

# Report on Bachelor / Master Thesis

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

Student:	Veronika Holá
Advisor:	Petr Jakubík
Title of the thesis:	Pojištění vkladů v Evropské unii

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

Master thesis of Veronika Holá is well written as is fully in line with the Thesis proposal. Her work is structured, flow and quality of text is on high level.

As literature is concerned Veronika has demonstrated good knowledge of relevant literature and is able to analytically work with the sources and use them in her thesis. The amount of sources including papers, policy statements as well as web pages of national governmental bodies and email communication with them gives me a confidence that Veronika deserves full mark in this field."

In respect to methods, Veronika's thesis is more of a descriptive work summarizing the theoretical background as well as practical application of deposit insurance. Her actual empirical part tries to provide evidence if change in the insurance leads to changes in deposit growth rates. Reading the thesis I personally believe that there might be a more interesting topic to test. Whether change in insurance of one bank in a country (due to change in its home country) forces substantial number of people to move their deposits to this bank, hence increasing liquidity pressure on other banks. I on the other hand understand that this analysis is most likely impossible to do due to data availability. I would however welcome more discussion on these potential dead ends. As for the analysis done I believe its selection was appropriate and well done.

As for the contribution, I believe that Veronika provided excellent analysis of deposit insurance – theory and practice, being able to analyze the topic and present it with great understanding.

Lastly manuscript quality is good. Veronika works well with sources, her work is well organized as well as well formatted.

Overall I liked Veronika's thesis. She is able to understand the problems associated with deposit insurance and implication of its changes within European bank network. It was an interesting read, and I rate her work as **excellent**.

As for the defense of her thesis I would recommend following questions:

- You compare money already available in the deposit funds with overall deposits, which I find misleading, since there is in many cases limit on the amount insured. You also mention that in Europe some 80% of deposits (I assume in number not in volume) is covered. Do you have any estimate of funds available to actual funds covered and how it differs to what you present?
- With ex ante fund I assume that in case of bank failure, deposit insurance company can recover some paid insurance from liquidation realization. Do you know of any empirical evidence when this happened and what was the realization ?
- Do you believe that deposit insurance can be potentially done on private basis ? I.e. banks would insure deposits with commercial insurance companies and these institution would also check the risk profile of the banks and would be able to price correctly risk across the banks ?

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

CATEGORY	POINTS
Literature (max. 20 points)	20
Methods (max. 30 points)	25
Contribution (max. 30 points)	25
Manuscript Form (max. 20 points)	20
<b>TOTAL POINTS</b> (max. 100 points)	<b>90</b>
<b>GRADE</b> (1 – 2 – 3 – 4)	<b>1</b>

**NAME OF THE REFEREE:** Filip Hajek

**DATE OF EVALUATION:** 10/6/2010

  
Referee Signature