The present study deals with an analysis of financial performance of Nationalized Banks with special reference to innovative parameters Economic Value Added. The main aim of this study is to explore analysis of financial performance including Economic Value Added of selected Nationalized Banks.

The Banking Industry plays crucial role in the economic development of the country. Bank accepts the deposits from the public and lending this money from households to business people for productive purposes through their lending activities in accordance with plans and priorities. It is one of the main financial institutions of the country which provides their services in each and every sectors of the economy, each and every area of the country and to all the types of customers. Hence, the bank has connection with all the type of customers and every areas and sectors of the Indian economy and make it important and central component of the economy. Now a day, it is becoming a centre of the country’s activity.

After banking sector reforms considerable changes have taken place in the banking industries. The response of the banks to the reforms has been impressive. The banks have been adjusting very well to the new environment, though gradually. These reforms also bring the change in ownership pattern of the bank. Before 1991, a bank was under the ownership of government only. But after the Narsimham Committee recommendations, the structure of ownership changed in banking industry.

We can see other changes in the banking industry as compared to few years back. The banking business is becoming more and more service oriented, technological oriented, customers oriented. They develop more relations and strengths with their customers towards relationship banking and try to provide more and more facilities to their customers. As a result, now a day, bank provides a wide range of financial products and financial services to their customers due to stiff competition and globalization. Hence, the role of the banks are becoming more and more challenging for that banks should focus more on upgrading their knowledge base in response to the process of continuous change because so many factors such as changing economic environment of the country, rapid use of Information Technology (IT), stiff competition internal and external and wide range of financial products and services. Today, bank provides easy access credit facility from place to place with
economy and safety within a second with various e-banking like ATM, EFT, RTGS, Mobile Banking, Phone Banking, Net Banking etc.

As a result, in order to analyze the financial performance of Nationalized Banks, it is the prime responsibility of the bank to satisfy their customers, employees as well as shareholders. Hence, the present research is based on the financial performance including Economic Value Added of selected Nationalized Banks. The researcher has collected data from the published annual reports of the banks and most useful information have been gathered from the Books, Journals, News Papers etc… It is hoped that this research will be helpful to management, government officers, employees, shareholders, academicians and research scholars.

The present study is divided into five chapters. The first chapter is overview of banking sector. The sector chapter is conceptual framework of financial performance measurement techniques. The third chapter is related with research methodology. The fourth chapter deals with the analysis of profitability, analysis of financial efficiency, analysis of market valuation, analysis of economic value added and analysis of market value added. Finally, in the last chapter, summary, findings, and suitable and significance suggestions have been drawn.

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