REVIEW

of a dissertation submitted for the award of the educational and scientific degree of "Doctor" at Varna Free University "Chernorizets Hrabar"

Reviewer: Assoc. Prof.. Nikolina Grozeva, PhD, Department of Economics, Varna Free University "Chernorizets Hrabar", professional field 3.8 Economics, pursuant to Order No. 599/29 September 2026 of the Rector of Varna Free University "Chernorizets Hrabar".

Author of the dissertation: Daniela Dimitrova Popnikolova

Title of the dissertation: "Adaptation of Banking Activities to the Financing of Sustainable Development"

I. General Overview and Assessment of the Dissertation

The dissertation submitted to me for review addresses a topical research problem related to the sustainable development of banking activities and, respectively, the role of the banking sector in financing the transition to climate neutrality. The topic is significant in the context of the rapid development of the international and European regulatory framework in the field of sustainable finance and the growing importance of environmental, social and governance factors for the activities of financial institutions.

The dissertation comprises 217 pages and consists of an introduction, three chapters, a conclusion, a bibliography and appendices. The main text is 186 pages long and contains 9 figures and 7 tables, while the bibliography includes 189 literary sources in Bulgarian and English.

The introduction substantiates the relevance and significance of the topic and formulates the aim, research objectives, object and subject of the study, and research hypothesis. The main aim of the dissertation is to examine the process of adapting banking activities to the financing of sustainable development by analysing the institutional and regulatory mechanisms for integrating the Principles for Responsible Banking and assessing their impact on the financial performance of commercial banks.

Chapter One establishes the theoretical foundations of the study by examining the conceptual evolution of sustainable development, sustainable finance and sustainable banking. The author employs three complementary theoretical approaches: the triple bottom line concept, stakeholder theory and institutional theory. These approaches are used to substantiate the need to transform the traditional model of financial intermediation by integrating sustainability into the strategic and management processes of banking institutions.

Chapter Two focuses on international and regional institutional and regulatory mechanisms for promoting sustainable finance. It analyses the development of regulatory frameworks, the European Strategy for Financing Sustainable Development, and the role of the European Investment Bank as a financial and institutional mechanism supporting the sustainable transition.

Chapter Three has a pronounced empirical focus and examines the implementation of the Principles for Responsible Banking in Bulgaria. The author has developed an original Responsible

Banking Implementation Index (RBII), through which qualitative information on the degree of integration of the six principles is transformed into a quantitative measure. The index is tested through a comparative analysis of UniCredit Bulbank AD and Eurobank Bulgaria AD.

I positively assess the logical consistency of the research, which includes a theoretical clarification of the subject, an analysis of the institutional and regulatory environment and, as a result, the development and testing of an original methodological instrument and its empirical application. The successful combination of a theoretical and comparative approach with the use of statistical methods and econometric modelling in the empirical study should also be noted.

I consider the effort to establish not merely the existence of sustainable banking practices, but to measure their actual degree of institutional integration, to be a strength of the dissertation. In this respect, the development of an index constitutes a significant methodological element of the study, as it makes it possible to move beyond the binary distinction between “implemented” and “not implemented” and creates an opportunity to compare different levels of institutional maturity.

The empirical analysis is conducted using financial performance indicators. The results show that, for the overall sample, no statistically significant independent relationship is established between the implementation of the Principles for Responsible Banking and the financial indicators examined. At the same time, a substantial influence of sectoral dynamics is identified and accounted for in the econometric model.

The author interprets this result appropriately, without drawing unwarranted causal conclusions. On the contrary, the study emphasises the possible time lag between the institutional integration of sustainable practices and their incorporation into banks’ business models, which is an important consideration for understanding the processes of sustainable transformation in the banking sector.

Overall, the dissertation represents a completed research study with a clearly formulated problem. The presentation is consistent, the information base is diverse, and the conclusions take account of the limitations of the study. I consider the dissertation to have both theoretical and practical significance for the development of sustainable banking and for analysing the transformation of the banking sector in Bulgaria. No plagiarism has been identified in the dissertation. The sources are cited appropriately.

