A Comprehensive Analysis Of Financial Performance Insights From A Leading Bank

Project Report Template

1.Introduction

1.1 Over view

A brief description about your project

1.2 Purpose

The use of this project. What can be achieved using this.

2 Problem Definition & Design Thinking

2.1 Empathy map

Paste the empathy map screenshot

2.2 Ideation & brainstorming map

Paste the ideation & brainstorming map screenshot

3 Result

Final findings (output) of the project along with screenshots.

4 Advantages & Disadvantages

List of advantages and disadvantages of the proposed solution

5 Applications

The areas where this solution can be applied

6 Conclusion

Conclusion summarizing the entire work and findings.

7 Future scope

Enhancements that can be made in the future

8 Appendix

A. Source code

Attach the code for the solution built

1 Introduction

1.1 Over View

Over the past twenty years that community literacy studies has emerged as a distinct area of inquiry, scholars have rested the capacity of rhetorical theory to make a difference in the world outside college walls. Working with community partners, they have prepared students in new ways to carry on responsible, effective, socially aware communication in a variety of workplace and communities, as well as in school. There is joy in much of this work the fruit of working with people whom we otherwise would not have known on projects that matter to others as well as to ourselves.

Present the financial activities and health of the business clearly and concisely. Financial Statements include income statements, balance sheets, cash flow statements, and statements of retained earnings.

Further disclosures are made as per relevant laws, regulations, and as required by the accounting standard that is used. Financial statements record all the business's financial data, when evaluated and critically analyzed, become more useful to various stakeholders.

The preparation of financial statements places a high emphasis on the accuracy, reliability, and relevance of financial data. Financial statements record all the financial data of the business when evaluated and critically analyzed become more useful to various stakeholders

Financial performance is a complete evaluation of a company's overall standing in categories such as assets, liabilities, equity, expenses, revenue, and overall profitability. It is measured through various business-related formulas that allow users to calculate exact details regarding a company’s potential effectiveness.

For internal users, financial performance is examined to determine their respective companies’ well-being and standing, among other benchmarks. For external users, financial performance is analyzed to dictate potential investment opportunities and to determine if a company is worth their while.

Before calculations can be made on certain financial indicators that establish overall performance, a financial statement analysis must occur.

Financial statement analysis is a process conducted on organizations by internal and external parties to gain a better understanding of how a company is performing. The process consists of analyzing four critical financial statements in a business.

1.2 Purpose

Financial performance is a subjective measure of how well a firm can use assets from its primary mode of business and generate revenus. 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.

There are many stakeholders in a company, including trade creditors, bondholders, investors, employees, and management. Each group has an interest in tracking the financial performance of a company. The financial performance identifies how well a company generates revenues and manages its assets, liabilities, and the financial interests of its stakeholders and stockholders.

Independent accountants audit the information in a 10-K, and company management signs it and other disclosure documents. As a result, the 10K represents the most comprehensive source of information on financial performance made available to investors annually.

Financial statement analysis **is** a process conducted on organizations by internal and external parties to gain a better understanding of how a company is performing**.** The process consists of analyzing four critical financial statements in a business. The four statements that are extensively studied are a company's

3 Result

Financial results report on a company's bottom line and are a key performance indicator. The term refers to the amount of profit or loss a company makes during a set period of time. First-quarter, halfyear and end-of-year financial results showing a company’s performance are regularly published in the news. However, their purpose is to give shareholders a general measure of a firm's overall financial health; reporting earnings before interest and taxes. Financial results are relied upon when comparing the success of similar company within an industry or to demonstrate the growth of a particular sector.

They can also be used as a guide when analysing trends and assessing investment risk.While not all companies have to make their financial results public, companies listed on stock exchanges are required to publish their earnings on a frequent basis.

4 Advantages and disadvantages

Advantages:

Review of cash flow: It shows the financial solvency and the ability of the company to pay liabilities to pay its liabilities. The statement of cash flow statement breaks the statement into operating, investing, and financial parts. A cash flow review helps us understand whether the business is operating under a cyclical revenue stream structure or a consistent revenue model. This also helps the business maintain and keep the expenditure the business in line with the revenue model it operates.

