

PROJECT REPORT TEMPLATE

INTRODUCTION

✓ OVERVIEW

A Comprehensive Analysis of Financial Performance: Insights from a Leading Banks

The banking industry world-wide is being transformed. The global forces for change include technological innovation; the deregulation of financial services at the national level and opening-up to international competition; and - equally important - changes in corporate behavior, such as growing disintermediation and increased emphasis on shareholder value. In addition, recent banking crises in Asia and Latin America have accentuated these pressures. The banking industries in central Europe and Latin America have also been transformed as a result of privatizations of state-owned banks that had dominated their banking systems in the past. In this project we are trying to analysis the bank related data and able to extract some insights from the data using Business Intelligence tools. To Extract the Insights from the data and put the data in the form of visualizations, Dashboards and Story we employed Tableau tool.




1.2 PURPOSE

- The objective is to provide better information to regulators, analysts, and investors regarding the market value of securities when banks expect to sell them prior to final maturity. Loans represent the primary earning asset at most banks.
- Its purpose is to convey an understanding of some financial aspects of a business firm. It may show a position of a period of time as in the case of a Balance Sheet, or may reveal a series of activities over a given period of time, as in the case of an Income Statement.
- This method is helpful in asset management, liquidity, debt management, market value, the financial performance of the various departments, and profitability of the business parts.
- Current assets, liabilities, and working capital statements of the previous and present year help track the expenses and working capital changes. This is a helpful factor in budgeting, evaluation, and strategy planning.
- A company's balance sheets and income statement reflect the profits, losses, and earning potential over a given period. The liabilities, assets, capital, debt positions, and such financial data are vital to budget, plan, and ensure profitability.

2. PROBLEM DEFINITION AND DESIGN THINKING

2.1 EMPATHY MAP

Template




Empathy map

Use this framework to develop a deep, shared understanding and empathy for other people. An empathy map helps describe the aspects of a user's experience, needs and pain points, to quickly understand your users' experience and mindset.

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Build empathy

The information you add here should be representative of the observations and research you've done about your users.



Says
What have we heard them say?
What can we imagine them saying?

Does
What behavior have we observed?
What can we imagine them doing?

Feels
What are their fears, frustrations, and excitement?
What other feelings might influence their behavior?


Thinks
What are their wants, needs, hopes, and dreams?
What other thoughts might influence their behavior?

You
Give them a name and a portrait to empathize with your persona.


DOES
The financial statements for banks are somewhat different from most companies that investors analyze...
Banks take in deposits from consumers and businesses and pay interest on some of the accounts. In turn, banks take the deposits and either invest those funds in securities or lend to companies and to consumers.
Customer Response speed can to enhance bank's performance as the bank can enjoy the benefit of rapid response over competitors thanks to additional coordinated and associated responses from banks in its supply chain.
Customer response is probable to be the main factor affecting the performance of a business, mainly in the stage of "sense and respond"

FEELS
Financial Performance is a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues.
The primary business of a bank is managing the spread between deposits that it pays consumers and the rate it receives from their loans.
Ensure Customer Privacy and Security... Focus more on customer satisfaction.
Innovate With Products Customers Want And Need... Launch Digital tools to help Consumers Improve their financial situation.
The covid pandemic has hit the global economy hard, causing significant damage to every aspect of the global banking system.
The financial position of bank reflect the situation of global financial market, which could perform in financial crisis or avoid financial crisis.
In case of bank profitability, our paper discovered that during covid-19, high non-performing loan rates, holding more liquid assets and inappropriate bank size lessened the banks' profitability.

THINKS
To assess financial statements which contains information on past performance and interpret it as a basis for forecasting future rates of return and for assessing risk.
Empower local employees to resolve issues and promote financial education.




Need some inspiration?
See a limited version of the template to assist your work.
[Open example](#)



2.2 IDEATION & BRAINSTORMING MAP

Template



Brainstorm & idea prioritization

Use this template in your own brainstorming sessions so your team can unleash their imagination and start shaping concepts even if you're not sitting in the same room.

- 🕒 10 minutes to prepare
- 🕒 1 hour to collaborate
- 👥 2-8 people (recommended)

➔

Before you collaborate

A little bit of preparation goes a long way with this session. Here's what you need to do to get going.

