

ASSESSING THE FINANCIAL PERFORMANCE OF CONVENTIONAL BANKS: A COMPARATIVE ANALYSIS PRE AND POST COVID-19 USING THE CAMEL APPROACH

BY

FIZA FAROOQ	69871
NIMRA MEHMOOD	69857
MARYAM JAVED	69875

A Project submitted to Department of Management Studies, Bahria Business School, Bahria University – Karachi Campus, in partial fulfillment of the requirement for BS A&F Degree



**BS (ACCOUNTING & FINANCE)
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PROJECT APPROVAL STATEMENT

APPROVAL FOR EXAMINATION

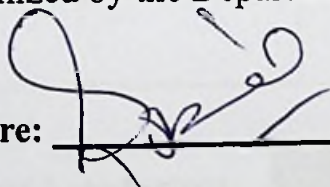
Candidate's Name: Fiza Farooq **Enrollment No.:** 02-112202-019

Candidate's Name: Nimra Mehmood **Enrollment No.:** 02-112202-004

Candidate's Name: Maryam Javed **Enrollment No.:** 02-112202-025

Project Title: "Assessing the Financial Performance of Conventional Banks: A Comparative Analysis Pre and Post COVID-19 using the CAMEL Approach"

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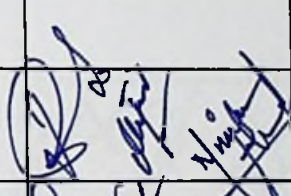
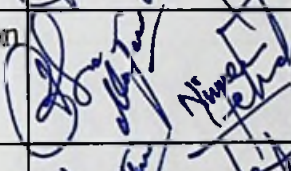
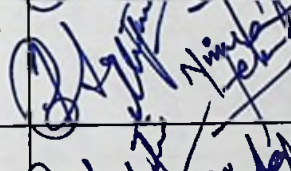
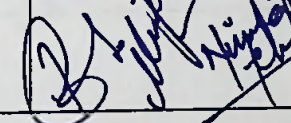
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1st Half Semester Progress Report

Name of Student(s)	Fiza Farooq, Nimra Mehmood, and Maryam Javed
Enrolment No.	02-112202-019, 02-112202-004, 02-112202-025
Thesis/Project Title	"Assessing the Financial Performance of Conventional Banks: A Comparative Analysis Pre and Post COVID-19 using the CAMEL Approach"

Supervisor Student Meeting Record

No.	Date	Place of Meeting	Topic Discussed	Signature of Student
1	13.02.2024	Ma'am Cubicle	Topic for FYP	
2	20.02.2024	Ma'am Cubicle	Contents of the report and discussion of each chapter in detail	
3	27.02.2024	Ma'am Cubicle	Queries related to Chapters 1 and 2	
4	05.03.2024	Ma'am Cubicle	Detailed discussion related to the first three chapters.	

Progress Satisfactory

Progress Unsatisfactory

Remarks: Student Progress is Satisfactory

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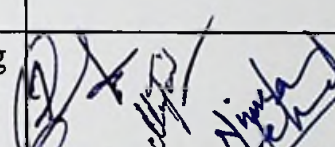
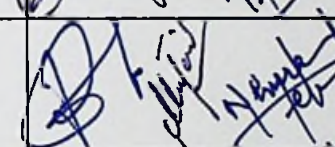
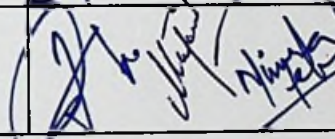
Name of Supervisor: MS. SOBIA MURTAZA

Note: Students must attach 1st & and 2nd half progress reports at the end of FYP spiral copies.

2nd Half Semester Progress Report & Thesis Approval Statement

Name of Student(s)	Fiza Farooq, Nimra Mehmood, and Maryam Javed
Enrolment No.	02-112202-019, 02-112202-004, 02-112202-025
Thesis/Project Title	"Assessing the Financial Performance of Conventional Banks: A Comparative Analysis Pre and Post COVID-19 using the CAMEL Approach"

Supervisor Student Meeting Record

No.	Date	Place of Meeting	Topic Discussed	Signature of Student
1	26.04.2024	Ma'am Cubicle	Discussion related to the remaining two chapters	
2	30.04.2024	Ma'am Cubicle	Ran the tests and discussed the interpretations	
3	07.05.2024	Ma'am Cubicle	Discussed the correction of errors	

DECLARATION OF AUTHENTICATION

At this moment, I declare that no portion of the work referred to in this project has been submitted in support of any application for another degree or qualification of this university or any other institution of learning.

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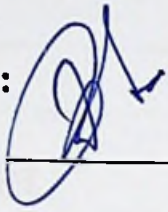

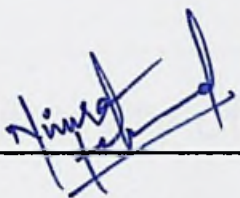
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ABSTRACT:

Purpose: This study uses the CAMEL method to observe the financial performance of Pakistani commercial banks before and after the COVID-19 pandemic, directing capital adequacy, asset quality, management efficiency, earning quality, and liquidity positions.

Methodology: Secondary data from financial statements of 15 commercial banks in Pakistan (2013-2023) were analyzed using descriptive and numerous regression analyses, along with diagnostic tests to confirm validity.

Findings: The fixed effect model illustrates that higher capital adequacy and net interest margin are associated with increased ROA, while higher non-performing loans and net interest expenses are associated with decreased ROA. A dummy variable for COVID-19 indicates the pandemic negatively impacted ROA, highlighting its adverse effects on bank performance.

Value/Originality: This study applies the CAMEL approach to assess the financial performance of Pakistani banks pre- and post-COVID-19, contributing valuable insights for crisis management and bank performance evaluation for regulators and policymakers.

Result: Results show improved capital adequacy and earning quality, likely due to regulatory support and digital banking. However, asset quality, managerial efficiency, and liquidity worsened, leading to lower profitability. Strategic measures are needed to enhance resilience and stability in the sector.

Keywords: Financial performance, Return on Asset, Capital adequacy ratio, COVID-19 impact.