

PROFITABILITY ANALYSIS OF SCHEDULED COMMERCIAL BANKS: A CASE STUDY OF ALLAHABAD BANK

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Abstract

Banking sector reforms have forced the banking sector to re-set their priorities. There had been a major shift of emphasis from social banking to commercially viable banking. Profitability is desideratum of the financial vigor and efficient operations of the banks. Banking in India has been dominated by public sector banks since the 1969 when all major banks were nationalized by the Indian government. Banks are currently under tremendous pressure to justify their existence in terms of different parameters of which profit performance is most significant one. The operational efficiency of banks hence forth should reflect in impressive profit performance. This paper focuses on carrying out profitability analysis of nationalized scheduled commercial bank considering the case study of Allahabad Bank for the years 2012 – 2016, the secondary data is extracted from the Annual reports of the bank.

Keywords: Profitability Analysis, Sector Reforms, Social Banking, Financial Vigor and Efficient Operations.

Introduction

Commercial banks are classified into scheduled and non-scheduled bank. The Scheduled Banks in India refer to those banks which are listed in the Second Schedule of Reserve Bank of India Act, 1934. RBI in turn includes those banks in this Schedule which satisfy certain eligibility criteria laid down vide section 42(6) (a) of the said Act. Banks not under this Schedule are called Non-Scheduled Banks.

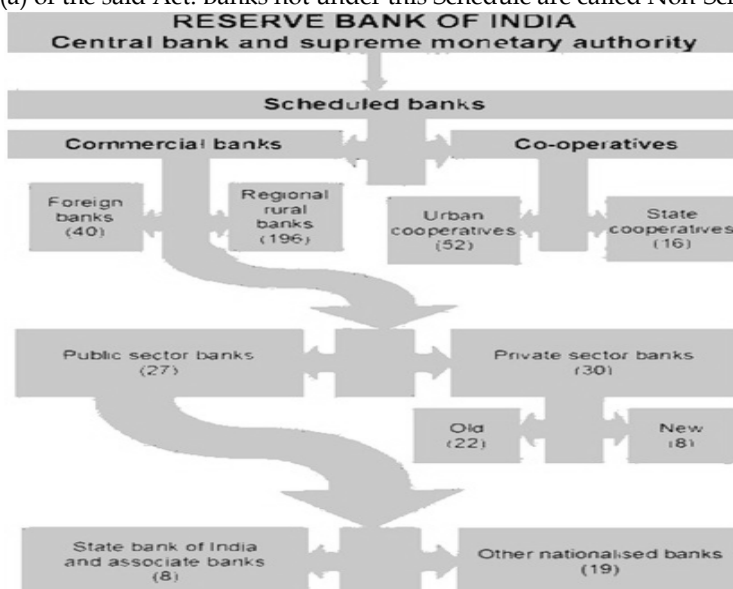


Figure 1: Classification of Banks

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