🕒 10 minutes

A

Team gathering

Define who should participate in the session and send an invite. Share relevant information or pre-work sheets.

B

Set the goal

Think about the problem you'll be focusing on solving in the forthcoming session.

C

Learn how to use the facilitation tools

Use the Facilitation Superpowers to run a happy and productive session.

[Open article](#) ➔

1

Define your problem statement


What problem are you trying to solve? Frame your problem as a How Might We statement. This will be the focus of your brainstorm.

🕒 5 minutes

The small branches of commercial banks are faced with a new problem - a large amount of overdue advances of overdue advances to farmers

PROBLEM

How might we [your problem statement]?



Key rules of brainstorming

To run an smooth and productive session

- 🗣️ Stay in topic.
- 💡 Encourage wild ideas.
- 👂 Defer judgment.
- 👂 Listen to others.
- 📢 Go for volume.
- 🎨 If possible, be visual.

2

Brainstorm

Write down any ideas that come to mind that address your problem statement.

🕒 10 minutes

TIP

You can select a sticky note and hit the pencil [switch to sketch] icon to start drawing!

Ashika.R.L

Offer a range of payment options:

Make it easy for customers to pay by offering them various payment options such as Bank UPI, mobile wallets, Debit /Credit card

Automate overdue payments: Tracking overdue payments can be challenging when you have hundreds of customers this scenario becomes even more complex if you offer different grades of service. To solve this problem, use an invoice tracker system.

Don't Give Up : If you have overdue invoices, then make sure you follow through and charge them. A small technology solution can help MSMEs and other businesses collect customer dues faster and reduce risk before offering service, credit or a loan.

The art of following up politely leveraging technology : A large customer base can make handling customer communication and message challenging. Your automated tracker system should have the in-built capability to identify customers with overdue payments and send appropriate messages.

Bavithra.N

Agree on timely payment terms: Get customers to sign a standardised contract that specifies payment terms. This contract must clearly state when a customer must pay your invoice and the penalty for overdue payments. Include these payment terms on every invoice.

The main objectives of this article are the construction of models of scoring evaluation of overdue credits based on a combination of tools of fuzzy logic theory and technologies of artificial neural networks, and the development of recommendations for managing the portfolio of problem credits to minimise losses caused by defaults on credit agreements.

Do you research : Before accepting a new customer , check the client's payment history to ensure they have a reputation for paying on time.

Credit risk, one of the biggest financial risks in banking , occurs when borrowers or counterparties fail to meet their obligations.

Devika.S

The aim of this work is to study the problem of overdue credit debt and to create effective methods of managing bad debts in financial situations.

To minimize overdue payments, send your invoices upfront, charge late fees and create payment plans. If you keep prodding your customers for payment and don't receive it, you may need to hire a debt collection attorney. Alternatively, you can take the customer to small claims court.

Business owners need to identify a payment tracker solution that deals with their issues in a simple and cost-effective way. Make use of automated system provides an integrated solution for collecting customer dues smartly efficiently.

Managing customers efficiently : With numerous customers, it is vital to identify ways to effectively manage these clients by leveraging bank of customer payments. A reliable payment solution is necessary to help streamline customers in terms of their payment cycle and dues. An effective software helps to track and record customers from the moment they sign up with you.

3

Group ideas

Take turns sharing your ideas while clustering similar or related notes as you go. Once all sticky notes have been grouped, give each cluster a sentence-like label. If a cluster is bigger than six sticky notes, try and see if you can break it up into smaller sub-groups.

🕒 20 minutes

It aims to establish proper financial institutions to cater to the needs of the poor people.

These institutions should have clearcut regulations and should maintain high standards that are existent in the financial industry.

Gross and net non-performing assets: Non-performing assets (NPAs) indicate how much of a bank's loan book is in danger of not being repaid. NPAs are further categorised as gross and net NPAs.

The study shows that the financial performance of private sector banks is relatively better than the public sector banks.

In India, banks occupy a substantial portion of the overall stock market and hence, they probably form at least some part of the investment portfolios of equity investors.

