

PROJECT DOCUMENTATION

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

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Team Size : 5

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INTRODUCTION:

This session introduces analysis of financial performance of Leading Banks, it discussed about the assets and ranks of top banks in the world, it describes the capital risk which the banks faces.

Define Problem / Problem Understanding

Specify the Business Problem

The primary purpose of analyzing financial performance is to evaluate the financial health and stability of a company. This information is crucial for making informed decisions related to investment, credit, and strategic planning.

Some specific business problems that may require financial performance analysis include:

- Determining the profitability of a company: Financial performance analysis can help determine how profitable a company is and identify areas where it can improve its profitability.
- Evaluating the liquidity of a company: Financial performance analysis can help assess a company's ability to meet its short-term financial obligations, such as paying off debts and bills.
- Assessing the solvency of a company: Financial performance analysis can help determine if a company has enough assets to cover its long-term debts and financial obligations.
- Identifying areas where a company can reduce costs: Financial performance analysis can help identify areas where a company can reduce costs and improve efficiency.
- Evaluating the financial stability of a company: Financial performance analysis can help assess a company's ability to withstand economic downturns, unexpected expenses, and other financial challenges.

Business Requirements

These requirements can vary depending on the specific context and industry, but some common ones include:

- Access to financial data: To conduct financial performance analysis, you need access to financial data, such as income statements, balance sheets, and cash flow statements. This data should be accurate, up-to-date, and reliable.
- Financial analysis tools: To analyze financial data, you need access to financial analysis tools, such as financial ratios, trend analysis, and other methods of financial analysis. These tools should be appropriate for the specific business context and industry.

- Competent analysts: Financial analysis requires skilled analysts who can interpret financial data, identify trends, and draw meaningful conclusions. These analysts should have relevant training and experience in financial analysis.
- Clear objectives: Before conducting financial performance analysis, it is essential to define clear objectives and questions to guide the analysis. These objectives should align with the overall business goals and objectives.
- Data security and privacy: Financial data is sensitive and confidential information that should be protected from unauthorized access and misuse.

Literature Survey

The literature survey covers different aspects of financial performance analysis, including the use of financial ratios, financial statement analysis, and other methods of analysis.

- One study by Osisioma, Nwosu, and Agbada (2019) examined the use of financial ratios in assessing the financial performance of Nigerian firms. The study found that financial ratios are useful tools for evaluating the financial health of companies, and that investors and other stakeholders can use them to make informed decisions.
- Another study by Chen, Chen, and Wu (2018) analyzed the financial performance of Chinese firms using financial statement analysis. The study found that financial statement analysis is a useful tool for evaluating the financial health of companies, and that it can be used to identify areas where a company is performing well and areas where it needs improvement. In addition to financial ratios and financial statement analysis, other methods of financial performance analysis include cash flow analysis, ratio analysis, and trend analysis.
- A study by Kumar and Goyal (2019) examined the use of trend analysis in assessing the financial performance of Indian companies. The study found that trend analysis is a useful tool for identifying patterns and trends in a company's financial performance, which can be used to predict future performance.

Overall, the literature survey suggests that financial performance analysis is an important tool for investors, managers, and other stakeholders to evaluate the financial health of a company. Different methods of analysis, including financial ratios, financial statement analysis, and trend analysis, can be used to assess the financial performance of a company and make informed decisions.

Social or Business Impact

- From a social perspective, analyzing financial performance can help ensure that companies operate in a financially responsible and sustainable manner. This can have a positive impact on stakeholders such as employees, customers, and communities. For example, a company that is profitable and financially stable is

more likely to invest in its employees, provide better customer service, and contribute to the economic development of the communities it operates in.

- From a business perspective, analyzing financial performance can have significant impacts on the success of the company. By evaluating financial performance, businesses can identify areas where they can reduce costs, improve efficiency, and increase profitability. This information can be used to make informed decisions about investment, credit, and strategic planning. For example, if a company is struggling financially, financial performance analysis can help identify the underlying causes and inform decisions about restructuring or seeking additional funding.

Data Collection & Extraction from Database

Data collection is the process of gathering and measuring information on variables of interest, in an established systematic fashion that enables one to answer stated research questions, test hypotheses, evaluate outcomes and generate insights from the data.

Understand the data

Data contains all the meta information regarding the columns described in the CSV files.

