

## **A Comparative Analysis of Financial Performance of Deposit Banks Through Camels Approach**

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**Abstract:**

The banking sector is one of the most important backbones of economy and it leads to the growth and development of the country. In the light of globalization and technological developments, the banking sector may be exposed to serious risks or crises. The banking sector is therefore an area of the activity that needs to be constantly monitored and examined. For that purposes, various methods are applied to monitor and inspect the banks in order to prevent risks before they come or to minimize their negative effects. The CAMELS rating system is one of these methods, developed by the supervisory authorities in the USA, and accepted as an inspection system by many countries in general. Therefore, the objective of this paper is to examine the comparative financial performance of the public and private sector banks by using the CAMELS ratio in Turkey. In the study, 11 banks out of 48 banks operating in Turkey are examined. These banks contain 71.6% of the total assets of all banks operating in Turkey and 3 of them are state-owned and the remain 8 are private-owned banks. The obtained results will help to highlight the strengths and the vulnerabilities of each bank and group of banks.

**Keywords:** Banks, Performance Analysis, CAMELS Approach, Comparative Analysis

**JEL Codes:** C02, G21, G24