

A COMPREHENSIVE ANALYSIS OF FINANCIAL PERFORMANCE: INSIGHTS FROM A LEADING BANKS

INTRODUCTION

1.1 OVERVIEW:

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.

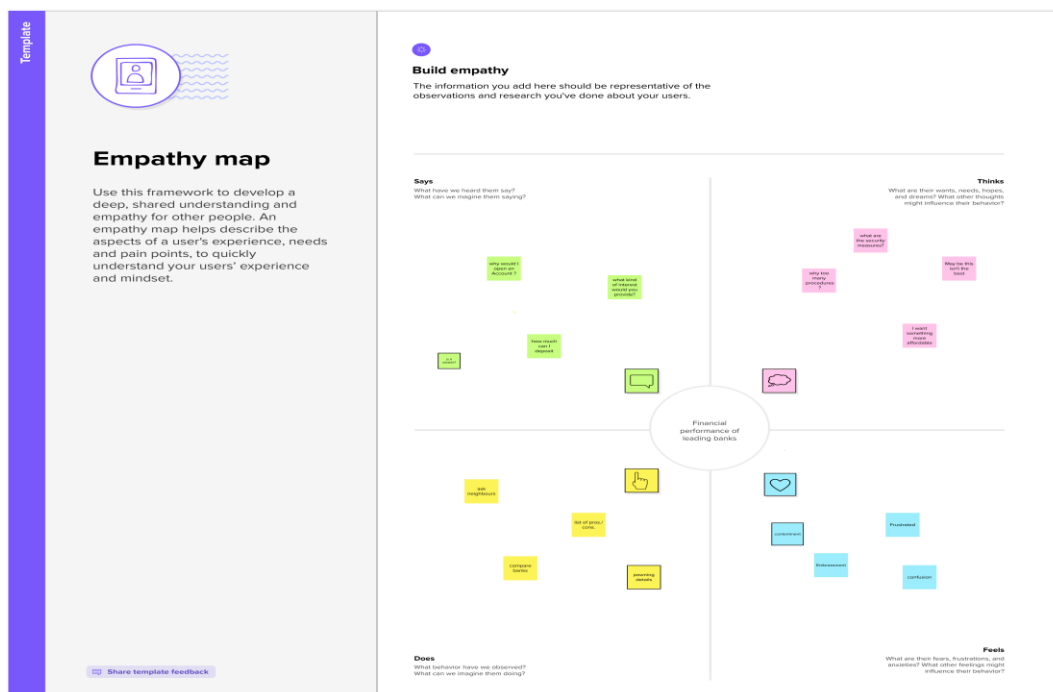
1.2 PURPOSE:

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.

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.

