Comparative Analysis of
Four Private Sector Banks as per CAMEL Rating

Gazia Jamil Sayed
Najmus Sahar Sayed

Abstract

The Banking sector is an integral part of an economy. This sector plays a key role in the well-being of the economy. The Banking sector is becoming more and more complex due to globalization. The Indian banking sector is one of the fastest growing sectors and after liberalization it has been working in more open and globalized environment. Therefore, sound financial regulation and supervision has become the need of the hour. Evaluating Indian banks is not an easy task. There are various factors which need to be taken care. Various models have been discussed for evaluating the performance and quality of banks. One such model is CAMELS. It is an acronym, where C - Capital Adequacy, A - Assets Quality, M - Management Efficiency, E - Earning Quality, L - Liquidity and S - Sensitivity to Market Risk, which rates the performance of banks on five point scale. We have chosen this model to evaluate the performance of banks. After deciding the model we have chosen top four private sector banks as per the ET Intelligence Group (ETIG) database. A thorough analysis is done and the result shows that on an average Kotak Mahindra Bank stands at the top position.

Key Words

Banking sector, banks rating and banks performance evaluation, CAMEL model, private sector banks.

---

1 Prof. Gazia Jamil Sayed, Assistant Professor, Finance, IES Management College and Research Centre, Mumbai, India, gaziasayed@rediffmail.com
2 Prof. Najmus Sahar Sayed, Lecturer, Accounts & Finance, Oriental College of Commerce And Management, Mumbai, India,najmussayed@rediffmail.com