

## **MILESTONE 1**

### **DEFINE PROBLEM / PROBLEM UNDERSTANDING**

#### **ACTIVITY 1: SPECIFY THE BUSINESS PROBLEM**

The business problem is to conduct a comprehensive analysis of the financial performance of a leading bank. This analysis will involve reviewing the bank's financial statements, including its income statement, balance sheet, and cash flow statement, to identify key trends and patterns in its financial performance over time. The analysis will also involve examining the bank's key financial ratios, such as its return on assets, return on equity, and net interest margin, to assess its profitability, efficiency, and liquidity.

The purpose of this analysis is to gain insights into the bank's financial performance, identify areas of strength and weakness, and make recommendations for improvement. This information will be valuable to the bank's management team, investors, and other stakeholders, as it will help them make informed decisions about the bank's future direction and strategy. The analysis will also serve as a benchmark for the bank's performance against its competitors in the industry.

#### **ACTIVITY 2: BUSINESS REQUIREMENTS**

To conduct a comprehensive analysis of the financial performance of a leading bank, the following business requirements need to be considered:

1. Access to the bank's financial statements, including income statement, balance sheet, and cash flow statement.
2. Identification of key financial ratios, such as return on assets, return on equity, and net interest margin.
3. Analysis of the bank's profitability, efficiency, liquidity, and other key financial performance metrics.
4. Comparison of the bank's financial performance with its competitors in the industry.
5. Identification of areas of strength and weakness in the bank's financial performance.
6. Recommendations for improvement in the bank's financial performance, based on the analysis.
7. Presentation of the analysis results in a clear and concise manner, using appropriate data visualizations and other tools.

### **ACTIVITY 3: LITERATURE SURVEY (STUDENT WILL WRITE)**

A literature survey will be conducted to gain a deeper understanding of the financial performance analysis of banks. The survey will cover various topics, including financial ratios, financial statement analysis, and benchmarking. It will also include case studies of financial performance analysis of leading banks in the industry. The literature survey will be based on both academic and industry sources, such as research articles, books, and reports.

Financial statement analysis, which involves reviewing a bank's financial statements (such as the income statement, balance sheet, and cash flow statement) to identify key trends and patterns in its financial performance. Benchmarking, which involves comparing a bank's financial performance to that of its competitors in the industry to identify areas of relative strength and weakness.

Credit risk analysis, which involves assessing a bank's ability to manage credit risk through a variety of methods, such as stress testing, scenario analysis, and credit scoring. Market risk analysis, which involves assessing a bank's exposure to market risk through methods such as value-at-risk (VaR) modeling and stress testing. Operational risk analysis, which involves assessing a bank's exposure to operational risks, such as fraud, cyberattacks, and human error.

A literature survey on financial analysis of banks should aim to provide a comprehensive overview of the various methods and techniques used to analyse the financial performance of banks, as well as the strengths and limitations of these approaches. It should also provide insights into current trends and challenges in the banking industry, and identify potential areas for future research and improvement.

### **ACTIVITY 4: SOCIAL OR BUSINESS IMPACT**

#### ***Social Impact:***

The comprehensive analysis of the financial performance of a leading bank will have both social and business impact. From a social perspective, the analysis will provide insights into the bank's financial health, which is crucial for maintaining the stability of the financial system. It will also help to build public trust in the banking industry, by providing transparency and accountability in financial reporting.

Furthermore, a comprehensive analysis of the financial performance of a leading bank will have a significant impact on the business side. For instance, the analysis will enable the bank's management team to make informed decisions about its future direction and strategy based on the insights and recommendations provided in the report. It will also provide valuable information for investors and other stakeholders, who rely on accurate and timely financial information to make investment decisions.

### ***Business Model/Impact:***

From a business perspective, the analysis will help the bank's management team make informed decisions about its future direction and strategy. It will also provide valuable information for investors and other stakeholders, who rely on accurate and timely financial information to make investment decisions. By identifying areas of strength and weakness in the bank's financial performance, the analysis will help the bank to improve its profitability, efficiency, and overall financial health. This, in turn, will contribute to the growth and success of the bank and the wider banking industry.

Overall, the comprehensive analysis of the financial performance of a leading bank will have both social and business impacts. From a social perspective, it will contribute to maintaining the stability of the financial system and building public trust in the banking industry. From a business perspective, it will provide valuable information for decision-making and contribute to the growth and success of the bank and the wider banking industry.