CASA Ratio :
It stands for current account saving account. CASA is the percent of deposits held by banks in current and savings account. Banks pay low interests on such accounts.

Financial inclusion aims to build and maintain financial sustainability so that the less fortunate people have a certainty of funds which they struggle to have.

Capital adequacy ratio (CAR) :
It is the measure of a bank's available capital divided by the loans given by the bank. CAR is used to protect depositors and promote the stability and efficiency of financial systems.

Cost to income :
It is an important ratio to determine how efficiently a bank is being run. Cost to income is calculated by dividing operating expenses by the bank's operating income (interest income plus other income).

TIP

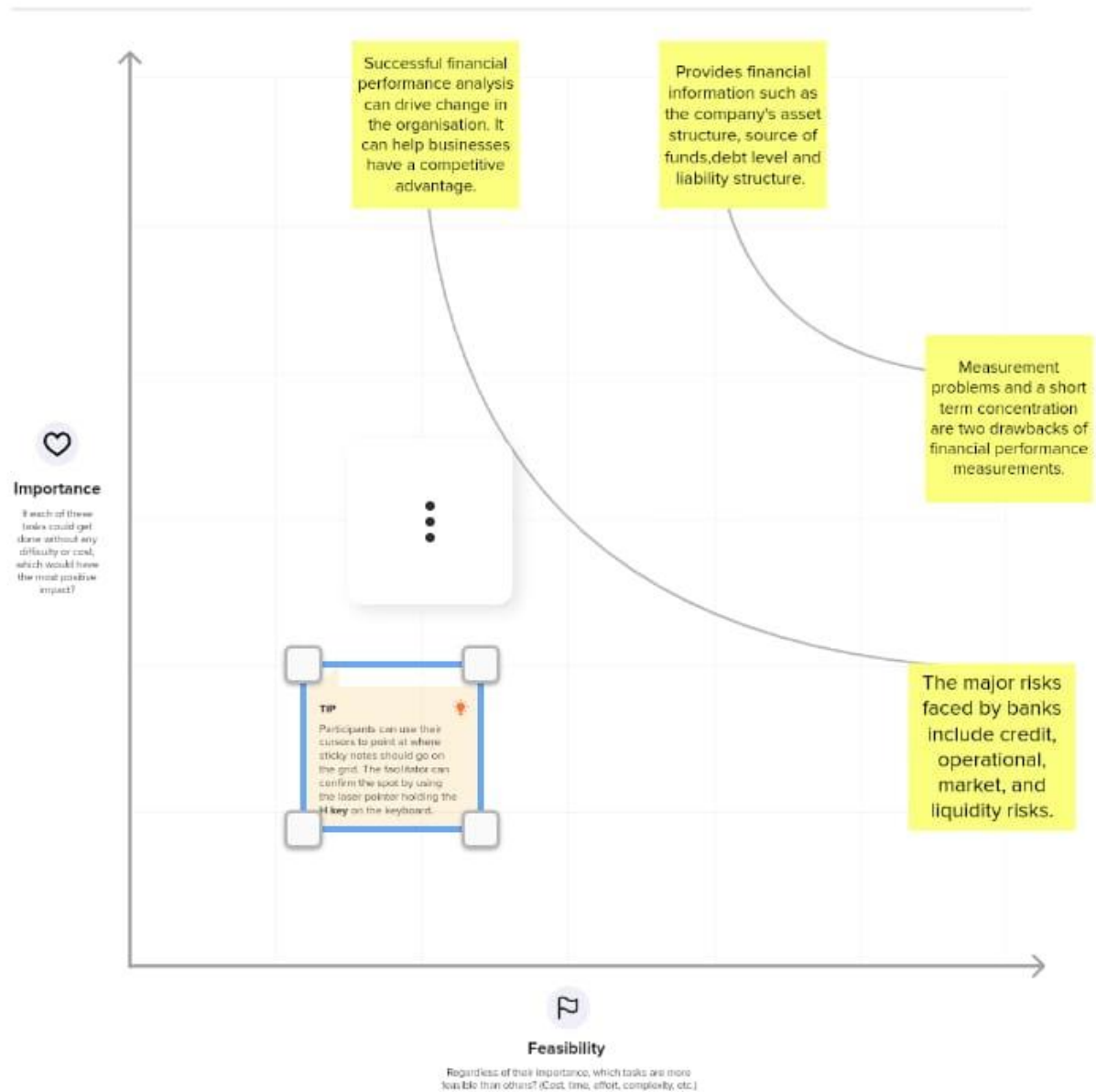
Add customizable tags to sticky notes to make it easier to find, browse, organize, and categorize important ideas as themes within your mural.

