADE
91 – 100	A
81 - 90	B
71 - 80	C
61 – 70	D
51 – 60	E
0 – 50	F