OPINION

by Silviya Dimitrova Kostova, Associate Professor at D. A. Tsenov Academy of Economics - Svishtov, PhD in Economics

on a dissertation thesis for the award of the educational and scientific degree “Doctor”
in field of higher education 3. Social, Economic and Legal Sciences
professional field 3.8. Economics

Author: Georgi Nikolayev Stoyanov
Topic: “The impact of the implementation of IFRS 17 ‘Insurance Contracts’ on the financial statements of insurance companies – theoretical and practical aspects”

1. General Description of the Submitted Materials

By Order No. 298/15.07.2026 of the Rector of the University of Insurance and Finance, Corresponding Member Prof. Boris Velchev, DSc in Law, I was appointed as a member of the scientific jury for the procedure for the defence of the dissertation thesis of Georgi Nikolayev Stoyanov for the award of the educational and scientific degree “Doctor” in field of higher education 3. Social, Economic and Legal Sciences, professional field 3.8. Economics, doctoral programme “Accounting, Control and Analysis”. The defence is scheduled for 14.10.2026 at 11:00 in a hybrid format. The doctoral candidate is affiliated with the Department of Accounting and Audit, with Prof. Emilia Milanova, PhD, as scientific supervisor.

The administrative documents establish that Georgi Nikolayev Stoyanov was enrolled as a doctoral candidate in an independent form of doctoral training by Order No. 276/07.08.2025, and by Order No. 294/15.07.2026 he was discharged from the doctoral programme with the right to defend a dissertation thesis at the University of Insurance and Finance. Both orders specify the same doctoral programme, training unit, scientific supervisor and dissertation topic.

The set of materials provided for the preparation of this opinion includes: the dissertation thesis; the author’s summary; a similarity report; a declaration of originality and authenticity; a list of publications related to the dissertation topic; summaries of the publications in Bulgarian and English; copies of the six publications identified as related to the dissertation thesis; a list of other publications; a statement of known citations; biographical information; as well as the orders for enrolment, discharge with the right to defend, and appointment of the scientific jury. The submitted materials make it possible to trace the content of the research, the candidate’s scientific output and the principal administrative grounds for conducting the procedure.

The candidate has submitted a total of six publications on the dissertation topic - five single-authored and one co-authored. Three other publications outside the main list on the topic are listed separately. No monographs, patents or other intellectual property objects have been declared in connection with the present procedure.

The submitted similarity report shows that the longest identified matches are with earlier publications by Georgi Stoyanov himself on IFRS 17, which are also included in the list of publications related to the dissertation thesis. A signed declaration of originality and authenticity is also included in the set of materials. No breach of academic ethics has been established, and the doctoral candidate has used the literature sources correctly.

2. Brief Biographical Information about the Candidate

Georgi Nikolayev Stoyanov completed a Bachelor's degree in Accounting at the University of National and World Economy in 2015 and, in 2016, obtained a Master's degree in the same field. In December 2021, he qualified as a Certified Public Accountant at the Institute of Certified Public Accountants in Bulgaria and acquired the status of a registered auditor.

His professional career has been associated with Grant Thornton Ltd, where he has worked since 2014 and has progressed through successive levels of the audit profession - from Audit Assistant and Assistant Manager to Audit Manager and Senior Audit Manager. Since January 2022, in his capacity as a registered auditor and Senior Audit Manager, he has led independent financial audit engagements, managed audit teams and participated in engagement quality control.

In the field of financial reporting, the candidate headed the IFRS Committee at Grant Thornton Ltd during the period 2018-2024, and since October 2024 he has headed the expanded IFRS and Sustainability Committee. This activity includes consulting on the application of IFRS, the National Accounting Standards and sustainability reporting standards, developing illustrative financial statements, methodological guidance and training materials. His academic experience includes work as a part-time lecturer at the University of National and World Economy in the courses "Globalization and Standardization in Accounting" and "Special Course in IFRS" during 2021-2024, as well as lecturing activities for the Institute of Certified Public Accountants in Bulgaria.