Column Description of the Dataset:

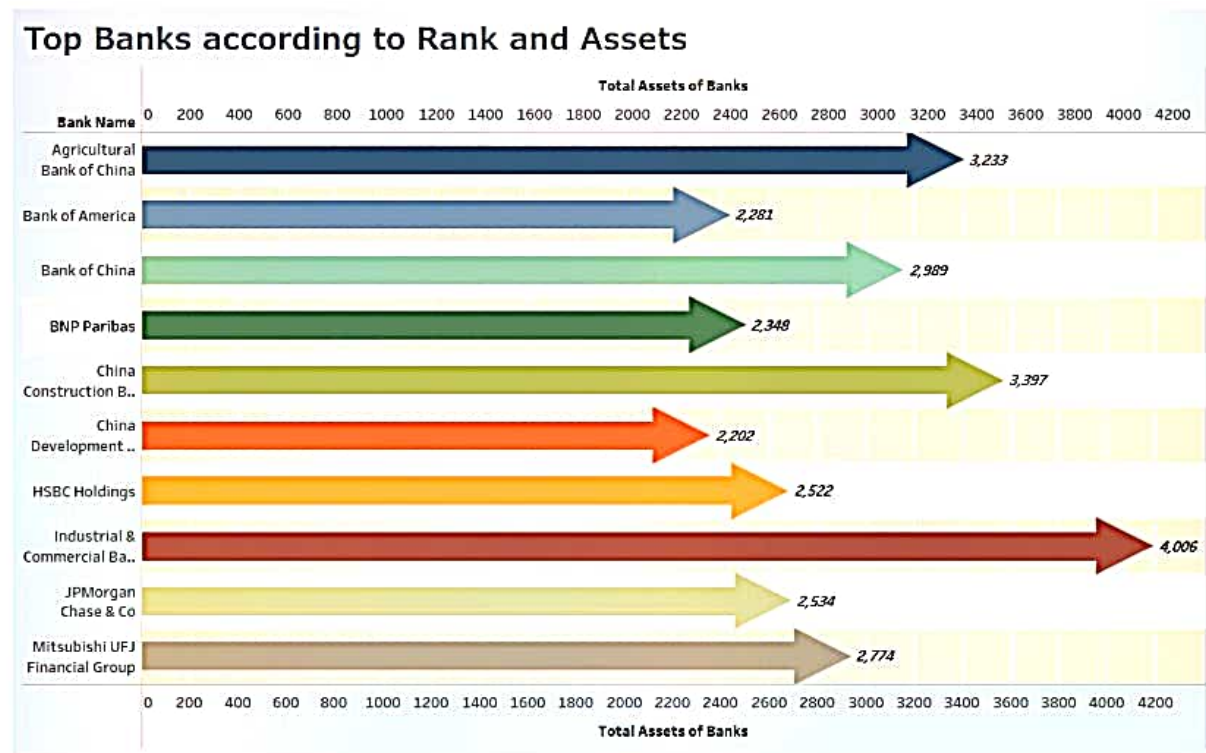
1. bank: Name of the bank
2. Country: In which country the bank is operating
3. Total Assest: Total assets of the banks
4. Rank : Rank of the bank among the world
5. landmass : Under which continent the bank belongs to

Prepare the Data for Visualization

Preparing the data for visualization involves cleaning the data to remove irrelevant or missing data, transforming the data into a format that can be easily visualized, exploring the data to identify patterns and trends, filtering the data to focus on specific subsets of data, preparing the data for visualization software, and ensuring the data is accurate and complete. This process helps to make the data easily understandable and ready for creating visualizations to gain insights into the performance and efficiency.

Data Visualization

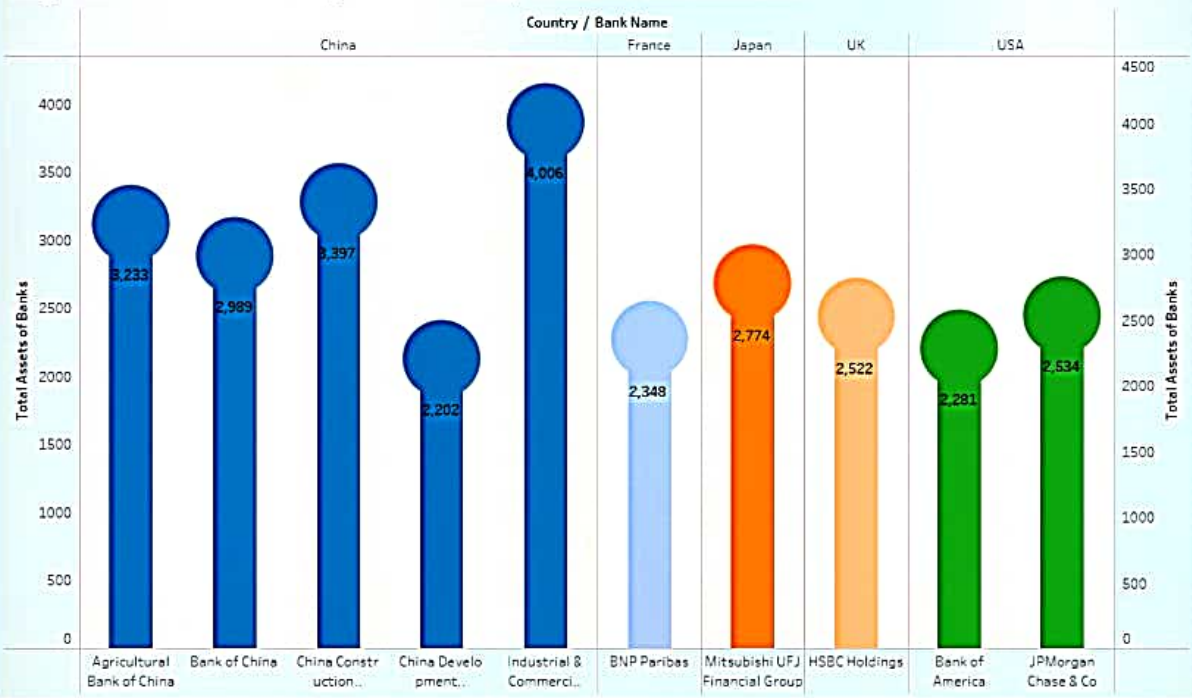
Data visualization is the process of creating graphical representations of data to help people understand and explore the information. The goal of data visualization is to make complex data sets more accessible, intuitive, and easier to interpret. By using visual elements such as charts, graphs, and maps, data visualizations can help people quickly identify patterns, trends, and outliers in the data.



