

STATEMENT
FOR THE AWARD OF DOCTOR DEGREE OF EDUCATION AND SCIENCE IN THE
DOCTORAL PROGRAMME "FINANCE, MONEY CIRCULATION, CREDIT AND
INSURANCE "
IN ACADEMY OF ECONOMICS "D. A. TSENOV" - SVISHTOV

Prepared by: Assoc. Prof. Dr. Gergana Ilieva Mihaylova-Borisova

Author of the dissertation: Mariana Moneva Dauo

**Topic of the dissertation: Current challenges in managing systemic risks in the EU
financial system (global and regional aspects)**

Supervisor: Prof. Dr. Andrey Boyanov Zahariev

**Reason for submitting an opinion: participation in the scientific jury for the defense of a
dissertation according to the Order No. 1008/16 November 2021 of the Rector of the SA "D.
A. Tsenov"**

I. General information about the PhD student:

The PhD student is enrolled in the part-time form of study in the doctoral program "Finance, Money Circulation, Credit and Insurance" at the Department of Finance and Credit, Faculty of Finance of the Academy of Economics "D. A. Tsenov", as of November 13, 2018. With effect from October 1, 2020 the PhD student Mariana Dauo shall switch from part-time to full-time studies with the final term of studies on November 13, 2021. The PhD student also has extensive practical experience as a finance specialist at AFC Consultants International in Germany, the United States Agency for International Development (USAID) in Bulgaria, as well as a credit analyst at the International Bank of Qatar, and as an analyst at TD Bank, Canada.

II. General presentation of the thesis:

The dissertation has a total length of 230 pages, of which the main part is 206 pages. It contains an introduction, an exposition with three chapters and conclusion. The PhD student has used a lot of information sources - 190, of which 175 in English and 15 in Bulgarian. The

significant number of sources used by the researcher is noteworthy. The dissertation includes 11 tables and 22 figures.

The dissertation is on an important issue, addressing the management of systemic risks in the EU financial system in a global and regional perspective. The crises observed over the last two decades, starting with the global financial crisis in 2008 and moving through the European debt crisis to the pandemic crisis, pose new challenges for financial systems. The dangers to which systemic risk can lead and, consequently, how to assess and prevent it are being brought to the fore. The **object of the thesis** is systemic risks in the financial system of the European Union and the **subject of the thesis** is the evolution of systemic risk management in the financial system of the European Union.

The thesis argues that "the application of macroprudential aspects of policy, regulation, supervision and instruments is a necessary condition for managing systemic risks in the modern EU financial system and for ensuring financial stability. Effective management of systemic risks should be based on close coordination between monetary, fiscal and macro-prudential policies, leading to financial stability with efficient use of monetary resources". The stated aim of the thesis is to argue the importance of systemic risk management in the financial system of the European Union in ensuring financial stability and to analyse the contemporary challenges of managing this risk. The doctoral candidate sets herself 6 tasks in order to realise the set objective.

The first chapter discusses the nature of systemic risk from a theoretical perspective, its measurement, and analyses the main forms of systemic risk such as contagion risk, macro shocks risk and imbalance risk, which can occur separately or in combination of one form with the other. Particular attention is paid to approaches to assessing systemic risk. The second chapter focuses on the applied aspects of the regulation and management of systemic risks of the financial system in the EU. It analyses the shortcomings of financial regulation and supervision prior to the global financial crisis, covers new aspects of regulation and the changed EU architecture. Special attention is also paid to the early diagnosis of macro-prudential risks and to analysing the effectiveness of macro-prudential instruments. The final chapter outlines the main challenges for the management of systemic risks in the EU financial system, with a particular focus on policy and support measures for countries in the COVID-19 environment and the impact of shadow banking on systemic risks.

In the conclusion, the PhD student summarises the main conclusions she has reached.

III. Assessment of the form and content of the dissertation.

The dissertation has been developed in an appropriate volume for this kind of research. The three chapters of the dissertation are logically linked and a good balance of the research is achieved. The smooth transition between the different parts is achieved, as well as the positive impression made by the conclusions drawn after each chapter. The relevance of the thesis is undeniable, given the series of crises observed on a global scale, which require an accurate assessment of systemic risk and the challenges facing financial systems.

The style used in the dissertation, as well as the scientific methods and approaches are appropriate and well chosen for the purpose of realizing the tasks set by the PhD candidate.

The abstract is 47 pages long. It accurately and adequately reflects the content of the dissertation. The doctoral candidate also indicates future directions for work on the topic of the dissertation, which are limited to the study of systemic risks in insurance and the application of macro-prudential policy, the expansion of the measurement of systemic risk in Bulgaria, and a more in-depth study of contagion in the transmission of shocks between banking systems.

The reference of publications shows that the PhD student has 5 publications, which exceed the national minimum requirements under the Implementing Rules for the Law on the Development of Academic Staff of the Republic of Bulgaria. She has published 1 study and 4 conference papers, one of which was in a conference held abroad.

IV. Scientific and applied contributions of the thesis.

The doctoral candidate indicates 6 scientific and scientifically applied contributions. As more significant contributions can be mentioned those related to the analysis of the effectiveness and adequacy of composite indicators and empirical methods for measuring systemic risks, conducting a comprehensive comparative analysis of the implementation of macro-prudential instruments in the EU and Bulgaria, as well as highlighting the most important challenges for the ECB and other central banks to ensure financial stability in times of widespread crises such as the COVID-19 crisis. A significant contribution is also that of deriving important recommendations on systemic risk management after the detailed exposure of weaknesses in the analytical, regulatory, analytical and applied aspects of systemic risk management in the EU financial system, highlighting the need for a better definition of systemic risk based on a thorough analysis of vulnerabilities in the EU financial system and in other countries.

V. Critical remarks and questions on the thesis.

The dissertation is a complete and qualitative study, characterized by balance and logical coherence. It should be noted that summaries and main conclusions are drawn to each chapter and individual paragraphs of the dissertation. The author's position on the problem investigated in the dissertation is also evident in the course of the presentation. The quality of the dissertation shows that the doctoral candidate is very skillful in her use of terminology and has a good knowledge of the topic under study.

The following question can be addressed to the PhD candidate: Will the COVID-19 pandemic change the regulation of the financial system in the EU?

VI. Summary evaluation of the thesis and conclusion.

The dissertation on "Current Challenges for the Management of Systemic Risks in the EU Financial System (Global and Regional Aspects)" is a complete and qualitative study that contains a number of scientific and applied contributions. For this reason, I believe that the doctoral candidate Mariana Moneva Dauo deserves to be awarded the Education and Science degree of Doctor in the professional field 3.8 Economics, scientific specialty Finance, Money Circulation, Credit and Insurance.

December 5, 2021

Prepared by:

(Assoc. Prof. Dr. Gergana Mihaylova-Borisova)