4

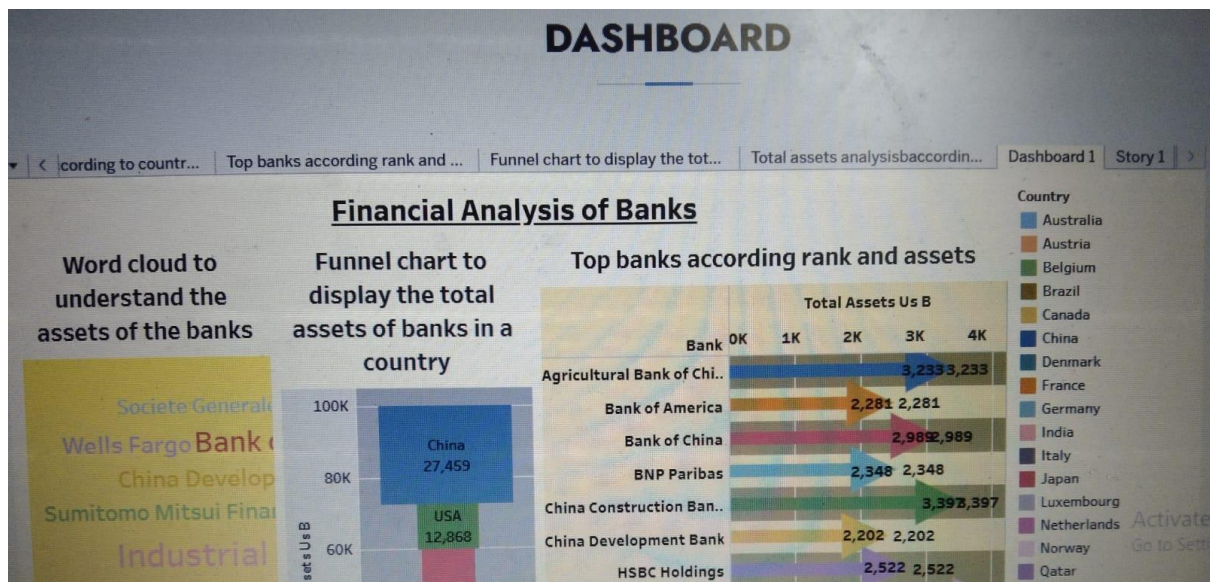
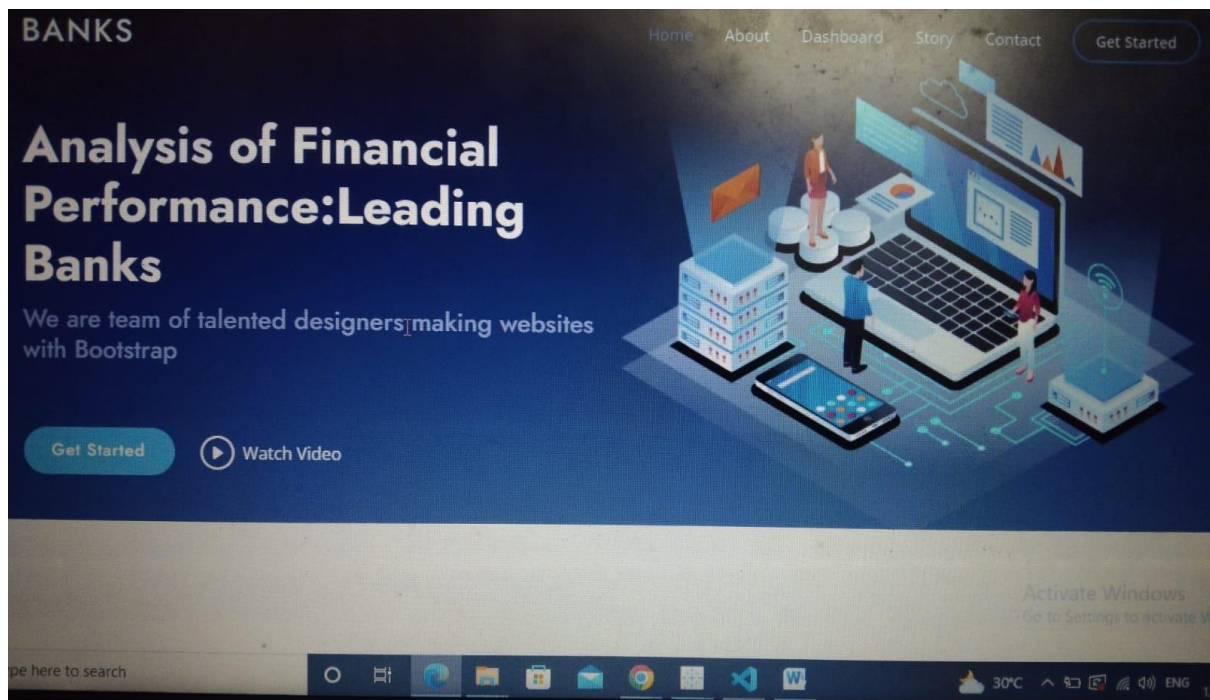
Prioritize

