

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 D. A. Tsenov Academy of economics - Svishtov

Prepared the opinion: Assoc. Prof. Dr. Ivaylo Mihaylov Mihaylov, University „Prof. Dr. Assen Zlatarov“ – Burgas, 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 № 1050/01 December 2022 of the Rector of D. A. Tsenov Academy of economics - Svishtov.

Author of the dissertation: PhD student Raya Biserova Dragoeva (D010219218), full-time study in the doctoral program "Finance, money circulation, credit and insurance" (Finance) at the Department of Finance and Credit at the D. A. Tsenov Academy of economics - Svishtov.

Topic of the dissertation: " Financial analysis of the commercial banks in Bulgaria in the conditions of post-crisis recovery".

Scientific advisor: Assoc. Prof. Dr. Lyudmil Boyanov Krastev, Finance and credit department, D. A. Tsenov Academy of economics - Svishtov.

I. General presentation of the dissertation

The dissertation consists of an introduction, three chapters, a conclusion, a list of the cited literature, a list of the author's publications related to the topic of the dissertation and a reference for compliance with the national requirements under Regulations for the implementation of the law on the development of the academic staff in Bulgaria. The introduction presents the topicality of the chosen topic, which is determined by the importance and key role of banks in the modern economy. The purpose, tasks and subject of the research are sequentially stated. The research thesis states that *"the banking sector in Bulgaria remains stable even in the conditions of multiple crises, thanks to the formed capital buffers and adequately managed balance sheet positions, in accordance with the national and European regulatory framework"*.

The development includes 197 pages of main text, 39 figures and 16 tables. The number of literary sources used is 268 (including legal acts and Internet sources), of which 120 are in Bulgarian and 148 are foreign. It makes a good impression that the majority of the references are to modern sources (62% of the cited sources are from the last 10 years). I believe that the literature has been used in good faith and correctly, as this has also been stated by the author with the presented declaration of originality of the dissertation work.

II. Assessment of the form and content of the dissertation

The relevance is argued with the key role of banks in the modern economy and the challenges of identifying and managing the risks that accompany their activity. Reading the dissertation gives me reason to assert that the author's knowledge of the researched issues is at

a good level. Undoubtedly, the topic is relevant from a research point of view and has a marked practical applicability.

The first chapter is devoted to the causes of crises in the banking sector. Chronologically, the author traces the emergence and development of banks and banking and highlights the role of credit institutions in the modern financial system. The emphasis is placed on the crises in the banking sector, and for this purpose the author examines the main factors determining the instability of the system, and on the basis of a theoretical review describes cause and effect relationships in the individual phases of the business cycle. At the end of the chapter, conclusions from the research are presented.

In the *second chapter*, the nature and role of financial analysis for the assessment of banking activity is considered. The main indicators for assessing capital adequacy, for assessing the quality of bank assets, indicators for measuring liquidity and indicators for assessing profit and profitability are presented. Based on BNB data, an overview of the main indicators of the banking sector in the crisis (2007-2008) was made.

In the *third chapter*, PhD student Raya Dragoeva makes a financial analysis of commercial banks in Bulgaria during the post-crisis recovery period. The reasons for consolidation of the banking sector are brought to the fore in the context of efficiency hypotheses. The legal framework regulating mergers and acquisitions in the country has been reviewed. Based on a modified CAMEL model, an analysis of commercial banks in Bulgaria was made. The chapter ends with conclusions and guidelines for the future development of banking activity in Bulgaria.

The methods chosen by the doctoral student for conducting the research are: comparative analysis, historical method, inductive method, application of rank classification. I think they correspond to the set goal and the resulting tasks.

The abstract fully and precisely reflects the structure and content of the scientific work. It summarizes the main theoretical propositions, scientific theses and the achieved results contained in the dissertation work. Structurally, it is composed of six parts: a general description of the dissertation, main content and a summary of the individual chapters, a report on the contributions and a list of publications, a report on compliance with the national requirements under the Regulations for the implementation of the law on the development of the academic staff in Bulgaria and an attached declaration of originality and credibility of the dissertation. The language is accessible and clear and meets the academic requirements for such research.

The list of publications on the topic of the dissertation includes six titles - three articles and three reports, one of which is in English. The publications reflect parts of the dissertation and directly correspond with the research done. In the scientific production, PhD student Raya Dragoeva is the sole author. Publication activity is sufficient to award the educational and scientific degree "doctor". According to Regulations for the implementation of the law on the development of the academic staff in Bulgaria, the minimum number of points is 30, and the presented production carries 60 points.

III. Scientific and scientific-applied contributions of the dissertation

The study contains three scientific and scientific-applied contributions, which could be summarized as follows:

First, a critical analysis of the regulatory framework concerning banking activity in Bulgaria was made, and its influence on financial stability was confirmed.

Second, a new approach was proposed to measure the financial performance of banks using a model that complements the indicators of the CAMEL system.

Third, guidelines have been formulated to improve the credit activity of banks in the following three directions: expansion of digitalization, climate risks and the risk associated with the growth of non-performing loans.

IV. Critical notes and questions on the dissertation

There are also some gaps and weaknesses in the doctoral student's work.

1. Pages 151-153 are missing the regression equation. It is appropriate to indicate the source of data and the period covered by the study with the theoretical justification of the analysis.

2. Contributions are formulated very generally and sound vague. For example, "...a comprehensive critical analysis of the current legal regulations concerning banking activity in Bulgaria was made and their positive influence on preserving financial stability was confirmed...". The critical analysis suggests "testing the system" with alternatives to the current normative regulations under different scenarios and, on this basis, to confirm or reject the hypothesis of "their positive influence on preserving financial stability". You probably realize the volume of the "current legal regulations concerning banking activity in Bulgaria"! You will probably agree that there is no way to achieve such a result within the framework of this research.

When reading the dissertation, the following questions arose:

1. What are the consequences for the economy of a deterioration in the capital adequacy of banks during a recession?

2. Why is the central bank's role as a lender of last resort limited under the conditions of a monetary board?

V. Summary assessment of the dissertation and conclusion

The dissertation submitted to me for opinion on the topic "*Financial analysis of commercial banks in Bulgaria in the conditions of post-crisis recovery*" meets the requirements for a doctoral dissertation in terms of volume and quality. The doctoral student has achieved the goals of his research.

In view of the presented arguments, I give a positive assessment of the dissertation work and call on the scientific jury to vote positively for the awarding of the educational and scientific degree "doctor" to Raya Biserova Dragoeva in the field of higher education 3. Social, economic and legal sciences, professional direction 3.8. Economics, scientific specialty "Finance, money circulation, credit and insurance".

Date: January 4, 2023 r.

Prepared the opinion:

Assoc. Prof. Dr. Ivaylo Mihaylov