Review of liability: Financial statements presents the short- and long-term obligations of the business. If the owner wants to expand his business, he must look at the statements of financial position and deduce the logic as to whether he should reduce existing liabilities to apply for further capital expansion. Lenders look at the financial statements and determine business prospects based on revenues, assets, and liabilities.

Review of inventory and its movement: The levels of opening and closing stock as a percentage of purchase and sales, along with the changes and movements in the levels of stock throughout the year, show the business's ability and nature. It shows whether the goods are in demand, fast-moving or slow-moving, or change in the trend of sales, and so on. When the goods are slow-moving compared to industry, it is considered a negative for the business prospect and growth.

Identification of trends: The business owner should prepare and compare financial statements over various periods to identify business trends. This helps the business know what products are selling well, what segments are growing well, and which segment of business needs further review and re-investment or complete exit at once. Trends are the gospel in the performance of the business. Identifying trends is, therefore, a necessity for the business to sustain growth and achieve higher profits.

1. **Preparation of budget**: Every business must have a vision. To prepare a vision, the business must have defined goals and objectives. The objective of financial statements is to prepare a blueprint for the future by analyzing the past financial statements already prepared and

audited. Budgets help to keep the expenses in line with income and sales. The budgets are forecasted using prepared financial statements.

Disadvantage:

Lack of Co-ordination among financial institutions: The financial system faces a lack of coordination among various financial institutions. The presence of a large number of financial institutions and government roles in controlling authorities of these institutions leads to a lack of coordination.

Monopolistic Market Structure: Many institutions in the Indian financial system occupy a monopolistic position in the market. LIC and UTI are two institutions that have grabbed a large part of the life insurance business and the mutual fund industry. These large structures could lead to mismanagement or inefficiency of funds.

High Rate of Interest: There is a possibility of the high-interest rate charged by several financial institutions in the financial system of our country. Various institutions due to their monopolistic structure in the market may charge high or unfair interest rates.

Inactive Capital Market: Our country's financial system faces the problem of the inactive capital market. All corporates in India are mostly able to acquire funds through development banks and do not need to go to the capital market.

Imprudent Financial Practice: The financial system of India has developed imprudent financial practices due to the dominance of development banks. Development banks provide funds to corporates in the form of term loans which makes the capital structure of borrowed concerns uneven. Banks even permit the use of unwarranted debts which is against the sound capital structure.

5 Application

This reading described selected applications of financial statement analysis, including the evaluation of past financial performance, the projection of future financial performance, the assessment of credit risk, and the screening of potential equity investments. In addition, the reading introduced analyst adjustments to reported financials. In all cases, the analyst needs to have a good understanding of the financial reporting standards under which the financial statements were prepared. Because standards evolve over time, analysts must stay current in order to make good investment decisions.

The main points in the reading are as follows:

Evaluating a company's historical performance addresses not only what happened but also the causes behind the company's performance and how the performance reflects the company's strategy.

The projection of a company's future net income and cash flow often begins with a top-down sales forecast in which the analyst forecasts industry sales and the company's market share. By projecting profit margins or expenses and the level of investment in working and fixed capital needed to support projected sales, the analyst can forecast net income and cash flow.

Projections of future performance are needed for discounted cash flow valuation of equity and are often needed in credit analysis to assess a borrower's ability to repay interest and principal of a debt obligation.

Credit analysis uses financial statement analysis to evaluate credit-relevant factors, including tolerance for leverage, operational stability, and margin stability.

When ratios constructed from financial statement data and market data are used to screen for potential equity investments, fundamental decisions include which metrics to use as screens, how many metrics to include, what values of those metrics to use as cutoff points, and what weighting to give each metric.