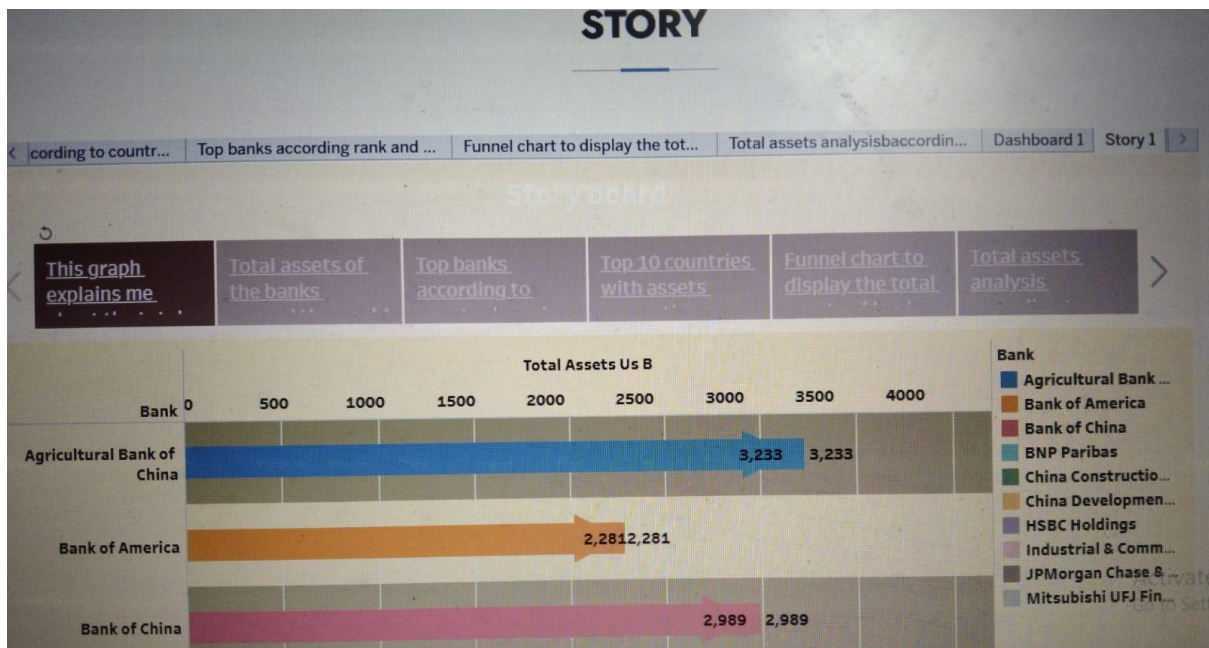
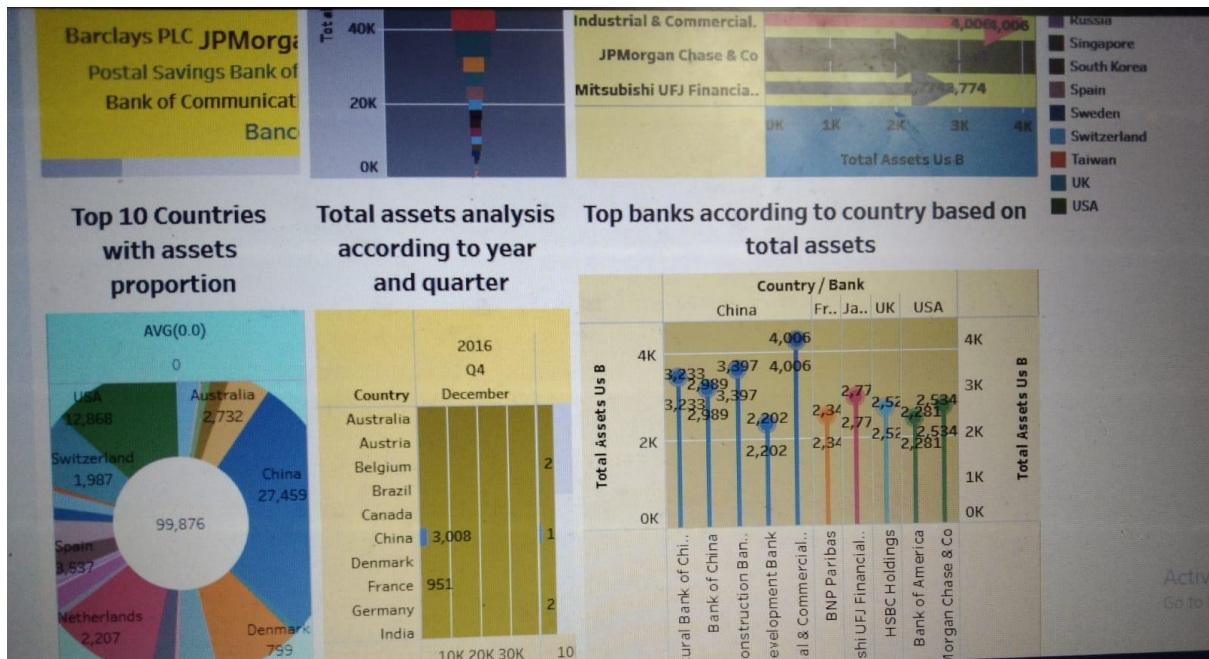
Your team should all be on the same page about what's important moving forward. Place your ideas on this grid to determine which ideas are important and which are feasible.

