REVIEW

Title of the article	**ANALYZING CREDIT RISK FACTORS: A WESTERN BALKANS CASE STUDY**

I. COMMON REMARKS

Моля обосновете възможно най-детайлно Вашия отговор под всеки въпрос.

Questions and comments	BOLD one of the alternatives
1. Congruity to the sciences field	□ Appropriate □ **Basically appropriate** □ Inappropriate
2. Actuality of the research	□ Appropriate □ **Basically appropriate** □ Inappropriate
3. Level of the investigation of the chosen problem	□ Appropriate □ Basically appropriate □ **Inappropriate**
4. The research aim and tasks congruence between the title and content of the article	□ Appropriate □ **Basically appropriate** □ Inappropriate
5. Appropriateness of the research methods used	□ Appropriate □ **Basically appropriate** □ Inappropriate
6. The quality of the scientific literature analysis	□ Appropriate □ Basically appropriate □ **Inappropriate**
7. The scientific level of the research	□ Appropriate □ Basically appropriate □ **Inappropriate**
8. Validity of the research findings and conclusions	□ Appropriate □ **Basically appropriate** □ Inappropriate
9. Fullness of the reference and bibliography list; freshness of the sources	□ Appropriate □ **Basically appropriate** □ Inappropriate
10. Appropriateness of the summary	□ Appropriate □ **Basically appropriate** □ Inappropriate
11. Language correctness	□ Appropriate □ Basically appropriate □ **Inappropriate**
12. Rating of this paper in comparison to similar papers published in top-rated scientific journals	□ Top 20% □ Above average □ Below average □ **Bottom 20%**

II. EVALUATION OF THE ARTICLE SUBMISSION

Моля обосновете възможно най-детайлно Вашия отговор под всеки въпрос.

Questions and comments	BOLD one of the alternatives
13. Formulation of the article title	□ Appropriate □ **Basically appropriate** □ Inappropriate
14. Length of the article	□ Appropriate □ **Basically appropriate** □ Inappropriate
15. Length of the summary	□ Appropriate □ **Basically appropriate** □ Inappropriate
16. Presentation of tables and pictures	□ Appropriate □ **Basically appropriate** □ Inappropriate
17. Bibliography list presentation	□ Appropriate □ **Basically appropriate** □ Inappropriate

III. COMMENTS

The study poses an interesting research question: which factors affect the credit risk in six Western Balkan countries. Unfortunately, the paper and the analysis suffer from a large number of issues and limitations and do not present a significant contribution to the field.

The major limitations of the paper are related to:

1. **Structure.** The structure of the paper fails to meet modern requirements in international research.
    a. The introduction to the paper fails to present a convincing motivation why the study contributes to the global body of knowledge in the field. The authors should think more thoroughly why focusing on Western Balkans and their particular sample is informative for the international scientific community.
    b. The introduction itself is poorly structured
    c. The review of the scientific literature is not comprehensive. The listed sources are policy reports and a couple publications in low-ranked journals, while significant contributions in top economics and finance journals are missing.
    d. The data and results are presented inefficiently
    e. The interpretation of the results is not well structured
    f. The conclusion is too general
2. **Contribution.** The contribution of the paper is not sufficiently well articulated, especially with respect to Barajaktarovic (2022). The conclusions at the moment are too generic. You should explain why your results should inform economic policy and not the large volume of previous literature that finds the same results. The specific sample alone and the more recent data are not sufficient contributions. The focus now is on macroeconomic indicators and no intuition is provided about the microeconomic channels of the effect on NPL.

3. **Methods.** While panel data methods are indeed appropriate to answer the research questions and the authors make an attempt address endogeneity using IV estimation, no information is provided about the specific type of IV estimation they use – Hausman-Taylor. How is it different to other IV methods, how is the exclusion restriction satisfied, what are the results from the tests for week instruments and overidentifying restrictions?
4. **Empirical results and interpretation.** The authors interpret any significant result they arrive at as a causal effect, which is false. No information is provided regarding adjustments of the standard errors for heteroskedasticity and for autocorrelation. The interpretation of the results of the tests is at the textbook bachelor level, and not up to par with the standards at international scientific journals.
5. **Robustness.** The authors do not present any robustness checks or a sensitivity analysis. At the bare minimum, a model with lags and models with additional control variables should be presented
6. **Language.** The level of English in the paper is inconsistent throughout, and not at the level of international scientific peer-review journals. This warrants a review from a native speaker before resubmission
7. **Presentation.** The last 4 paragraphs of the empirical section of this already short paper repeat what was said before in the section itself.

I am afraid that even if all these problems are addressed, the main issue of the insignificant contribution remains.

IV. CONCLUSION

- □ Propose to accept
- □ Propose to accept after some small corrections
- □ Propose to accept after thorough corrections
- □ **Propose to reject**

V. ЗА РЕЦЕНЗЕНТА

1) Трите имена на рецензента – Деян Василев Радев
2) Желаете ли отново да прегледате статията след като авторите направят промени/подобрения по нея? – ДА

I proposed an outright rejection due to no scientific contribution and inappropriate data and scientific methods. I do not expect a revision decision.