

Review Form 1.7

Journal Name:	Asian Journal of Economics, Business and Accounting
Manuscript Number:	Ms_AJEBA_108812
Title of the Manuscript:	CAMEL RATING MODEL AND FINANCIAL STABILITY OF COMMERCIAL BANKS IN KENYA
Type of the Article	

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PART 1: Review Comments

	Reviewer's comment	Author's comment (if agreed with reviewer, correct the manuscript and highlight that part in the manuscript. It is mandatory that authors should write his/her feedback here)
<p>Compulsory REVISION comments</p> <ol style="list-style-type: none"> Is the manuscript important for scientific community? (Please write few sentences on this manuscript) Is the title of the article suitable? (If not please suggest an alternative title) Is the abstract of the article comprehensive? Are subsections and structure of the manuscript appropriate? Do you think the manuscript is scientifically correct? Are the references sufficient and recent? If you have suggestion of additional references, please mention in the review form. <p><u>(Apart from above mentioned 6 points, reviewers are free to provide additional suggestions/comments)</u></p>	<ol style="list-style-type: none"> The manuscript examines an important issue - the effect of CAMEL rating model on the financial stability of commercial banks in Kenya. The findings that earnings ability significantly impacts financial stability provides useful insights for policymakers in Kenya regarding bank regulation. Overall, the paper makes a valuable contribution to the literature on bank stability in developing countries. Alternate title: Assessing the Impact of CAMEL Indicators on Financial Stability of Commercial Banks in Kenya The abstract clearly summarizes the key aspects of the study - the objectives, methodology, findings, and conclusions. It provides a good overview of the paper. The structure of the manuscript with sections on introduction, literature review, methodology, results, and conclusion is appropriate and follows standard research paper format. The subsections under each broader section are also logically organized. The paper appears scientifically sound overall. Appropriate theories are used to ground the study. The data analysis methods align with the research objectives and hypotheses. The conclusions follow from the results obtained. The references seem sufficient, drawing on empirical studies on bank stability from other developing countries. Most references are recent, published within the last 5 years. I have no additional references to suggest. <p><u>Here are some additional suggestions and comments on the research paper:</u></p> <ul style="list-style-type: none"> The introduction could provide more details on the motivation and significance of the study. For example, discussing recent bank failures in Kenya that highlight the need to examine determinants of bank stability. A bit more context on the banking sector in Kenya in terms of number of banks, market structure, regulatory changes etc. would help readers better understand the research setting. The methodology section could elaborate more on the sample and data sources, variable measurements, model estimation procedures etc. The results and analysis could be enriched by comparing findings with prior literature and discussing potential reasons for consistencies/inconsistencies. The conclusion could include a paragraph on limitations of the study and avenues for future research. 	
<p>Minor REVISION comments</p> <ol style="list-style-type: none"> Is language/English quality of the article suitable for scholarly communications? 	<p>Overall, the language and English quality of the article is suitable for scholarly communication. The paper follows academic writing conventions and uses technical terminology appropriately when presenting the literature review, methodology, data analysis, and results. Sentence structure and phrasing are also generally clear.</p> <p>However, there is scope for improvement in certain aspects of language quality:</p> <ul style="list-style-type: none"> There are some minor grammatical errors that need to be corrected through careful proofreading. For example, incorrect use of articles, prepositions, punctuation etc. 	

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	<ul style="list-style-type: none"> • Certain sentences are lengthy and complex. Breaking them into shorter, simpler sentences could enhance readability. • Some paragraphs in the literature review and analysis sections lack smooth flow and transition between ideas. The flow of language can be improved. • Word choice could be more precise and accurate at few places. For instance, words like "inefficiency", "fluctuating", "adverse", "vulnerable" could be used instead of "not stable", "not been stable" to convey the intended meaning more clearly. • There is overuse of terms like "notably" and "importantly" when highlighting results. Alternatives like "specifically", "in particular" could be used for better variation. • The paper would benefit from proofreading by a native English speaker to enhance clarity and conform with scholarly writing conventions. • Overall, the language is satisfactory for an academic paper but not excellent. With some revisions to address the above issues, the quality can be improved to sufficiently meet language expectations for a strong scholarly publication. 	
<p>Optional/General comments</p>	<p>Here are some optional, general comments on how the authors could further improve this research paper:</p> <ul style="list-style-type: none"> • The literature review could be expanded to provide a more comprehensive overview of prior studies on determinants of bank stability and CAMEL model. Citations to seminal works would strengthen this section. • The policy implications from the findings could be discussed in more depth. For instance, how can regulators use CAMEL monitoring to promote stability? What specific measures can banks take based on their earnings profile? • The limitations of the study can be explicitly outlined and used to suggest future research directions. For example, limitations of the CAMEL model, data constraints, scope for studies using other stability measures etc. • The paper would benefit from a closer edit to tighten length and reduce repetition between the literature review and data analysis sections. • The authors could consider enhancing the methodology by using additional stability measures beyond the Z-score or including interaction terms in the model. • The practical implications of the findings for bank managers, regulators and policy makers could be highlighted in the conclusion. • Charts representing key trends in the CAMEL variables over time could help summarize the descriptive statistics. <p>Overall this is a well-executed study on an important topic with valuable findings. Addressing the above suggestions can help improve the paper further and increase its contribution.</p>	

PART 2:

	Reviewer's comment	Author's comment (if agreed with reviewer, correct the manuscript and highlight that part in the manuscript. It is mandatory that authors should write his/her feedback here)
<p>Are there ethical issues in this manuscript?</p>	<p><i>(If yes, Kindly please write down the ethical issues here in details)</i></p>	

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