The doctoral candidate's professional specialization in financial reporting, IFRS and auditing is directly related to the subject of the dissertation research. The combination of extensive practical experience with teaching and publication activity provides an appropriate professional basis for developing the research problem.

3. Characteristics and Evaluation of the Dissertation Thesis

The dissertation thesis addresses a topical and practically significant issue - the effects of the initial application of IFRS 17 on the financial reporting of insurance undertakings. Its relevance is substantiated by the fundamental change in the recognition, measurement, presentation and disclosure of insurance contracts following the replacement of IFRS 4, as well as by the impact of the new framework on information systems, internal processes, analytical indicators and communication with stakeholders.

The object of the research is the financial statements of insurance undertakings, while its subject is the impact of IFRS 17 on their accounting and the presentation of information therein. The objective is to examine the effect of applying the Standard and to formulate recommendations for adapting financial statement analysis to the new requirements. Six research tasks are formulated, covering the theoretical analysis of IFRS 17, its comparison with IFRS 4, the examination of changes in financial statement elements and key indicators, the assessment of organizational and technological challenges, the development of a model for evaluating the effect, and the formulation of recommendations. The main thesis is that IFRS 17 improves the transparency and comparability of reported information, while at the same time giving rise to significant accounting, analytical, organizational and technological challenges.

The dissertation is structured into an introduction, three chapters, a conclusion, a list of references, a list of charts, tables and figures, and three appendices. The author's summary states that the main text comprises 200 pages, includes 9 charts, 47 tables and 4 figures, and uses 148 sources -

21 in Bulgarian and 127 in English. The appendices contain the questionnaire for the survey, a list of the Bulgarian insurance companies analyzed, and tables of financial data.

The first chapter establishes the theoretical and historical foundation of the research. The review of the development of insurance accounting is linked to an analysis of the reasons for the transition from IFRS 4 to IFRS 17, after which the General Measurement Model, the Premium Allocation Approach and the Variable Fee Approach are systematized. The specific measurement components are examined, including fulfilment cash flows, the risk adjustment, the contractual service margin, discounting and the level of aggregation. The analytical value of the chapter lies not in merely reproducing the regulatory requirements, but in systematizing their accounting logic and outlining the consequences for financial presentation and comparability.

The second chapter develops the analysis from the regulatory-conceptual to the financial-analytical level. It examines the effects on key financial indicators, presentation and disclosure, communication with investors, implementation difficulties, and early European and international experience. I positively assess the effort to link the accounting changes with their practical impact on profitability, the structure of the financial statements, internal processes and regulatory supervision. The attention devoted to the links and differences between IFRS 17 and the Solvency II framework broadens the analysis beyond the purely technical accounting dimension and creates a logical transition to the empirical part.

The third chapter covers the empirical part of the dissertation, combining two approaches: quantitative analysis of financial statements and a survey among specialists involved in the implementation of IFRS 17. The quantitative part covers the 12 largest undertakings licensed for non-life insurance in Bulgaria, which, according to the data presented, account for 94.1% of the gross written premiums in this segment as at 31.12.2023. The analysis uses data from annual financial statements and Solvency and Financial Condition Reports, processed using JASP and MS Excel, and includes comparative assessments of restatements, profitability indicators, assets and liabilities, equity, insurance liabilities, volatility and disclosures.

The quantitative analysis applies descriptive statistical measures - mean, median, range, variance and standard deviation - as well as the interquartile range for identifying extreme observations. The results show considerable heterogeneity in the impact across individual undertakings, which is an important conclusion precisely because it calls into question the possibility of drawing a single, unequivocal generalization about the effect of the first year of application. The dissertation does not reduce the impact of IFRS 17 to one common direction or magnitude, but considers differences in business models, portfolios, approaches used and undertaking-specific characteristics.

