

Report on Defense of Doctoral Thesis

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Title: The Cross-Border M&A Wealth Impact in the European Banking Industry

Defense date: 26 September 2018

The financial performance of the European banking industry has been stagnating in the last years. Not surprisingly, the EU banks are trying to increase their effectiveness through cross-border Mergers & Acquisitions (M&As). David Moreira investigates the topic through an event study methodology on an extensive data set covering the 1985-2017 period, what makes his thesis valuable. He also tests four hypotheses and compares his findings with other researchers, and therefore contributes to the literature.

Structure

The work has a logical structure and is composed of six main sections. Introduction as the first section presents introductory remarks to David's thesis. The second section describes theoretical background and a research gap in literature is identified. Section 3 describes the applied economic approach (event study methodology) and includes four research hypotheses. Data analysis is discussed in section 4. In the fifth section, empirical results are presented. Finally, the last section concludes the work.

Manuscript format

David's thesis meets standard format requirements on a dissertation thesis at the VSE, while figures and tables well illustrate discussed issues. I appreciate an extensive list of 114 references on relevant literature and a high level of English. However, there are some minor typos in the text such as KBX instead of BKX or incorrect format of several references.

Incorporation of my previous comments

The author has incorporated all of my previous remarks, namely:

- 1) To shorten a section "Introduction" to max. 2 pages - DONE
- 2) To enlarge a section "Methodology" - DONE
- 3) To check format of the references – DONE with few exceptions
- 4) To avoid two-sentences paragraphs - DONE

Questions to the defense

- 1) Table 13 on page 67 indicates a high level of significance of CARs and AARs of the acquiring banks on long-time horizons. What is author's explanation? What other factors affect stock prices apart from the analyzed cross-border M&A effect?
- 2) David compares his findings with other researchers on short-term (usually 1-day) windows in Table 14. Can he compare his results with other researchers also on longer windows?
- 3) The author on page 79 recommends "the establishment of a single European financial entity to promote cross-border banking M&As." Could he be more specific on its organizational structure and funding?
- 4) What are David's recommendations to traders with bank stocks based on his research?

Overall assessment of the thesis

In conclusion, I consider the thesis as good piece of academic work, the research meets all the criteria required on such kind of work and I recommend it for final defense ("doporučuji k obhajobě").

NAME OF THE REFEREE: *Doc. Ing. Bohumil, Stádník, Ph.D.*



DATE OF EVALUATION: *September 12, 2018*