

TO THE MEMBERS OF THE SCIENTIFIC JURY
FOR THE PROCEDURE FOR THE ACQUISITION OF
EDUCATIONAL AND SCIENTIFIC DEGREE "DOCTOR" IN THE DOCTORAL
PROGRAMME „FINANCE, MONEY CIRCULATION, CREDIT AND INSURANCE“
(FINANCE)

REVIEW

Reviewer: Prof. Dr. Teodora Dimitrova, Department of „Finance and credit", D.A. Tsenov Academy of Economics – Svishtov, scientific major „Finance, Money circulation, Credit and Insurance”

Author of the dissertation: Raya Biserova Dragoeva, full-time doctoral studies, state-funded training, in the field of higher education: 3. Social, economic and legal sciences, professional direction: 3.8. Economy, doctoral programme: „Finance, Money circulation, Credit and Insurance” (Finance)

Topic of the dissertation: „Financial Analysis of the Commercial Banks in Bulgaria in the Conditions of Post-Crisis Recovery“

This review has been prepared in accordance with the requirements of the existing Law on the Development of the Academic Staff, the Rules for its Application and the Rules for the Development of the Academic Staff in CA "D. A. Tsenov" - Svishtov.

I. General presentation of the dissertation work.

The dissertation has a volume of 222 pages, illustrated with 39 figures and 16 tables. Compositionally, it consists of an introduction, three chapters, a conclusion, references. There is a balanced and logical classical structure. They are used 286 literary sources. The author's development has become available to the public through 6 publications on the topic of the dissertation work.

The chosen topic is distinguished by relevance, significance and dissertability.

The relevance of the research is determined by the ever-increasing role and importance of the theoretical and practical aspects of the activity of commercial banks in the conditions of post-crisis recovery. The dissertation has a clearly defined object, subject, goals and tasks of the scientific research, as well as a formulated dissertation thesis.

The object of research is the financial condition of the commercial banks in Bulgaria (first group).

The subject of research are the key indicators for evaluating banking activity.

The main purpose of the dissertation work is to examine the financial condition of commercial banks in Bulgaria in the conditions of post-crisis recovery.

For the implementation of the main goal, the following tasks have been formulated:

- to outline the theoretical and applied aspects of banking sector regulation in Bulgaria, the implementation of the Basel agreements: Basel I, II and III and possibly IV;
- to do a theoretic research on the nature and causes of crises in the banking sector;
- to highlight the importance of financial analysis as a tool for evaluating banking activity;

- to review the key indicators and propose a model for evaluating the banking activity;
- based on the presented model for the analysis and assessment of banks to investigate their financial condition.

The main research thesis that the author defends in the dissertation is, dissertation is that the banking sector in Bulgaria (in particular the banks of the first group) remains stable even in the conditions of multiple crises, thanks to formed capital buffers and adequately managed balance sheet positions in accordance with the national and European regulatory framework.

For **research methods** in the dissertation work are selected: comparative analysis, the historical method, the inductive method, rank classification. To achieve the research tasks, publicly available data from the banks' official databases were used.

In the development of the present dissertation, some **limitations in the scope of the study** were adopted, as they are tied to certain group and time limits. The main focus of the dissertation work is on the study of the banks of the first group (according to the classification of the BNB), since they are considered as systemically important financial institutions, whose condition affects the development of the entire banking sector and the country's economy. The dissertation analyzes and summarizes the predisposition of banks to risks, respectively their sustainability in modern dynamic economic conditions.

The scientific literature used is correctly cited. Current Bulgarian and foreign specialized publications have been thoroughly studied and analyzed.

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

The research logic and structure of the dissertation work are well constructed. The dissertation is based on studies of scientific developments of Bulgarian and foreign researchers in the field of banking, banking analysis and supervision.

In structuring, the doctoral student first of all (in the first chapter) clarifies the theoretical and methodological foundations of the study – the chronology of the emergence and development of banking institutions and banking is traced. An in-depth analysis of the Bulgarian regulatory framework and the European regulations for banking supervision was made, as well as the scientific interpretation of banking crises and the reasons for their occurrence. It is emphasized the importance of banking supervision and its role in terms of bank stability. The changes in banking legislation aimed at improving the efficiency of supervision and providing for the higher stability of the banking system have been studied. Particular attention is paid to the Basel regulatory framework and the impact of the global financial crisis of 2007-2009 on the banking sector, which brought new insight into the theory of financial crises.

