

Ranking of Indian Banks by Applying CAMEL Model using AHP

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Abstract—2008-2011 has seen major turmoil in financial sector including banks across the world. Banks play an important role in the economic growth of any nation. Earlier studies has indicated that the efficiency of these financial intermediaries affects rate of progress of the country while others indicate that their insolvencies can result in systemic crises which have adverse consequences for the economy as a whole. This has raised concerns around the world about their stability and performance and has made it necessary to study how the banking sector has done during this turmoil and what are the signals for the future.

The CAMEL model which is based on financial ratios and is extensively used to study the health of the banks has been used for the study. Weights are applied to the CAMEL model using Analytic Hierarchy Process (AHP). Earlier studies either use equal weights or more subjective ways to determine weights. Where as AHP incorporates the expert opinions in order to minimize the subjectivity and calculate the relative weights of each of the ratios of the CAMEL model. Finally CAMEL score for each bank has been computed.

This paper aims to rank public and private sector banks of India to determine their performance. Five experts from academia and industry will be interviewed to determine the weights of the model by using AHP. Average of three year ratios i.e. 2008-2011 will be computed and multiplied by respective weights to determine the ranks of the banks. The expected finding of the study is that the average score of private sector banks is equal to the average score of public sector banks of India.

Keywords: Commercial Banks, Performance of Banks, CAMEL Model, Analytic Hierarchy Process

An Empirical Study on Customer Satisfaction in Banking

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Abstract—The most economies of the world are undergoing a subtle transformation. The service sector is overtaking manufacturing in global value addition. This Sector constitutes a large part of the Indian economy around 42% in terms of employment potential and 56% as its contribution to national income. It covers a wide range of activities from the most sophisticated in the field of Information and Communication Technology to simple services pursued by the informal sector workers, for example, vegetable sellers, hawkers, rickshaw pullers, etc. The methodology used is non probability convenience sampling using a structured questionnaire by taking into account the primary and secondary data. Banking is an important of service sector. The study focuses on customer satisfaction and its effect on switch banks. Delivering quality service to customers is a must for success and survival in today's competitive banking environment. The ultimate success of any service quality programme implemented by a bank can only be gauged by creation and retention of satisfied customers. Banks should continually assess and reassess how customers perceive bank services so as to know whether the bank meets or exceeds or is below the expectations of their customers.

In delivery of quality service in banks has to be stepped up, what matters is speed, accuracy, promptness, reliability, individualized attention etc.

Keywords: Banking, Financial Services, Consumer Behavior, Automated Services, Quality.