

**Opinion by a member of the scientific jury  
for obtaining the educational and scientific degree "Doctor"  
in Academy of Economics "D. A. Tsenov" - Svishtov**

**Reviewer: Prof. Dr. Silvia Trifonova Trifonova-Pramatarova**

**Author of the dissertation: Ph.D. student Mariana Moneva Dauo, D020218171, regular form of doctoral studies**

**Topic of the dissertation: "Current Challenges in Managing Systemic Risks in the EU Financial System (Global and Regional Aspects)"**

Ph.D. student Mariana Moneva Dauo, D020218171 is in regular form doctoral studies, state-funded training in the field of higher education: 3. Social, economic and legal sciences, professional field: 3.8. Economics, under the doctoral program "Finance, Money Circulation, Credit and Insurance" (Finance) at the Academy of Economics "D. A. Tsenov" – Svishtov.

**I. General presentation of the dissertation.**

1. The subject of research in the dissertation are the current global and regional challenges to systemic risk management in the EU financial system.

2. The dissertation has a total volume of 230 standard pages, of which 206 pages of main text.

3. The structure of the dissertation is classical, consisting of an introduction, three chapters, a conclusion, a bibliography and appendices. The first chapter examines the theoretical and applied aspects of systemic risks in the EU financial system with a historical overview of the period after the global financial crisis. Of interest is the analysis of the assessment framework and quantitative measures of systemic risk and the matrix interbank structure.

The second chapter analyzes the methodological and applied aspects of systemic risk management in the EU financial system. For this purpose, the changes in the EU architecture for financial regulation and supervision have been systematized on the basis of their shortcomings before 2008-2009. Emphasis is placed on the early identification of macroprudential risks, the effectiveness of macroprudential instruments and the role of the ECB in managing systemic risks. The adaptation of the national regulatory framework to that of the ECB and the assumption of systemic risk in the global regulatory standard Basel III are considered.

The third chapter is dedicated to the current challenges of managing systemic risks in the EU financial system. A critical analysis of the fundamental framework and instruments of EU macroprudential policy has been made. The focus is on the ECB's macroprudential policy and the resilience of EU banks to the pandemic. Attention is also paid to the issue of the systemic importance of the shadow economy in the modern financial system. Of particular interest to me is the analysis of the impact of the COVID-19 pandemic on the ECB's macroprudential policy and the implementation of macroprudential instruments in other non-EU countries.

4. The list of used literature includes a total of 190 literature sources.

5. Two annexes are presented to the dissertation.

**II. Assessment of the form and content of the dissertation.**

1. The dissertation is dedicated to a topic that is extremely relevant and significant – global and regional challenges to the management of systemic risks in the EU financial system.

The Ph.D. student is very well acquainted with the problems of scientific research, to which her extensive practical experience contributes. She has worked as a Financial Specialist – Analyst at AFC Consultants International, Bonn, Germany (1999-2001), Financial Specialist – Infrastructure Finance at the United States Agency for International Development (USAID), Sofia, Bulgaria (2001-2006), Credit Analyst – Commercial Banking at the International Bank of Qatar (IBQ), Doha, Qatar (2007), Financial consultant – independent contractor, worked on assignment with a certified agent of Export Import Bank, USA (2009), analyst National Clients Commercial Banking – TD Bank CNA, Toronto, Canada (2011-2015), Project coordinator, Bulgarian Chewing Association – Bulgaria (2018 - now).

The subject of the dissertation is the evolution of systemic risk management in the EU financial system and the current challenges in terms of regulatory framework, policies, instruments and real actions, as well as new events that may be systemically significant for the EU financial system in the near future. The object of study is the systemic risk in the EU financial system.

The aim of the dissertation is to argue the importance of systemic risk management in the EU financial system to ensure financial stability and to analyze the current challenges for managing this risk. The aim of the dissertation is decomposed into 6 research tasks.

The research thesis of the dissertation is: "the implementation of macroprudential aspects of policy, regulation, supervision and instruments is a necessary condition for managing systemic risks in the modern financial system of the EU and to ensure financial stability. Effective management of systemic risks should be

based on close coordination between monetary, fiscal and macroprudential policies, leading to financial stability through the efficient use of money funds”.

The research methodology includes a wide range of research methods such as theoretical and methodological analysis, method of analysis and synthesis, historical and logical approach, comparative analysis, systematic approach, inductive and deductive method, descriptive analysis, empirical analysis, graphical and tabular analysis. Some of these research methods are not explicitly described in the methodology of work, but in practice they are used.

2. The dissertation presents a thorough review of the existing literature on the subject. The review of the literature reflects the author's own attitude to the issues under consideration.

3. The total volume of the dissertation is 230 standard pages.

4. In the dissertation are used appropriate graphic and tabular tools to illustrate the presented theses and productions – a total of 22 figures and 11 tables.

