

Statement

Postgraduate student: Felix KOMBO, MSc.,

Thesis: *Corporate Social Responsibility in the Banking*

Industry: *A Model for Increasing Financial Performance*

Opponent: Juraj Sipko

1. The aim of the thesis

The topic of the thesis holds importance in current events. The author describes generally some very important points related to financial performance under the concept of corporate social responsibility. In line with this, he describes the main aim of the thesis, four clearly defined partial goals and four hypotheses.

Based on the analysis and results, one might note that the author fulfills the main goal of the thesis.

2. Applicability of methods and methodology

In the thesis, various types of methods were applied: logical-historical, analytical-synthesis, as well as comparative methods.

The thesis presents very important analytical conclusions regarding which factors might influence an increase in financial performance under the concept of corporate social responsibility in the banking industry.

Since the present stage of development of civilization is entering a critical point on the way to overall sustainability, here, I highly appreciate the author's approach in determining the three critical pillars of sustainability i.e., economic development, protection environment, including social inclusion.

In analysing the financial performance of commercial banks, the authors used the main indicators such as a return on assets (ROA), return on equity (ROE) and profit per employee (PPE).

Based on the theory of financial performance indicators, there are also some other indicators that are often used in this type of analysis, e.g., net operating income (NPI), earnings before interest and taxes (EBIT), profit after taxes (PAT) and net asset value (NAV).

I welcome the author's comments and explanations in this regard.

3. Analytical approach

I appreciate the analytical approach used in the thesis. The analytical part of the thesis is one of its strong points. The author used data from both primary and secondary sources for the analysis, including questionnaires.

In the analysis, commercial banks' data listed in Nairobi Stock Exchange are used. However, the data used are between 2013 and 2017. For the comprehensive analysis, a long

time series would be useful. What was the reason for using data only for the last four years?
The author's comments and explanation are welcome.

4. Scientific contribution and originality of the work

The main contribution of the thesis is the analysis of the model for increasing financial performance under the concept of corporate social responsibility in commercial banks.

Here, the combination of the concept of corporate social responsibility and some aspects of sustainability analysis based on the three pillars might be considered an original contribution to the highly demanding topic not only for today, but in particular, for next future.

5. Thesis and its outcome for research and education

The outcome of the thesis would be useful for the financial sector and in particular for commercial banks, government authorities, for educational purposes, not only for undergraduate students, but also for graduate and postgraduate students.

Since the concept of corporate social responsibility will be further developed through the overall sustainability approach, the presented results in the thesis could be a good base for further research.

6. Questions & Suggestions

- (i) In order to analyse the sustainability of bank performance, the commercial banks' assessment with respect to both social and environmental indicators will be critical. Currently, in a majority of cases, while assessing a bank's corporate social responsibility, the indicators used are: codes of ethics, sustainability reporting, environmental management systems, environmental management, and responsible financial products as well as social conduct.

Explain how the above-mentioned indicators are important for the concept of corporate social responsibility in line with increasing financial performance of commercial banks in your research.

Conclusion

The presented thesis is very interesting. The author used a good analytical approach for assessing the means of increasing financial performance in the sector of commercial banks.

Although the author used only the basic indicators for financial analysis, he demonstrated his ability to analyze the main financial indicators using a quantitative approach, including reviewers.

Based on an overall assessment of the thesis and its result, I would like to **recommend the thesis of Mr. Felix KOMBO, MSc., for a defence.**

After its successful defence, I would like to **recommend Mr. Felix KOMBO, MSc., for the title „doctor“ (philosophie doctor, abbr. PhD).**

Bratislava, November 1st, 2018



Juraj Sipko