The survey was conducted in June-July 2025 among 67 respondents and is organized around five working hypotheses concerning organizational preparedness, transparency and comparability, differences by type of organization and measurement model, operational and technological challenges, and the influence of professional role. The sample is purposive and non-random, which the author explicitly states. The largest share consists of accounting and financial reporting specialists - 47%, followed by external auditors - 21%; actuaries, risk management specialists, IT specialists, finance directors, consultants and other managerial positions are also represented. This provides substantial practical coverage, albeit without a claim to statistical representativeness.

Among the survey findings, the prolonged implementation period, the widespread use of external consultants, significant difficulties with the availability and granularity of data and systems integration, the need for major adjustments to internal financial reporting processes, and the prevailing perception that the new Standard improves presentation and comparability while increasing complexity and volatility are particularly notable. In the concluding part of the chapter, these observations are transformed into recommendations for investment in data infrastructure and integrated IT systems, targeted training, interdisciplinary cooperation and clearer external communication.

The reliability of the empirical basis is supported by combining publicly reported financial data with expert assessments and by the explicit presentation of the research limitations. The author limits the quantitative analysis to non-life insurance, the national market and the first year of mandatory application of IFRS 17, excludes the effects of IFRS 9, and acknowledges that the survey sample is not statistically representative. These limitations do not invalidate the results, but they are important in determining the scope within which generalizations may be made. I positively assess the fact that the conclusion also highlights the potential tension between the objective of comparability and the scope for professional judgement in respect of discount rates, risk adjustment and other IFRS 17 parameters.

Overall, the dissertation thesis is logically structured, thematically coherent and combines theoretical, regulatory and empirical analysis. The scientific and practical value of the research lies in the link between the accounting concept of IFRS 17 and the actual difficulties and effects arising from its initial application in Bulgarian insurance practice.

4. Contributions and Significance of the Research for Science and Practice

In the author's statement, the contributions are divided into theoretical scientific and applied scientific contributions. Having reviewed the dissertation thesis, I accept their general orientation, but consider that their substance should be assessed primarily as systematizing, analytical and empirically applied rather than as the formulation of a new accounting theory. With this qualification, I distinguish the following more significant results:

1. Systematization and conceptual linkage of the evolution of insurance accounting with the new reporting framework under IFRS 17. The dissertation brings together the historical context, the reasons for replacing IFRS 4 and the logic of the GMM, PAA and VFA models, analyzing the role of the contractual service margin, the risk adjustment, fulfilment cash flows, discount rates and the level of aggregation.

2. Establishment of an analytical link between the new accounting requirements and the financial performance of insurers. The research links changes in recognition and measurement with profitability, capital, the structure of the financial statements, disclosures, communication with investors and interaction with the Solvency II framework. In this way, the technical requirements are placed within a broader management and information context.

3. Empirical assessment of the initial application of IFRS 17 to a significant part of the Bulgarian non-life insurance market. The analysis of 12 undertakings covering 94.1% of gross written premiums in non-life insurance shows heterogeneous effects on profit, returns, assets, liabilities, equity and disclosures. The use of measures of variability and procedures for identifying extreme observations adds further analytical value to the results.

4. Systematization of expert assessments of the organizational, technological and reporting effects of implementation. The survey of 67 specialists makes it possible to compare the perspectives of accountants, auditors, actuaries, risk, IT and management specialists and to identify persistent practical problems - data, systems integration, resource availability, closing deadlines, complexity and communication.

5. Formulation of practical guidance for adapting reporting and management processes. The recommendations for robust data infrastructure, integrated information systems, interdisciplinary teams, targeted training and clear communication with stakeholders are directly linked to the empirical difficulties identified and therefore have a specific practical orientation.

