

OPINION

From: Assoc. Prof. Dr. Valentin Ivanov Milinov, scientific specialty "Finance, money circulation credit and insurance (finance)", member of the Department "Finance and Credit" at SA "D. A. Tsenov "

Subject: dissertation on "CURRENT CHALLENGES FOR MANAGING SYSTEMIC RISKS IN THE EU FINANCIAL SYSTEM" (GLOBAL AND REGIONAL ASPECTS)"

Author: Mariana Moneva Dauo, PhD student at the Department of Finance at the University of Sofia "D. A. Tsenov "- Svishtov.

Doctoral Program: "Finance, Money Circulation, Credit and Insurance (Finance)"

Scientific adviser: Prof. Andrey Boyanov Zahariev

Purpose of the opinion: to evaluate the qualities of the dissertation for the acquisition of ONS "Doctor"

Grounds for drafting the opinion: according to Order №1008 / 16.11.2021 of the Rector of SA "D. A. Tsenov "

Date of drafting of the opinion: 10 December 2021

I. General presentation of the dissertation

The dissertation is an in-depth, complete and timely scientific research, which is carried out in the post-crisis period in response to solving problems of scientific and scientific-applied nature.

The object of the dissertation is the systemic risks in the financial system in the Union and a critical review of the management of systemic risks in the functioning of the financial system in the EU and extended to the continent of Europe. The subject of the study is the evolution of systemic risk management in the financial system of the Union and the current low requirements in terms of regulatory framework, policies, instruments and real actions, as well as new events that may be systemically significant in the near future. of the EU financial system.

In his dissertation, the doctoral student sets himself the ambitious goal of analyzing the current challenges facing the management of systemic risks in the conditions of the dynamically developing EU financial system and ensuring financial stability. On the one hand, the paper analyzes the theoretical statements of a number of authors in this issue, and on the other - the doctoral student presents his specific vision on building effective regulations, supervision and tools for managing systemic risks in the modern EU financial system. with specific conclusions and recommendations.

The dissertation is developed in a volume of 230 standard pages. The work is structured as follows: introduction, three chapters, conclusion, bibliography and appendices. The main text of the study presents 11 tables and 22 figures. At the end of the dissertation there are appendices on 4 pages. The bibliographic reference contains 190 sources, incl. 16 from the scientific school of the finance department.

II. Assessment of the form and content of the dissertation

With regard to the content of the dissertation, the author's in-depth theoretical training in the field of finance is clear. The doctoral student demonstrates his / her knowledge in relation to the normative, macroeconomic and organizational aspects of project management of cross-border infrastructure projects.

Regarding the structure of the dissertation, the author has achieved precision and proportionality in the volume of the chapters, which are three in number, and in each of them are formulated by main points, arranged in a logical sequence. Conclusions are outlined at the end of each chapter.

In terms of style, the dissertation is characterized by a high scientific style of expression and accurate use of special financial terminology and formulary.

Regarding the methodological plan, the main scientific research methods were used in the development, such as: induction and deduction; analysis and synthesis; abstraction and generalization; historical and logical approach; simulation mathematical model; SWOT analysis.

In the process of research the doctoral student uses and cites a large number of fundamental Bulgarian and foreign literary sources related to the subject - a total of 190 sources listed in the bibliography. Literary sources are correctly cited below the line in the main text of the paper.

In the conclusion the author makes reasoned summaries of the research and confirms the research thesis and working hypotheses formulated in the introduction.

III. Scientific and scientific-applied contributions of the dissertation

In the dissertation of Dr. Mariana Moneva Dauo, the following main scientific and applied scientific contributions can be distinguished:

First. Systematization and analysis of a wide range of academic and practical research on the nature, assessment, measurement, regulation and monitoring of systemic risks in the euro area, as well as globally, which contribute to building a multifaceted theoretical foundation to clarify the nature and importance of effective managing excessive systemic risks and strengthening the early warning function in existing tools.

Second. The theoretical and methodological framework of Basel III with its components is critically presented and the important role of banking stress tests and regulatory policy for maintaining financial stability and managing systemic risks is emphasized. Through a deductive approach, the author's interpretation of the current challenges of the implementation of Basel III is given, including the impact on the profitability of the banking sector due to conservative measures and standards, the complexity of disclosure and reporting and last but not least the quality of data.

Third. The effectiveness and adequacy of the composite indicators and empirical methods used to measure systemic risks by both the ECB and other central banks in EU countries have been analyzed, and the analysis shows that the use of these instruments is associated with a number of challenges. forecast values would improve their adequacy in measuring and reporting systemic risk.

Fourth. A comprehensive, systematic and comparative analysis of the application of macroprudential instruments in the European Union and Bulgaria has been performed. On this basis, the need for and role of macroprudential mechanisms in the banking sector has been clarified, and it has been confirmed that macro-prudential instruments introduced in the EU are effective but highly dependent on systemic risk / significance, which sometimes makes them difficult to compare. There are many arguments in support of the conclusion that building an internationally comparable assessment based on uniform quantitative indicators is impossible, so the role of regulators and supervisors remains a key permanent factor in the implementation of macroprudential policy and requires resources in this area.

Fifth. Based on the analysis of macroprudential policies conducted within the European Union and globally, the most important challenges for the ECB and other central banks to ensure financial stability in times of large-scale crises such as the COVID-19 crisis have been identified, key of which are: to sign a protocol for crisis actions; strengthen the accountability of the ECB to the European Parliament and the accountability of local national banks to the

ECB with the potential for a stronger sanctioning function vis-à-vis the bank and the country lagging behind in implementing macroprudential policies and instruments; to expand the scope of macro-prudential regulation and supervision to cover the field of shadow banking and institutions, as well as new fintech companies, whose large-scale growth over the last ten years has induced risks.

Sixth. Revealing problematic aspects / weaknesses in the analytical, regulatory, analytical and applied aspects of systemic risk management in the EU financial system, important recommendations were made on the topic, namely (i) deeper knowledge of the effects of macroprudential policy and its interaction with monetary policy, which would lead to more effective implementation of macroprudential policy instruments. (ii) a more forward-looking systemic risk analysis based on forecasts, rather than just analysis of current and historical data, and in order to ensure early detection of risks and timely activation of macroprudential policies, the analysis should be more far-sighted; and (iii) provide a better formulation / definition of systemic risk based on an in-depth analysis of vulnerabilities in the EU financial system and elsewhere, while continuing to be flexible and pragmatic, taking into account the importance of country-specific circumstances and the uneven availability of data to make adequate decisions.

IV. Questions on the dissertation.

I have rather a recommendation to the author of the dissertation - to expand the range of his research work in the direction of further research together with the current analysis of the factors determining the contribution of large financial institutions to systemic risk.

V. Summary assessment of the dissertation and conclusion

The dissertation of doctoral student Mariana Moneva Dauo is a current study in the field of modern challenges to the management of systemic risks in the dynamically developing financial system of the EU and ensuring financial stability.

The seriousness of the research work of the doctoral student is proved by his publications related to the topic of the dissertation - a total of 5 independent publications (2 studies and 3 scientific papers).

In conclusion, it can be stated that the dissertation has the necessary scientific and scientific contributions. This gives me reason to evaluate positively the dissertation for the award of the educational and scientific degree "Doctor" in the doctoral program "Finance, Money Credit and Insurance (Finance)" by Mariana Moneva Dauo.

December 10, 2021
Svishtov

Sincerely,
(Assoc. Prof. Dr. Valentin Milinov)