Report on Rigorous Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University in Prague

Student:	**Mgr. Tomáš Klinger**
Advisor:	**PhDr. Petr Teplý, Ph.D.**
Title of the thesis:	**Systemic risk and sovereign crises**

OVERALL ASSESSMENT *(provided in English, Czech, or Slovak):*

The pending global crisis has changed the view on world financial markets and highlighted the importance of connectivity among market players. Tomáš Klinger has chosen an interesting topic for his rigorous thesis dealing with systemic risk and sovereign crises.

The thesis consists of seven main chapters. After short introduction the second chapter deals with the context of state aid to financial institutions and related feedback loops. The third one presents a theoretical background serving as a good basis for Tomáš´s research. The fourth chapter describes the network model. In the fifth chapter of the thesis the author presents the results of the Monte Carlo simulations performed with the model. In the sixth chapter the author calibrates the model to the real-world banking data and therefore contributes to the current debate on systemic stability and the nexus between banks and sovereigns. The last seventh chapter concludes the work and states final remarks.

The thesis fulfills format requirements and is worked out nicely the estimated models has a high discriminatory power. Tomáš has developed own network model and calibrated it on real data, what makes his work outstanding. I believe that a part of the thesis might be published in a journal with a high impact factor. The author has been meeting his advisor on a regular basis, cooperated with him closely and reflected his comments to the final version of the thesis.

The thesis by Tomáš Klinger shows that he has developed a solid academic approach and built own systemic risk models. The topic chosen is highly attractive subject which makes his contributions valuable, in particular to systemic risk modelling. I consider **this Tomáš´s thesis as an excellent piece of academic work and support it to be accepted in this form.**

NAME OF THE REFEREE: Petr Teplý

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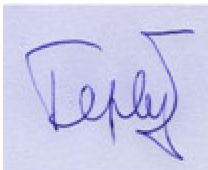

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Examiner Signature