PROBLEM DEFINITION AND DESIGN THINKING

2.1 EMPATHY MAP



2.2 IDEATION AND BRAINSTROMING MAP



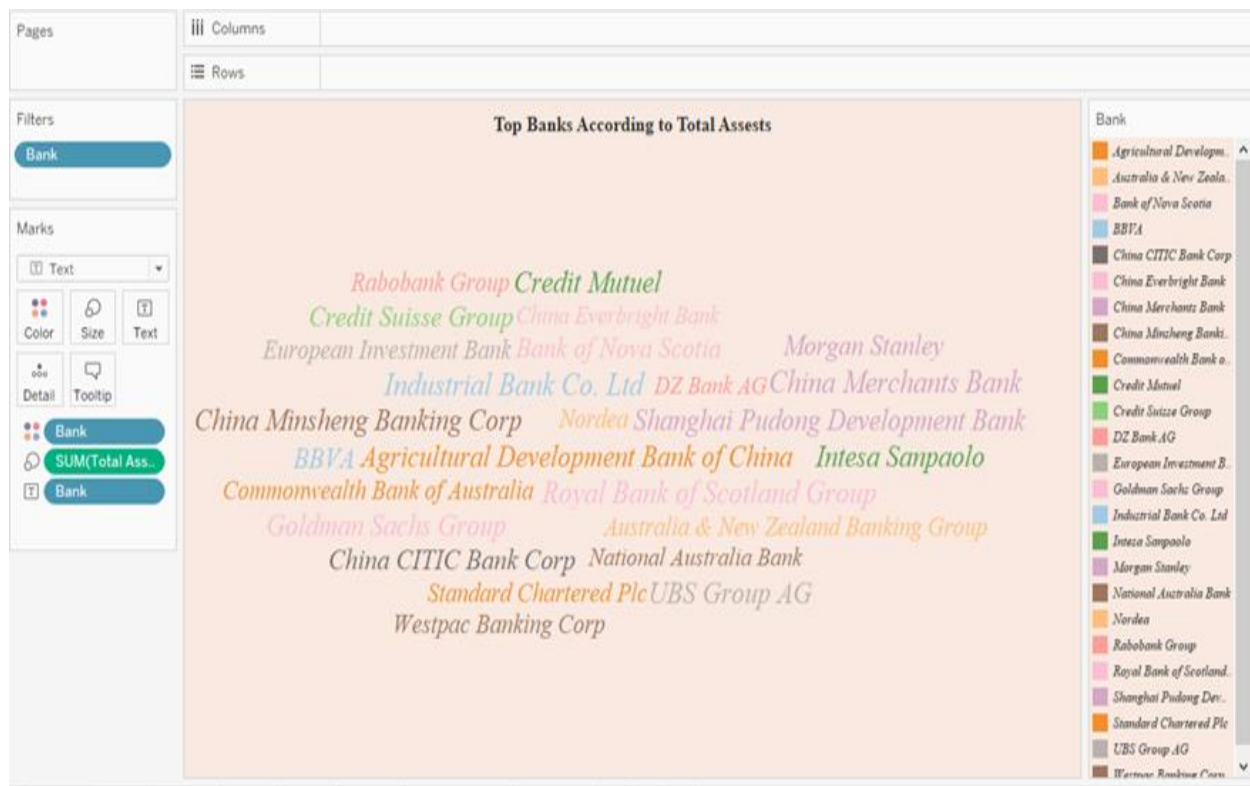
RESULT:

The following shows the activities, dashboards and story of our project using tableau

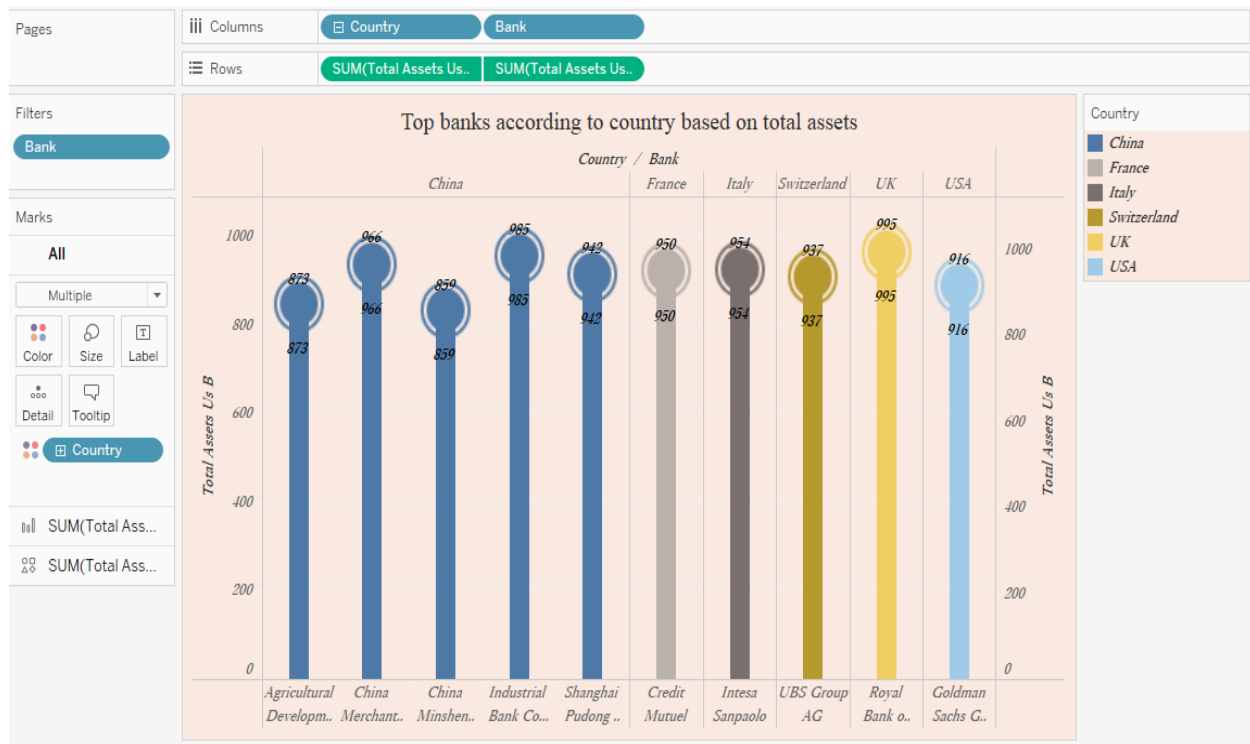
ACTIVITIES:



