PERFORMANCE EVALUATION OF FOREIGN BANKS IN INDIA:
AN APPLICATION OF CAMEL MODEL

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ABSTRACT
‘CAMEL’ is a more popular, internationally accepted, and ratio based model of performance evaluation of banks. This model incorporates within itself the information which representative of Capital adequacy (C), Asset quality (A), Management efficiency (M), Earnings quality (E) and Liquidity (L). These components are sin-quo-non for healthy banking practices. The present study aims to evaluate performance of foreign banks in India through the application of CAMEL model. For the said purpose the authors of the paper have chosen two foreign banks operating in India viz. Deutsche bank and Development bank of Singapore (DBS). Both the banks have been evaluated in terms of five components of CAMEL Model. To measure the level significance of mean difference between the two banks T-test has been applied (SPSS-20). It is also inferred that both the banks don’t significantly differ in relation to earnings and liquidity. In overall Deutsche bank is said to be having superior edge over DBS bank in terms of 7 variables belonging to four components of CAMEL excluding management efficiency; whereas as, DBS bank has outperformed Deutsche bank in relation to 12 variables pertaining to four components of CAMEL excluding management efficiency ratio.


REFERENCES: