

## STATEMENT

By Prof. Andrey Boyanov Zahariev, PhD

on a PhD dissertation entitled:

"Asset financing through leasing - current issues and challenges"

with author Bilyana Diyanova Damyanova, Ph.D. No. D 020218173

Form of doctoral study: Part-time

Department leading the study: Department of "Finance and Credit" at the Faculty of "Finance", "D. A. Tsenov" Academy of Economics

Research supervisor: Prof. Teodora Dimitrova Petrova, PhD

Doctoral program: "Finance, money circulation, credit and insurance" (Finance)

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

Bilyana Damyanova was enrolled in part-time doctoral studies with Order No. 1094/15.11.2018 and was dismissed with Order No. 1037/28.11.2022. The doctoral studies ended within the term of the individual plan.

The reason for writing the opinion is a decision of the Faculty of Finance (protocol No. 3/November 11, 2022) at the "D. A. Tsenov" Academy of Economics - Svishtov, approved by order of the rector No 1005/November 16, 2022 and the decision of the first meeting of the scientific jury held on November 25, 2022. The research is in accordance with the requirements of "D. A. Tsenov" Academy of Economics - Svishtov for composition and structure of the content.

The dissertation submitted for review has been developed following a classic three-chapter research framework. In the introduction, the problem area of research is presented and justified, as follows: topicality, object, subject, thesis, goal, tasks and methodology. I evaluate the development as meeting the standards and requirements for a dissertation work.

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

The presented dissertation is 180 pages long and includes an Introduction; Chapter one. Theoretical aspects of leasing; Chapter two. Current problems in the financing of assets through leasing; Chapter three. Challenges in financing assets through leasing. In the conclusion, the main results of the dissertation work are presented. Key summaries are drawn and directions for future research on the topic are formulated.

A bibliographic reference in APA style with 100 titles is presented to the development. The dissertation includes 3 tables and 62 figures. The publicity of the research is ensured through one article and 3 scientific reports, with the equivalent of 35 points according to PPZRAS and meets the minimum standard for registration in NACID.

Full compliance with the requirements for bibliographic citation and bibliographic description is established. Data from the similarity check system indicates a very high level of originality with correct citing of the author's research and publications on the PhD plan.

**The object** of the dissertation is leasing as a source of asset financing.

**The subject** covers current problems and challenges in the management of the leasing process.

The aim of this dissertation is to present and analyze the process of asset financing through leasing for the period 2010-2020, identifying the current problems and challenges facing the industry.

**The thesis** that the author defends in the course of the research is: highlighting the problem-oriented challenges facing the leasing market is a prerequisite for optimizing the leasing process and for improving the management of leasing companies.

**Methodology** - the dissertation paper refers to the use and application of the following types of analysis: "ex post", structural, comparative, practical, survey method. The obtained results are presented through a graphical method which gives



a picture of the leasing market in the Republic of Bulgaria.

Contents and results

Chapter One "Theoretical Aspects of Leasing":

First: Leasing is a historically rich form of financing that has undergone numerous transformations, which is conditionally defined as the resource "root" of newly created enterprises.

Second: The variety of types of leasing offered on the leasing market contributes to the maximum satisfaction of the needs of legal entities and individuals.

Third: The advantages and disadvantages of leasing make it one of the top sources of asset financing.

Chapter Two "Current Issues in Financing Assets Through Leasing":

First: The leasing market in Bulgaria is highly developed in the field of movable property. A poorly developed niche is real estate, due to the complex process developing in a long-term time aspect.

Second: The leasing process is lengthy, regardless of the term of the lease, and goes through interrelated paperwork leading to validly transferred ownership at the end of the lease.

Third: Lease management is a complex process, being a combination of many factors, with the priority of correct reflection in the financial statements of lessees and lessors, and avoiding tax penalties.

Chapter Three "Challenges in Financing Assets Through Leasing":

First: With the help of the survey, the factors influencing the demand for leasing products and services are systematized.

Second: Easier management and capture of risks in the leasing process is achieved through regular monitoring, which is fundamental for increasing the benefits and reducing the negative consequences of financial and economic shocks.

Third: With the help of technology, the human capital of leasing companies should be directed to the improvement of electronic platforms for the purpose of

efficient and quality customer experience.

Fourth: Leasing financing of agricultural machinery has potential for growth, supported by regulatory changes.

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

I assess the contributions presented in the abstract as protected, authentic and in line with the achievements in the dissertation work, as follows:

**First.** On the basis of ex post analysis, the historical line of leasing has been traced in terms of its origin and evolution, and an author's definition of the term "leasing" has been derived, as a specific type of written agreement through which the lessor transfers to the lessee the right to use a certain asset for a fixed period of time in exchange for the corresponding agreed payment. Through the tools of the comparative analysis, the main advantages of leasing have been identified, defining it as a highly efficient and flexible method of asset financing.

**Second.** Based on the author's statistical analysis of the state of the leasing market in the Republic of Bulgaria for the period 2010 – 2020, the problems and challenges facing the industry are highlighted (the document flow, which is signed upon entering into a leasing relationship with a leasing company; the mandatory insurances - motor insurance or property throughout the lease term; the additional costs associated with the transfer of ownership of the leased object; the age of the asset that can be financed through leasing). In this regard, through the method of induction and deduction, specifics in the parametric profile of the leasing transaction have been deduced and an algorithm for its effective management has been proposed.

**Third.** Through an author's survey, consumer interest in leasing products and services has been empirically investigated. Based on a detailed causal analysis, the factors determining the tendency to use leasing as a method of financing assets, as well as the main risks for the participants in the leasing process have been systematized and tools for minimizing the risks in the leasing activity have been

proposed.

**Fourth.** Based on the author's methodological analysis of the leasing process, possibilities for its optimization have been proposed, including a modeled web-based platform of the "Leasing experience" type. The digitization of the leasing activity has been outlined as an economic necessity and a prospect for flexibility, efficiency and prosperity.

#### **IV. Dissertation critical notes, questions and recommendations**

Question: What specific impact does the correction in the interest rates in BGN and EUR have on the pricing of the financial leasing service in Bulgarian conditions?

#### **Conclusion:**

There is a successful doctoral course leading to a dissertation research with convincing scientific standing, publications and scientific appearances. The support from the supervisor and the department is positive and visible in all directions.

In summary, I form a positive conclusion about the presence of the necessary scientific qualities and vote **"FOR"** awarding the educational and scientific degree "doctor" to Bilyana Damyanova, doctoral program "Finance, money circulation, credit and insurance" (Finance), Department of "Finance and Credit" " at "D. A. Tsenov" Academy of Economics with a dissertation under the title "Financing of assets through leasing - current problems and challenges".

**01/09/2023**

**Reviewer: .....**

**(Prof. Andrey Zahariev, PhD)**