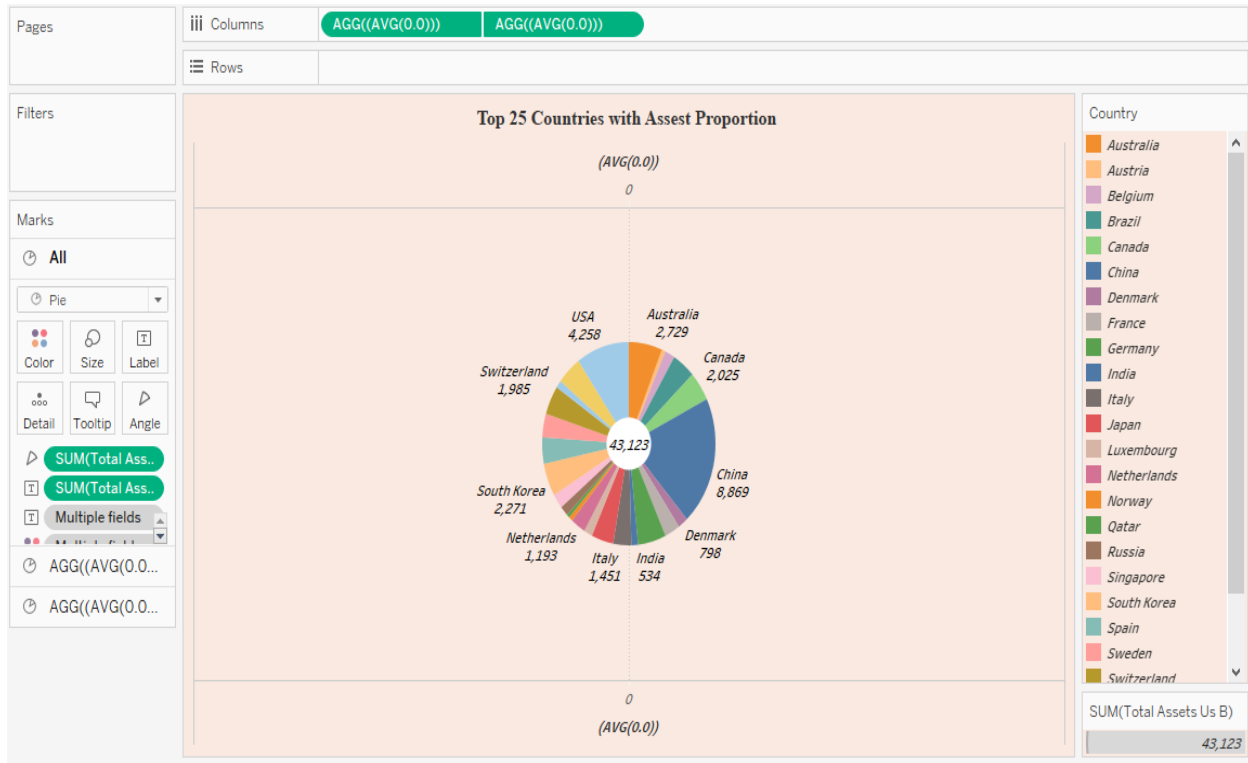
This Arrow and Track chart represents the Top Banks according to Rank and Assets.



