

**Opinion**  
**of a member of the Scientific Jury**  
**for obtaining the educational and scientific degree "Doctor"**  
**under the program "Finance, money circulation, credit and insurance" (Finance)**  
**in SA "D. A. Tsenov" - Svishtov**

**Prepared the opinion:** Assoc. Prof. Dr. Ivaylo Mihailov Mihailov, habilitated in the scientific specialty 05.02.05 "Finance, Money Circulation, Credit and Insurance".

**Grounds for presenting the opinion:** participation in the composition of the scientific jury for the defense of the dissertation according to Order № 1010/16 November 2021 of the Rector of the Academy of Economics "D. A. Tsenov"- Svishtov.

**Author of the dissertation:** PhD student Orlin Chavdarov Yaprakov (DO20219186), part-time study in the doctoral program "Finance, Money Circulation, Credit and Insurance" (Finance) at the Department of Finance and Credit at the Academy of Economics "D. A. Tsenov" - Svishtov.

**Topic of the dissertation:** "Restructuring, consolidation and competition in the Bulgarian banking market".

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

The dissertation *"Restructuring, consolidation and competition on the Bulgarian Banking Market"* presented for review has a clearly defined object, subject, goals and objectives. It argues that "The Bulgarian banking market is developing in conditions of interbank competition, requiring institutional restructuring and consolidation in order to comply with the evolving regulatory framework and supervisory mechanisms of the central bank, prudential measures and targeted indicators of capital, risk, profitability and return".

The exposition of the dissertation has a logical and well-balanced classical structure, consisting of: introduction, three chapters with paragraphs, conclusion, used literature and appendices. The development includes 210 pages of body text, 28 figures and 28 tables. The number of used literary sources is 130, of which 51 in Bulgarian and 79 foreign. The efforts of PhD student Orlin Yaprakov to study and systematize the theses of leading authors and researchers on the chosen topic deserve high praise. Literary sources have been used in good faith and correctly in the interpretation of specific aspects of banking management and regulatory policy of monetary authorities.

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

The topicality of the dissertation is justified by the growing dynamics of the processes in the socio-economic sphere in recent years and the resulting prospects for the financial and credit sector. The driving forces behind the changes in the economic situation were: the global financial and economic crisis (2007-2008), the unfavourable consequences of the crisis for the development of some banking institutions, the change in consumer attitudes towards the offered banking products and services, new moments in regulatory policy, etc.

I can say with a high degree of conviction that the choice of the topic is in accordance with the needs of financial theory and practice. The study contains current theoretical issues and scientific and practical statements, with an emphasis on restructuring and consolidation processes in the Bulgarian banking market.

The *first chapter* provides a chronological overview of theoretical and empirical research in the field of banking consolidation, restructuring and competition. The connection between financial stability and consolidation processes has been established and clarified. The regulatory norms and the legal framework for implementation and control of the banking restructuring, consolidation and competition, operating in Bulgaria and the EU, are well studied and systematically presented.

The *second chapter* is dedicated to the Bulgarian banking market in the conditions of interbank competition. Quantitative and qualitative indicators for measuring the efficiency of banking as well as the dynamics of key macroeconomic variables are derived, which seeks to answer the question of how and to what extent the changing macro environment affects banking business and interbank competition. A ranking of commercial banks according to the CAMEL system is presented, which is one of the key tools for monitoring the financial stability of banks and assessing their strengths and weaknesses. The influence of foreign credit institutions on the development of the sector is also studied.

In the *third chapter*, PhD student Orlin Yaprakov makes an empirical study of the environment and the processes of consolidation and restructuring of banks in Bulgaria. The research is supported by a correlation analysis of the relationships between the main banking measures and key macroeconomic indicators.

Each chapter ends with conclusions, and in summary, the main points of the study are presented in details. Nine (9) applications amounting to 20 pages have been attached to the dissertation.

Methodologically, the dissertation uses the following research methods: theoretical analysis, synthesis and generalization of information, deductive and inductive methods of reasoning, systematization, descriptive statistics, vector-verbal analysis, statistical application of rank classification.

The abstract correctly presents the main points of the overall content of the dissertation and fully meets the requirements adopted in academic practice for the compilation of such research papers. Structurally, it consists of seven parts: general characteristics of the dissertation, main content and synthesized exposition of the individual chapters, guidelines for future research, reference for contributions and list of publications, reference for compliance with national requirements under regulations for application of the Law for development of the academic staff in Bulgaria and attached declaration for originality and authenticity of the dissertation.

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

In the course of his research, the author has formulated five contributing moments, mainly of a scientific-theoretical nature.

*First*, the topicality of the issues related to the restructuring, consolidation and competition of the Bulgarian banking market is substantiated.

*Second*, based on a profound study of numerous Bulgarian and foreign sources, normative documents and empirical evidence, the author's definitions for three key concepts expressing the problematic perimeter of the dissertation are derived: banking sector restructuring, consolidation and banking competition.

*Third*, with a high degree of statistical significance, the connection between the consolidation, competition and restructuring of banks with the macroeconomic, regulatory and institutional framework of the state is proved. In order to achieve stability in the financial system, a policy recommendation aimed at promoting a competitive environment has been issued.

*Fourth*, after an empirical study, the degree of determination between the key banking measures and macroeconomic indicators for development has been established.

*Fifth*, by using an approach that integrates the indicators from the CAMEL system, the effects of the restructuring and consolidation of commercial banks in Bulgaria have been closely analysed.

#### **IV. Critical notes and questions on the dissertation**

There are some gaps and weaknesses in the work of the doctoral student.

1. In some places in the text the sentences are too long, the statement is inaccurate and creates confusion (pp. 11, 60, 110, 116, 157, 158, etc.).

2. The input points should be more clearly worded so as not to overshadow the general conclusions.

During the reading of the dissertation the following questions have arisen:

1. By what criteria was it established that the 24 banks operating on the territory of the country are "small in number" (p. 75). And according to this same criterion, can it be determined how many should be their optimal number?

#### **V. Summary assessment of the dissertation and conclusion**

The dissertation submitted for my opinion on the topic "Restructuring, consolidation and competition on the Bulgarian banking market" meets the volume and quality of the requirements for a doctoral dissertation. The doctoral student has achieved the goals of his research.

In view of the above arguments, I give a positive assessment of the dissertation and call on the scientific jury to vote positively for the award of the educational and scientific degree "Doctor" of **Orlin Chavdarov Yaprakov** in higher education 3. Social, economic and legal sciences, professional direction 3.8. Economics, scientific specialty "Finance, Money Circulation, Credit and Insurance".

Date: December 8, 2021 r.

Prepared the opinion: .....

Assoc. Prof. Dr. Ivaylo Mihaylov