🕒 20 minutes



3 RESULT





4 ADVANTAGES & DISADVANTAGES

- The study shows that the financial performance of private sector banks is relatively better than the public sector banks .
- The financial statements of banks can prove to be a black hole. Lots of numbers can lead to more confusion than any clear understanding.
- Unlike non-financial firms wherein metrics like gross margin, working-capital cycle, debt to equity, etc., are important criteria to consider, banks altogether have different metrics. To analyse a bank's financial statements, one needs to first have a clear understanding of these metrics.
- Gross and net Non-performing assets (NPAs) indicate how much of a bank's loan book is in danger of not being repaid. A loan turns non-performing if the interest or instalment of the principal amount is not received for a period of 90 days. NPAs are further categorised as gross and net NPAs. Gross NPA includes both the principal and interest aspects of the loan, whereas net NPA is calculated mainly by subtracting the provisions made by the bank from the gross NPA.
- Provision coverage ratio in banking, it is a fact that some portions of loans will always turn bad. Banks, therefore, make provisioning for such bad loans by setting aside funds to a prescribed percentage of their bad assets. For example, if the PCR is 70 per cent for a particular category of bad loans, banks have set aside funds equivalent to 70 per cent of those bad assets out of their profits. A high PCR means that most asset-quality issues have been taken care of.
- Net interest margin as the name suggests, it is the difference between the interest income generated from borrowers and the amount of interest paid to depositors, relative to total deposits. It is a profitability ratio and similar to the gross margin of a normal company.
- Financial analysis does not consider the price level changes: Companies often fail to consider the price level changes when they pertain to financial analysis. They just bring data from various time periods so that data can be compared and analyzed for a given set of checks and tests. This import of

data fails to regard the prices vis-a-vis the time. So, it fails to implement the time value of money.

