The thesis has a research nature and contains practical implications, though additional analysis is needed to evaluate their potential implementation.

The empirical data collected and processed seem to be valid. Estimation results are described and analyzed.

The quality of analytical approach could be evaluated as good. The quality of the thesis content could be evaluated as good.

It's also possible to provide some comments and questions:

- Seeking for better Economic Capital disbursement, on page 61 the author suggest to re-balance the portfolio among industries: to give the min possible share of 10% to manufacturing (reduction from 29%) and to increase the leading share of domestic trade from existing 27% to even higher 40%+, that is not in line with the statement on page 52 that diversification helps reduce the risks, so such rebalance makes the portfolio riskier given higher concentration and lower diversification.
- The author also proposes to increase the exposure of real estates in the portfolio from 15% (page 46) to 20%+ considering the sector as a safe haven (page 55), but given the purpose of the study is to suggest model performing better than Basel's one in downturns and traditionally during recession the real estate is one of the industries usually severely hit, such offer shall be carefully considered.
- On page 56 the author states that according to Basel "service" is considered as the riskiest sector and "trade" ranks 4th and this is quite logic from real life, the developed model suggests different sector risk order, but there is no explanation of the results except mathematical calculations.
- On page 58 the study states "spreads on loans are taken as returns for securities" and suggest highest spread for "domestic trade" and the lowest one for "service", but while generally interest income from lending is similar to return for securities we shall also remember that once providing a loan a bank considers not only a margin, but cross-sell revenues (like cash management, currency conversion etc) as well so this additional income from a client can be enough to keep margin the same for different industries.
- it is worth to be mentioned that on margin differentiation a bigger impact can come from internal bank's Rating (banks have their own internal "black box" rating models, which take into consideration both financial and qualitative criteria) and other policy rules where a bank sets up Target Market (which industries and what kind of companies banks wants to work with, max limit the bank wants to take on a particular industry), Risk Acceptance Criteria (what kind of loans and what kind of tenors, currencies, amounts, pricing to be given to companies depending on their industry, size, financials, rating).

Master thesis of Amir Azamtarrahian meets the requirements of Master of Corporate Finance (MCF) program, and deserves a "good" (B) grade (ECTS grade), thus the author can be given the desired degree.

Date
27/05/2016

Referee:
Oleg Suptelya, ZAO Citibank, Saint-Petersburg branch