

Review Form 1.7

Journal Name:	Asian Research Journal of Arts & Social Sciences
Manuscript Number:	Ms_ARJASS_108808
Title of the Manuscript:	MODERATING EFFECT OF INTEREST RATE ON THE RELATIONSHIP BETWEEN 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"> 1. Is the manuscript important for scientific community? (Please write few sentences on this manuscript) 2. Is the title of the article suitable? (If not please suggest an alternative title) 3. Is the abstract of the article comprehensive? 4. Are subsections and structure of the manuscript appropriate? 5. Do you think the manuscript is scientifically correct? 6. 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>	<p>Clarity and Structure: The abstract provides a clear overview of the study, outlining the objectives, methodology, findings, and recommendations. This clarity should be maintained throughout the paper, ensuring that the readers can follow the research methodology and findings easily.</p> <p>Significance of the Study: The research attempts to address a crucial aspect of the banking sector by exploring the influence of CAMEL rating components on financial stability, with particular attention to the moderating role of interest rates. This has implications for policy formulation and bank management strategies.</p> <p>Methodological Strengths: The use of a causal research design and the inclusion of a comprehensive census of forty-one commercial banks in Kenya over a substantial period (2013 to 2019) strengthens the study's empirical foundation. However, it might be beneficial to highlight the specific steps taken to ensure the accuracy and reliability of the data.</p> <p>Theoretical Framework: The utilization of information asymmetry theory and liquidity shiftability adds depth to the study, demonstrating a strong theoretical underpinning. However, the paper could further elucidate how these theories were applied within the context of the research.</p> <p>Findings: The identification of interest rates as a significant moderator in the relationship between asset quality and financial stability is a notable discovery. However, the insignificance of interest rates in moderating other aspects of the CAMEL rating and financial stability warrants discussion. It might be helpful to provide potential reasons or limitations that could explain these results.</p> <p>Policy Implications: The recommendations for the Central Bank of Kenya to consider economic conditions when setting interest rates and for commercial banks to enhance credit risk management systems are practical and relevant. Exploring potential strategies or examples of effective credit risk management systems would enhance the applicability of these recommendations.</p>	
<p>Minor REVISION comments</p> <ol style="list-style-type: none"> 1. Is language/English quality of the article suitable for scholarly communications? 	Need proofreading	
Optional/General comments		

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)
Are there ethical issues in this manuscript?	<i>(If yes, Kindly please write down the ethical issues here in details)</i>	

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