- Apart from the time value of money, the transfer of data irrespective of time is related to inflation and deflation, whichever is applicable. This means that financial analysis does not consider whether inflation or deflation was present when the past data was collected and recorded.
- Value of intangible assets is ignored: Financial analysis is just a test containing data. It is not related to anything intangible. However, in real, intangible assets can have great value. In fact, for some firms, intangible asset value is more than tangible assets. In financial analysis expenditures made to create intangible assets are charged to expense immediately. This is the wrong way to value intangible assets.
- In the case of financial analysis, companies considered only the monetary aspects of a business. Non-monetary facets of the business are usually ignored in the case of financial analysis.
- The financial reports and statements cannot provide any solid information about the future. That is, by having the financial analysis done, you cannot surely claim anything about the business that will happen in the future.

5 APPLICATIONS

- ✓ *Financial performance is a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. The term is also used as a general measure of a firm's overall financial health over a given period.*
- ✓ *Analysts and investors use financial performance to compare similar firms across the same industry or to compare industries or sectors in aggregate.*
- ✓ *The financial performance tells investors about the general well-being of a firm. It's a snapshot of its economic health and the job its management is doing.*
- ✓ *A key document in reporting corporate financial performance is Form 10-K, which all public companies are required to publish annually.*
- ✓ *Financial statements used in evaluating overall financial performance include the balance sheet, the income statement, and the statement of cash flows.*

- ✓ *Financial performance indicators are quantifiable metrics used to measure how well a company is doing.*

6 CONCLUSION

A Financial Performance Report is a summary of the Financial Performance of Banks that reports the financial health of helping various investors and stakeholders take their investment decision. This project gives information related to Top Banks according to rank and assets and there is a funnel chart which display the total assets of banks in a country. It gives information related to top countries with assets proportion and total assets analysis according to year and quarter. The business requirements for analyzing the performance and efficiency of banks in world include identifying KPIs, comparing performance across

different countries and states, identifying patterns and trends over time, identifying affecting factors, creating interactive dashboards and reports, identifying areas for improvement, making data-driven decisions, comparing to the industry average and creating forecasting models for future performance. The ultimate goal is to gain insights and improve performance through data visualization techniques.

7 FUTURE SCOPE

- **Banks play a critical role in economic transformation. They are the means to tap the full potentiality of economic growth by providing efficient augmentation and distribution of financial resources from saving community to entrepreneurs. The present phase of the economy when it is reviving from the pandemic shock needs more proactive support of financial entities. Entrepreneurs as risk takers engaged in businesses obtain loans from banks and step up business growth to ensure speedy economic growth. How efficiently banks perform the function of financial intermediation will decide the pace of growth.**

- **Strengthening banking system:** Besides freedom to expand branch network, universal bank licenses are available on tap subject to compliance with RBI norms. Differentiated banks – Small Finance banks (SFBs) and Payment banks along with a host of fintech companies entered financial intermediation in recent years. The Regional Rural Banks (RRBs), Cooperative banks continues to serve the hinterland. Some strong Cooperative banks may get converted into SFBs. Non-Banks – NBFCs were granted more freedom to undertake businesses. Banks can enter into Co-lending arrangement with NBFCs on risk sharing basis.
- **Banks should accelerate growth to corporate sector.** Lending to retail, MSME and farm sector is good but it cannot quickly impact the economy. The pass-through impact will be slow. Banks should build risk appetite to lend to large corporate sector and big manufacturing units. Since capital adequacy ratio of banks is good and asset quality could be controlled in the last two years, the emphasis of banks should be to take the credit to GDP ratio to towards 100. The range of 55 percent does not empower industry to grow and add to the GDP. Banks should also coordinate with local NGOs and other agencies to spread digital and financial literacy .

8 APPENDIX

A. SOURCE CODE

[Analysis of Financial Performance](#)

THANK YOU!