II. Assessment of the Results and Contributions

The contributions of the dissertation may be defined as scientific and applied scientific contributions. The more significant ones are as follows:

Theoretical contributions:

1. An integrated theoretical framework has been developed for examining the adaptation of banking activities to the financing of sustainable development, based on the interrelationship between the triple bottom line theory, institutional theory and stakeholder theory. Their combined application substantiates the transition from traditional financial intermediation to a model that combines the financial, social and environmental dimensions of value creation.

2. The evolution of the international and European regulatory architecture for sustainable finance has been systematised, and the logic of its impact on banking activities has been identified. The interrelationship between sustainability criteria, corporate reporting, financial disclosures and their integration into bank management, risk assessment and capital allocation has been substantiated.

Scientific, applied and methodological contributions:

3. The role of the European Investment Bank has been assessed as an institutional and financial mechanism for the practical implementation of European sustainable finance policy and for channelling capital towards sustainable investments.

4. An original Responsible Banking Implementation Index (RBII) has been developed and tested. It transforms qualitative information on the implementation of the six Principles for Responsible Banking into a comparable quantitative measure. The index makes it possible to assess and compare the degree of institutional integration of responsible banking in individual credit institutions.

5. A comparative empirical assessment has been carried out of the degree of institutional integration of the Principles for Responsible Banking in selected commercial banks in Bulgaria.

6. Through the combined application of index-based, comparative, correlation and econometric analysis, a discrepancy has been identified between the institutional integration of the Principles for Responsible Banking and their immediate impact on traditional financial performance indicators.

My overall assessment is that the research results are aligned with the aim and objectives of the dissertation. I consider the author-developed index to be particularly significant, as it represents an attempt to address the existing shortage of tools for quantitatively assessing the practical implementation of the Principles for Responsible Banking. The results obtained complement existing research on sustainable banking and provide a basis for further comparative studies with a broader scope.

III. Assessment of the Publications Related to the Dissertation

The doctoral candidate presents three scientific publications directly related to the topic of the dissertation. They address sustainable banking as a process of institutional adaptation, the development of an index for assessing the degree of implementation of the Principles for Responsible Banking, and the role of the European Investment Bank in the development of sustainable banking in the European Union.

The doctoral candidate’s publication activity is thematically consistent and reflects the main areas of the research conducted.

IV. Assessment of the Abstract

The submitted dissertation abstract clearly and comprehensively reflects the content, aims, objectives, methodology, results and contributions of the dissertation.

V. Critical Remarks, Questions and Recommendations

Some remarks and recommendations may be made regarding the dissertation; however, they do not diminish the overall positive assessment of the work.

The dissertation examines the banking sector of the Republic of Bulgaria. Although this is methodologically justified by the need for an in-depth analysis of a specific institutional environment, the absence of a comparative perspective limits the possibilities for assessing the extent to which the observed trends are specific to Bulgaria or form part of broader regional or European processes. Therefore, I recommend that the doctoral candidate broaden the comparative analysis at the regional level in future research.

In this regard, I would like to ask the following question: In the context of the transition to a low-carbon economy, European banks need to finance both new environmentally sustainable economic activities and the transition of companies in traditionally carbon-intensive sectors towards more sustainable business models. In your opinion, how can banks reconcile these two areas of financing, and what role can the Principles for Responsible Banking play in this process?

VI. Conclusion

The dissertation entitled “Adaptation of Banking Activities to the Financing of Sustainable Development” represents an independent and fully completed research study and meets the criteria and requirements of the Development of Academic Staff in the Republic of Bulgaria Act, the Regulations for its Implementation, and the internal regulatory requirements of Varna Free University. Therefore, I express my positive opinion and recommend that Daniela Dimitrova Popnikolova be awarded the educational and scientific degree of “Doctor” in professional field 3.8 Economics, doctoral programme “World Economy and International Economic Relations”.

Varna, 30 October 2026

Reviewer: .....
(Assoc. Prof. N. Grozeva, PhD)