The significance of the results for practice lies in providing a structured picture of the effects and areas of risk arising from the initial application of IFRS 17 in Bulgaria. They may be useful to insurance undertakings, auditors, consultants and regulatory authorities in analysing financial statements and planning subsequent process improvements. The submitted set of materials does not include separate evidence of the implementation of a specific methodology or recommendation developed by the author in a particular undertaking; therefore, I assess the practical significance as clearly substantiated applicability rather than as documented implementation.

The prospects for further development are clearly outlined and follow directly from the limitations of the research: extending the time horizon after several years of reporting data have accumulated; including life insurance undertakings; conducting a more in-depth examination of the interaction with IFRS 9; extending the comparison to other jurisdictions; and using statistical tests that allow a more rigorous assessment of the observed relationships.

6. Assessment of the Publications Related to the Dissertation Thesis

The submitted list of publications on the dissertation topic contains six publications for the period 2017-2025. Five are single-authored, while one is co-authored with Prof. Emilia Milanova, PhD. Full-text copies of all six publications have also been submitted, which makes it possible to verify their thematic relationship with the dissertation research.

- **Four single-authored articles in the ICPA Journal:** "The New Insurance Standard" (2017), "The Effect of IFRS 17 Insurance Contracts on Insurers' Financial Reporting" (2021), "Risk Adjustment in Accordance with IFRS 17 Insurance Contracts" (2022) and "Contractual Service Margin in Accordance with IFRS 17 Insurance Contracts" (2022).
- **One single-authored publication in "Danatsi Tita":** "Illustrative Models for Accounting for Insurance Contracts in Accordance with IFRS 17" (2023).
- **One co-authored study in the UIF Yearbook:** E. Milanova and G. Stoyanov, "Accounting Aspects Related to Money Laundering in the Insurance Sector" (2025).

The five single-authored publications are directly focused on IFRS 17 and successively cover the Standard's overall framework, its impact on financial reporting, the risk adjustment, the contractual service margin and illustrative accounting models. The co-authored study concerns reporting and the control environment in the insurance sector, but its thematic link with the immediate subject of the dissertation is broader. This distinction does not call into question its inclusion in the candidate's scientific output, but clarifies the degree of its direct thematic relevance.

In the submitted statement on compliance with the minimum national requirements, the five single-authored publications are classified under indicator 7 of group G, and the co-authored study under indicator 9. No data have been provided to justify a classification by impact factor, and I therefore make no such qualification. The publications are in Bulgarian. The separate list of other publications contains three additional works on IFRS 19, IFRS 18 and the accounting aspects of the military conflict between Ukraine and Russia; they demonstrate broader publication activity, but I do not include them in the assessment of publications related to the present dissertation.

The citation statement lists two known citations directly related to the subject matter of IFRS 17. Citations of another co-authored publication by the candidate on IFRS 15 are also listed, but they are not directly related to the present dissertation topic.

My overall assessment is that the publication activity on the topic extends over a sufficiently long period and consistently precedes and accompanies the dissertation research. The publications reflect substantial parts of the research and demonstrate sustained professional and scientific interest in the issues of insurance financial reporting.

7. Assessment of Compliance with the Minimum National Requirements

According to the statement included in the author's summary concerning compliance with the minimum national requirements for the award of the educational and scientific degree "Doctor" in professional field 3.8. Economics, the candidate reports a total of 107.5 points. These comprise 50 points under group A for the dissertation thesis and 57.5 points under group G - five single-authored publications worth 10 points each and one co-authored study credited with 7.5 points.

The submitted lists and full-text copies of the publications correspond to the scientific output included in the points statement. Within the materials provided, I find no double counting of the same publication in the group of works related to the dissertation topic. I therefore accept the submitted statement as a basis for concluding that the candidate meets the declared minimum national requirements for the present procedure.

8. Abstract assessment

The abstract comprises 43 pages and reproduces the logic of the dissertation thesis through a general description of the research, its relevance, object, subject, thesis, objective and tasks, limitations and methodology; structure and content; a synthesized presentation of the three chapters and the conclusion; a statement of the main contributions; a list of publications; and a statement on compliance with the minimum national requirements. It presents the main results of the theoretical and empirical parts and enables the reader to trace the relationship between the research thesis, the methodology used, the effects established and the recommendations formulated.