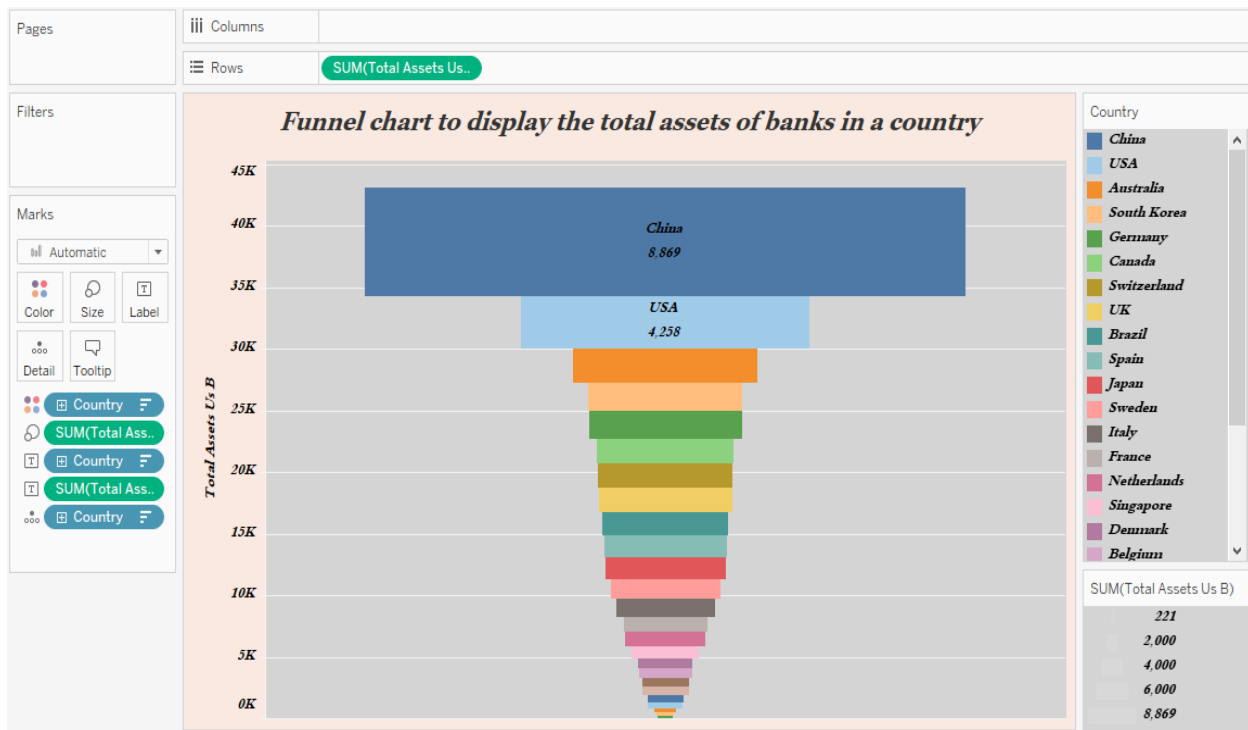
This cloud represents the Top Banks according to Total Assets.



This represents the lollipop chart of Top Banks according to Country based on Total Assets.



This pie chart represents the Top 25 Countries with Assets Proportion.