Analyst adjustments to a company's reported financial statements are sometimes necessary (e.g., when comparing companies that use different

6 Conclusion

This project has been very useful to me because I learned how to prepare cash flow statements and ratio analysis. This has improved my knowledge on financial statements which is very useful in business and commerce ever day. The work I did in this project has helped me to understand the techniques, applications and usefulness of financials statements to understand the performance of a particular company or enterprise without much difficulty and also understand how to prepare them in future. I came to the following conclusion while preparing this project.

Financial analysis helps the users of the financial statements to understand the complicated matter in simplified manner. Different date can be made more attractive by charts and diagrams which can be easily understood uses of Financial Statement.

7. Future

The financial forecast allows businesses to predict future financial performance against set standards. It provides a benchmark against which performance, loopholes, and corrective actions of an organization are monitored. It helps in identifying the processes that are most capital consuming

1. Leave the problems of Microsoft Excel spreadsheets behind

The broader the use of spreadsheets within an organization, the greater the chance for human error and risk. Too often, spreadsheets create flawed models and inaccurate calculations due to a lack of standardization, poor data integrity and ineffective collaboration methods. The COVID pandemic has taught many CFOs and FP&A professionals, if nothing else, the value of an agile planning process. To survive the pandemic, organizations needed the ability to shift gears or pivot plans quickly, incorporate external factors to mitigate risk, adapt strategic plans to new business models, focus on cash flow and working capital as part of a continuity plan and integrate planning across the organization to achieve a holistic view of performance. There are certain events that can’t be modeled in Excel, this was and still is, one of them. Spreadsheets impede collaboration, creating data and planning siloes and cause a delay of critical information that can cause a ripple effect, driving poor decision making and poor results. And yet, people like working in spreadsheets. They're familiar with them. So, is there a way forward? Fortunately.

2. Reimagine the back-office role

Working in silos is a thing of the past. The business leaders of the future are those who l everage integrated planning alongside artificial intelligence and automation to augment human intelligence and drive better outcomes. The rapidly evolving business conditions of the COVID-19 pandemic have only underscored this imperative. Companies that relied on siloed, manual processes were caught in a reactive position while more digitally or AI-focused enterprises were able to take a proactive stance thanks to the agility to pivot plans and forecasts quickly. These enterprises harnessed the power of integrated planning or "extended planning & analysis" (xP&A) as it is often referred to, as well as scenario modeling, and predictive forecasting.

3. The career path for back-office personnel is about to evolve. As FP&A is automated, CFOs and FP&A

Managers will play a leading role in reinventing the workforce: creating a knowledgeable, agile, collaborative and empowered team to lead the organization into the future. We believe this means evolving the back-office role from an administrative one to a strategic one.

Business leaders can automate tedious and labor-intensive tasks like data collection, aggregation and cleansing through the use of AI. This empowers them to spend more time on value-added work and enables them to make better informed business decisions. And With financial planning, scenario modeling and performance management KPIs and metrics streamlined, data can be leveraged toward creating a feedback loop that informs present and future operations. Business leaders can also incorporate predictive capabilities into their FP&A practice, to create more accurate and reliable forecasts.

Predictive forecasting uses statistical and predictive analytics to identify and assess trends and seasonality patterns in historic values, greatly improving forecast accuracy. It also reduces the time required to produce accurate profitability and balance sheet forecasts, allowing users to focus on process optimization, managing exceptions and making adjustments.

Freed from rote tasks, FP&A teams will have the opportunity to think innovatively and contribute their deep expertise and skill sets to strategic decision making and more meaningful work. Meaningful work ensures that employees' skills and talents are being fully utilized and there is greater alignment to shared, core values. IBM Employee Experience Index shows that 80% of employees report a more positive employee experience when their work is consistent with the organization's core values. And the happier employees are, the more satisfied customers and end-users tend to be.

8. Appendix

Liquidity: Thickness

Mechanism: Instrument

Liability: Culpability

Imprudent: Careless

Quantitative: Calculable

Obligation: Bond

Overburden: Load

Monopoly: Cartel

Leverage: Clout

Profitability:Usefulness