In terms of content, the author's summary sufficiently reflects the main results of the dissertation. The summaries of the empirical findings and contributions are consistent with the exposition in the main thesis. There are individual technical inconsistencies in the formatting and presentation of the volume, which I indicate below, but they do not alter my overall positive assessment of the informative value and representativeness of the author's summary.

9. Critical Remarks and Recommendations

The critical remarks are predominantly organizational and methodological in nature and are aimed at a more precise presentation of the research already conducted and at its future development:

1. In the introduction, the development of a model for assessing the effect of IFRS 17 on specific elements of the financial statements is stated as a separate task. The empirical chapter presents a system of comparative indicators, statistical measures and analytical procedures, but no separate formalized model is distinguished with clearly defined input data, sequence of calculations, in-

terpretation criteria and limits of applicability. In this regard, a clearer substantiation of the "model for assessing the effect" is required.

2. The methodological section refers to time-series analysis and regression analysis, whereas the empirical exposition presented is dominated by comparative analysis, descriptive statistics, interquartile range and tabular comparisons of responses. In future research, it is advisable either to apply and report the stated models together with the necessary statistical indicators, with the methodological list being refined so that it more accurately reflects the procedures actually used.

3. The survey sample is purposive and non-random, and part of the hypothesis testing is based on cross-tabulations and observed relationships. Therefore, formulations such as "direct causal relationship" and "categorically proves" should be used cautiously unless supported by an appropriate statistical testing procedure. With this design, it is more correct to refer to an observed relationship, association or support for the hypothesis.

4. The author himself notes that the research covers the first year of mandatory application, does not include the effects of IFRS 9, and that the results are affected by differences in business models, portfolios and the market environment. Therefore, when interpreting changes in profit, ROE, ROA and capital indicators, a clear distinction should be maintained between the accounting effect of the transition and changes caused by business, market or management factors.

The remarks above do not affect the fundamental scientific value of the research, but they are important for methodological precision and for the manner in which the empirical conclusions are formulated and defended.

At the public defence, I would put the following questions to the doctoral candidate:

1. Which specific elements of the empirical methodology should be regarded as the "model for assessing the effect" stated in the introduction, and how could this model be applied to another insurance undertaking outside the analyzed sample?

2. What additional data and statistical procedures would make it possible, at a subsequent stage, to distinguish more reliably the pure accounting effect of IFRS 17 from the influence of market, macroeconomic and undertaking-specific factors?

CONCLUSION

The dissertation thesis of Georgi Nikolayev Stoyanov contains scientific and applied scientific results with a clearly expressed analytical and empirical contribution to the study of the financial reporting of insurance undertakings in the application of IFRS 17. The research combines theoretical systematization of the new accounting framework with quantitative analysis of a significant part of the Bulgarian non-life insurance market and an expert survey among specialists directly involved in the implementation process. The recommendations formulated are logically linked to the problems identified and have practical applicability.

The submitted materials show that the candidate possesses in-depth theoretical knowledge and professional competencies in professional field 3.8. Economics and demonstrates the ability to independently formulate, organize and conduct scientific research. According to the submitted statement, the minimum national requirements have been met, and the publications on the topic reflect the main aspects of the dissertation issues.

On the basis of the overall assessment of the dissertation thesis, the author's summary, the scientific publications and the other submitted materials, I give a positive evaluation of the research conducted and propose that the honorable scientific jury award Georgi Nikolayev Stoyanov the educational and scientific degree “Doctor” in the doctoral programme “Accounting, Control and Analysis”, professional field 3.8. Economics.

08.09.2026 Reviewer: ....

(Assoc. Prof. Silviya Kostova, PhD)