REPORT ON MASTER THESIS IN FINANCE

Topic: Credit Risk Assessment of Selected Banks
Student: MINGXIN ZHENG

The submitted master thesis has been written in line with the assigned topic – Credit Risk Assessment of Selected Banks. The author has sufficiently followed the outline as stated in the Thesis specification and the aim fits the topic.

The thesis consists, besides the Introduction and Conclusion, of three chapters. The first one is focused on detailed description of the banking sector and its (credit risk) management. The author pays special attention to credit scoring models, which are described well and coherently.

In the next chapter, the author studies basic ratios of financial analysis and compare selected banks of China (5 largest according to the market share). The banks are analyzed from various points of view, including horizontal and vertical comparison.

Finally, in Chapter 4 the author focuses on the credit risk analysis of selected banks using credit scoring approach. First, the author tries to apply a model of Gurný and Gurný, however, with poor results. As a results, the author tries to suggest own model using current data of Chinese banks and several approaches already described in Chapter 2. The main drawback, however, is that there are in fact no default banks in China. Despite that, it seems that some model results are acceptable.

While the text is mostly well written and the author has been able to follow the basic guidelines about the form and style, it must be pointed out that there are some imperfections that might be improved with additional effort of the author. Despite that the thesis might be admitted to defend and I invite the author to present her personal view on the model utilization.

Ostrava, May 15, 2015

Tomas Tichy
Thesis supervisor