The second chapter has a markedly analytical and research character, due to the accumulation of a large volume of statistical information, combined with the author's abilities for its processing and analysis. The full methodology used for the assessment of commercial banks is presented. The focus is on the application of the CAMEL rating system and its modified model. An analysis of the five basic components of the CAMEL model as well as of the financial assessment indicators was carried. The reasons that provoked the global financial and economic crisis of 2007-2008 and its reflection on a global and national scale are analyzed.

Chapter three focuses on the processes of consolidation of the banking institutions. It presents the results of the empirical part of the study of Bulgarian banks from the first group. The state of commercial banks in our country for the period 2010-2021 was analyzed using financial stability indicators based on a modified model of the CAMEL rating system.. The main macroeconomic factors were also investigated with an author's assessment of their impact on the banking sector. The focus is on the guidelines for future development of the banking sector in our country.

Formulated recommendations in the concluding point give completeness to the development, and summarizing conclusions and statements presenting the author's views at the end of each chapter further emphasize its qualities. At the conclusion of the development, the doctoral student systematizes the main summaries, conclusions and achieved results, which can be considered as scientific contributions - the essence of any research of this type. This, in turn, gives grounds for confirmation of the research thesis put forward at the beginning of the development.

Following the above research logic, the abstract is developed in accordance with the main points of the dissertation, highlighting the contributions of the author. It reflects in a synthesized form the content, the main results and conclusions reached in the research process. It contains all the necessary elements for composing an abstract for a dissertation work, including justifying the topicality of the topic, outlining the object, subject, purpose, tasks, research thesis and research methodology, presentation of the structure and content of the work, as well as directions for future research on the topic of the dissertation, report on contributions, report on compliance with national requirements, a list of the doctoral student's publications, a declaration of originality of the dissertation.

As publications on the topic of the dissertation, 6 issues are presented - proof that key aspects of the research were made available to the scientific community, including and through participation in scientific forums, as well as that the national requirements for a minimum number of points are covered according to the Regulations for the Application of the Law on the Development of the Academic Staff in the Republic of Bulgaria. A good impression is also made by the fact that the doctoral student presents the guidelines for future research work on the chosen topic.

III. Scientific and scientific-applied contributions of the dissertation work.

The dissertation builds on existing and presents new scientific ideas with scientific and practical significance for the Bulgarian banking sector. A careful reading of the dissertation gives reason to single out the following as scientific and scientific-applied contributions:

1. Based on an in-depth review of the scientific literature on the related issues, the author offers a complex systematization of the theoretical aspects in the field of banking crises in terms of their constituent phases and impact factors.
2. Through the tools of financial analysis, the author evaluates the activity of banks in the conditions of economic crisis and distinguishes their specifics based on key indicators.
3. Based on a methodological assessment of the processes of consolidation of bank capital in Bulgaria, the author presents his own view of their importance as a prerequisite for the stability of the banking sector.
4. After the author's macroeconomic analysis and analysis and ranking of commercial banks in Bulgaria (first group) based on a modified CAMEL model, the author assesses the

state of the banking sector in a period of post-crisis recovery and formulates guidelines for the future development of banking activity in Bulgaria.

IV. Dissertation critical notes, questions and recommendations.

Regarding the dissertation work, including the main exposition and the author's argumentation, I have no significant critical remarks and recommendations.

Dissertation Questions:

1. Comment on opportunities to improve the applicable banking legislation in order to adequately manage future potential crisis situations in the banking sector.
2. Comment on the main stability factors of the Bulgarian banking sector in a period of post-crisis recovery.

V. Summary conclusion and opinion.

The dissertation submitted for review has the characteristics of a complete, thorough and complete scientific study on a significant economic problem. I believe that the goals and tasks of the dissertation, set in the introduction, have been achieved in the course of the research. The scientific and scientific-applied contributions formulated in the conclusion and the results of the conducted practical research can be defined as real achievements of the doctoral student.

For the purposes of making a decision by the Scientific Jury to awarding the educational and scientific degree "doctor" in a doctoral program „Finance, Money circulation, Credit and Insurance” (Finance), I give a positive assessment of the dissertation work on a topic „Financial Analysis of the Commercial Banks in Bulgaria in the Conditions of Post-Crisis Recovery“ and I propose to the members of the Scientific Jury to award the educational and scientific degree "doctor" (in economics) to Raya Biserova Dragoeva.

Date: 03.01.2023

Reviewer:
(Prof. Dr. T. Dimitrova)