5. The dissertation is characterized by a sequence of reasoning. A smooth transition was made between the different parts. There is the endurance of the scientific apparatus and the proportionality of the three separate chapters in the dissertation.

6. Empirical data have been used and processed correctly.

7. In connection with the implementation of the goals and objectives of the study, the Ph.D. student has used many foreign and Bulgarian sources on the topic. The bibliography includes a total of 190 literature sources, incl. in English and in Bulgarian.

8. The abstract accurately and clearly reflects what is written in the paper. The Report of the Ph.D. student's publications on the topic of dissertation and the Report on compliance with the national requirements under the Regulations of the Academic Staff Development in the Republic of Bulgaria Act make a positive impression. There are 5 publications on dissertation, incl. 1 article and 4 papers.

The Ph.D. student has a total of 55,00 points from publications on the topic of the dissertation, which exceeds the national minimum required number of points 30,00.

### **III. Scientific and scientific-applied contributions of the dissertation.**

The scientific and scientific-applied contributions of the dissertation are indicated on pp. 41-43 in the author's abstract to the dissertation. I agree with the contributions formulated by the author, as follows:

1. Systematized and analyzed a wide range of theoretical and empirical research on the nature, assessment, measurement, regulation and monitoring of systemic risks in the euro area, highlighting the nature and importance of effective management of excessive systemic risks and strengthening the early warning function in the current tools.

2. Critical analysis of the theoretical and methodological framework of Basel III, emphasizing the important role of banking stress tests and regulatory policy to maintain financial stability and manage systemic risks. Through a deductive approach, the author's interpretation of the current challenges of the implementation of Basel III is given, incl. impact on the profitability of the banking sector due to conservative measures and standards, the complexity of information disclosure and reporting, and the quality of data.

3. Analysis of the effectiveness and adequacy of composite indicators and empirical methods for measuring systemic risks by both the ECB and other central banks in EU countries.

4. Comprehensive, systematic and comparative analysis of the implementation of macroprudential instruments in the EU and Bulgaria, concluding that the macroprudential instruments introduced in the EU are effective, but are highly dependent on the assessment of systemic risk / significance, which sometimes causes difficulties in their comparability. 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.

5. Identified important challenges for the ECB and other central banks to ensure financial stability in times of crisis, such as the COVID-19 crisis, based on an analysis of macroprudential policies conducted within the EU and globally. These challenges are: to sign a protocol for crisis action; to strengthen the accountability of the ECB to the European Parliament and the accountability of national banks to the ECB with the potential for a stronger sanctioning function vis-à-vis the bank and the country lagging behind in the implementation of macroprudential policies and instruments; to expand the scope of macroprudential regulation and supervision to cover the field of shadow banking and institutions, as well as new fin-tech companies, whose large-scale growth over the last ten years has induced risks.

6. Revealing problematic aspects / weaknesses in the analytical, regulatory and applied aspects of systemic risk management in the EU financial system, important recommendations were made on the topic: (i) better knowledge of the effects of macroprudential policy and its interaction with monetary policy 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, would ensure early detection of risks and timely activation of macroprudential policies; (iii) better formulation / definition of systemic risk,

based on an in-depth analysis of vulnerabilities in the EU financial system and elsewhere, with a flexible and pragmatic approach, taking into account country-specific circumstances and the uneven availability of data to be collected. of adequate solutions.

I share my personal positive attitude to the work of the Ph.D. student from her participation with a scientific paper on "Unconventional monetary policy instruments of the ECB during the COVID-19 pandemic" at the Final International Scientific Conference "Innovative unconventional monetary policy of leading central banks and its effects on developed and developing countries with an emphasis on Bulgaria", organized on October 9-10, 2021 in implementation of a research project led by me, funded by the National Science Research Fund.

**IV. Critical notes, questions and recommendations on the dissertation:**

I have no critical remarks on the substance of the dissertation. It has been developed very thoroughly and responsibly. Only of a technical nature I recommend in the dissertation to have a list of abbreviations and a list of figures and tables.

**V. Summary conclusion and opinion.**

The dissertation research is dedicated to an important problem and is of interest from both a scientific and a practical point of view for the banking sector. The conclusions made express the Ph.D. student's own position. Therefore, I give a positive assessment of the study, presented by the above reviewed dissertation and abstract, and propose to the esteemed scientific jury to award the educational and scientific degree "Doctor" of Mariana Moneva Dauo in the doctoral program "Finance, Money Circulation, Credit and Insurance" (Finance) at the Academy of Economics "D. A. Tsenov" – Svishtov.

Date: 11.12.2021

Reviewer: .....  
(Prof. Dr. Silvia Trifonova-Pramatarova)