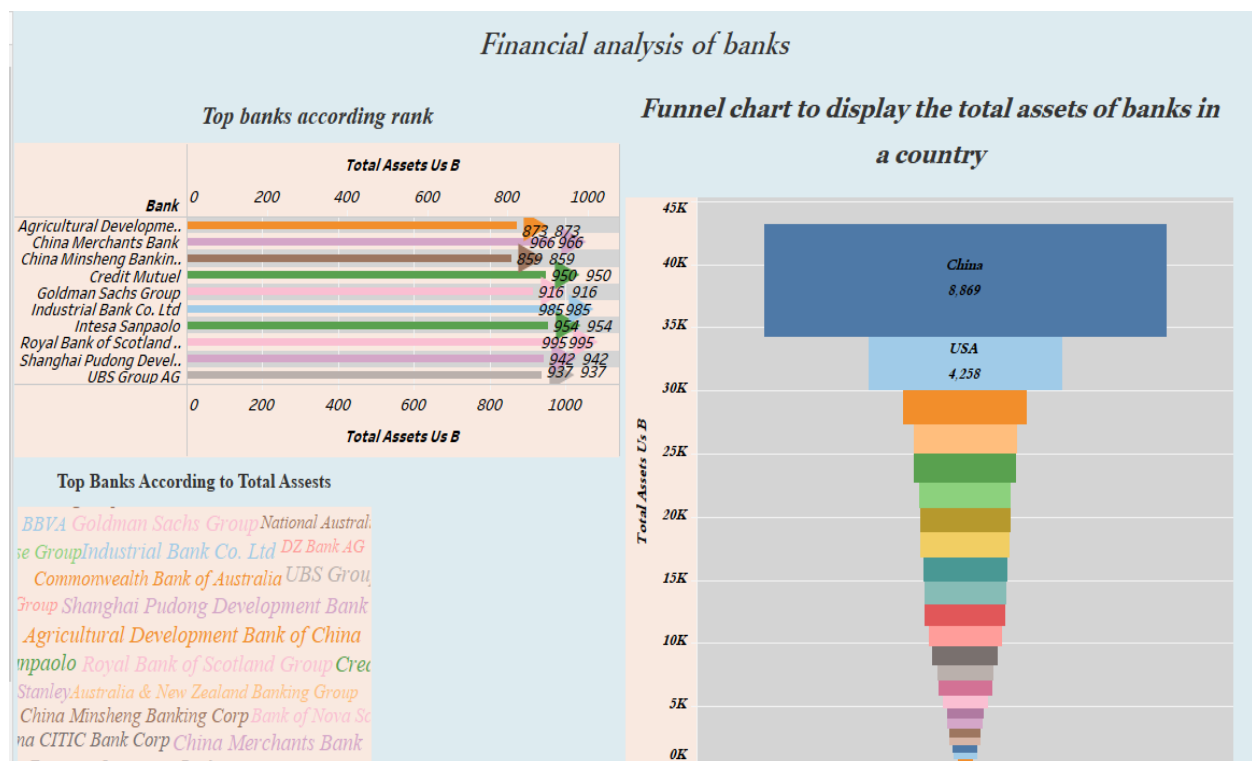


This Funnel chart represents the Country with Total Assets in increasing order.



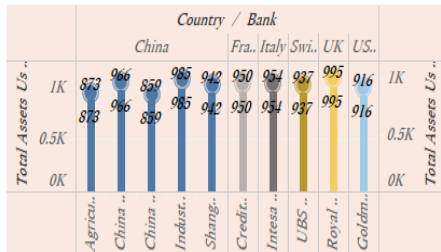
This Layout represents the Total Assets analysis according to Year and Quarter.

DASHBOARDS:

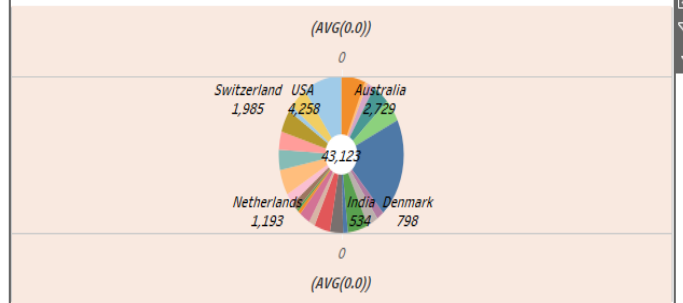


Financial Analysis of Banks

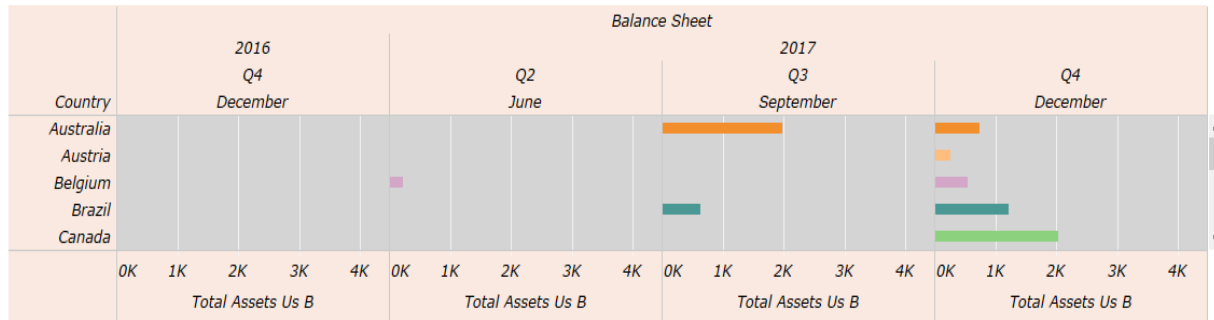
Top banks according to country based on total assets



Top 25 Countries with Asset Proportion



Total asset Analysis according to Year and Quarter



STORY:

Story Board for Financial Analysis of Banks

This graph explains me about the total assets of the banks

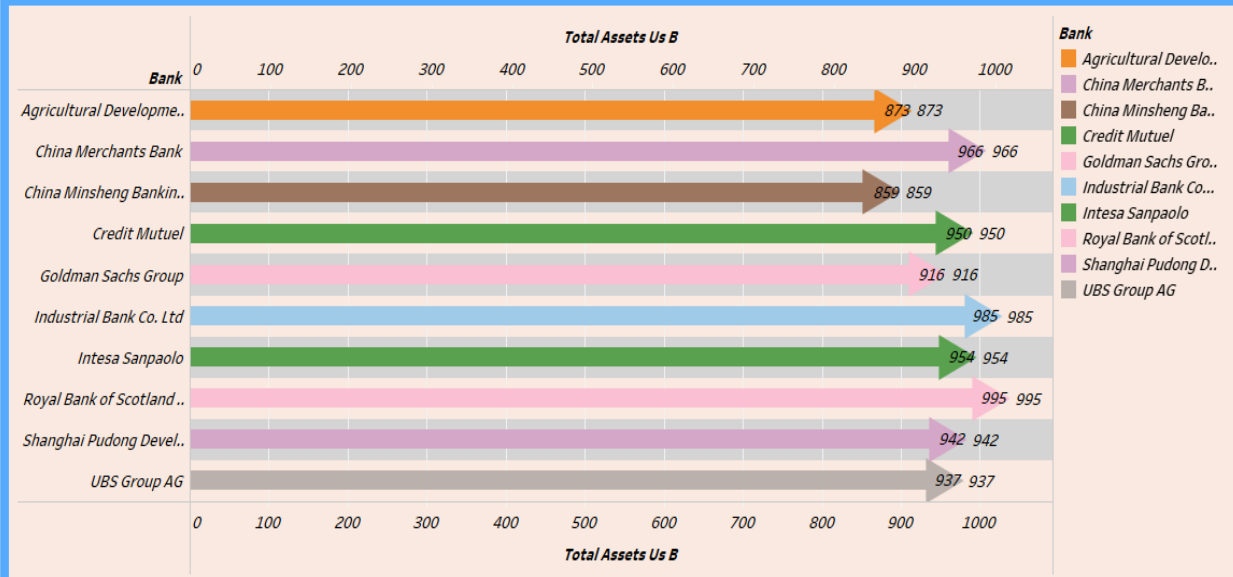
Total Assets of the Banks around the World

Total Assets of the Bank according to Country based

Top 25 Countries with asset proportion

Funnel chart representation of a country with Total

Total Assets analysis according to Year and Quarter



ADVANTAGES AND DISADVANTAGES:

ADVANTAGES:

- a) Ratio analysis, which involves comparing different financial metrics (such as return on assets, return on equity, etc.) to assess a bank's performance and compare it to industry averages or other benchmarks.
- b) Stress testing, which involves simulating adverse economic scenarios to evaluate a bank's ability to withstand financial shocks.
- c) Risk management, which involves identifying, assessing, and mitigating the various risks facing a bank, such as credit risk, market risk, and operational risk.
- d) Basel III, which is a set of international regulatory standards for banks that includes measures for capital adequacy, liquidity, and leverage.

DISADVANTAGES:

Financial analysis of banks can have a significant social impact by identifying areas where the bank's operations or lending practices may be causing harm to vulnerable communities or perpetuating inequality. For example, a financial analysis might reveal that a bank is heavily invested in fossil fuel companies, contributing to climate change, or that the bank is disproportionately denying loans to minority-owned businesses, perpetuating economic discrimination.

APPLICATIONS:

Financial performance analysis can focus on different areas. Types of analysis can include a specific examination of a firm:

- **Working capital:** the difference between a company's current assets, such as cash, accounts receivable (customers' unpaid bills), and inventories of raw materials and finished goods, and its current liabilities
- **Financial structure:** the mix of debt and equity that a company uses to finance its operations
- **Activity analysis:** the factors involved in the cost and pricing of goods and services
- **Profitability analysis:** how much money the business clears, after expenses and taxes

CONCLUSION:

This method of analysis provides simplicity, reader friendly version of presenting complex data regarding performance of Countries in the banking industry. The ranking system makes judging and analyzing the financial data of banks much simpler for the common man. This analysis takes a step back, to look at what the economic theory of banking and financial intermediation can tell us about how technology may drive industrial organization in the sector, and how that might inform further policy responses.

FUTURE SCOPE:

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 so that bank account holders use the banking system to borrow and repay loans in time to improve their businesses/enterprises. With reform initiatives banks should be in a better position to lend to help revive the economy faster despite the lingering external sector risks.