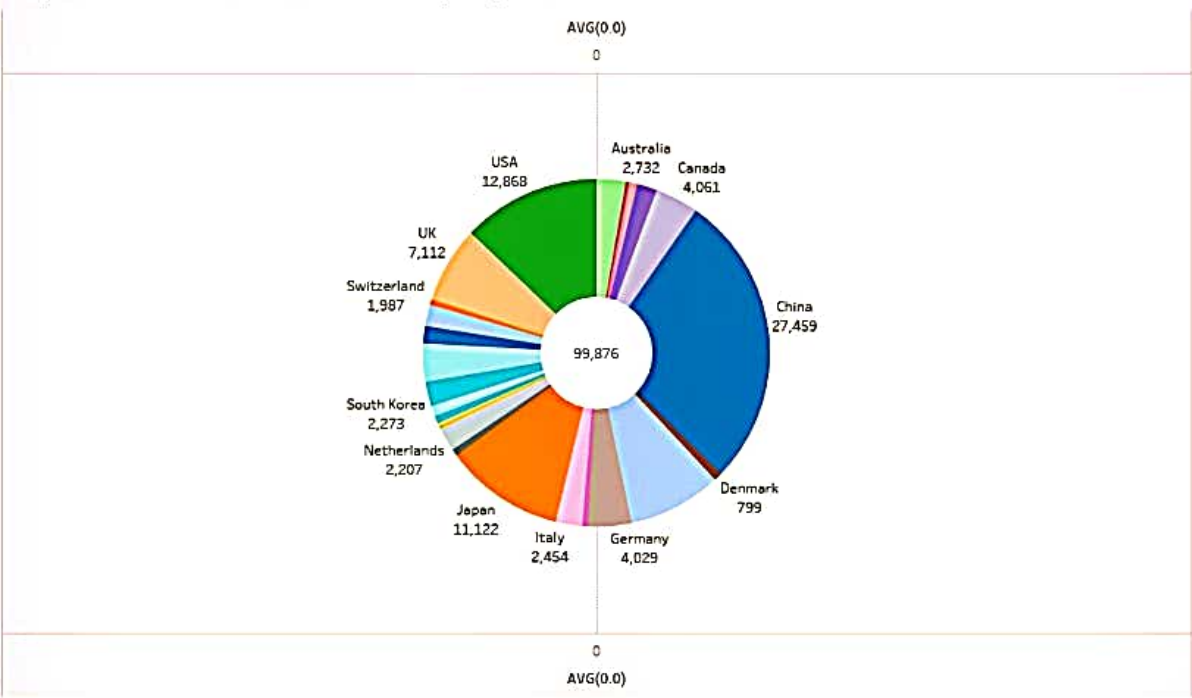
Top Banks according to Assets

Wells Fargo
HSBC Holdings Japan Post Bank
Bank of China Lloyds Banking Group Royal Bank of Canada
Credit Agricole Group Mitsubishi UFJ Financial Group
Sumitomo Mitsui Financial Group Agricultural Bank of China
Industrial & Commercial Bank of China Citigroup Inc
JPMorgan Chase & Co China Construction Bank Corp
Barclays PLC China Development Bank Groupe BPCE Mizuho Financial Group
Postal Savings Bank of China Bank of America Banco Santander Deutsche Bank
Bank of Communications Societe Generale
BNP Paribas

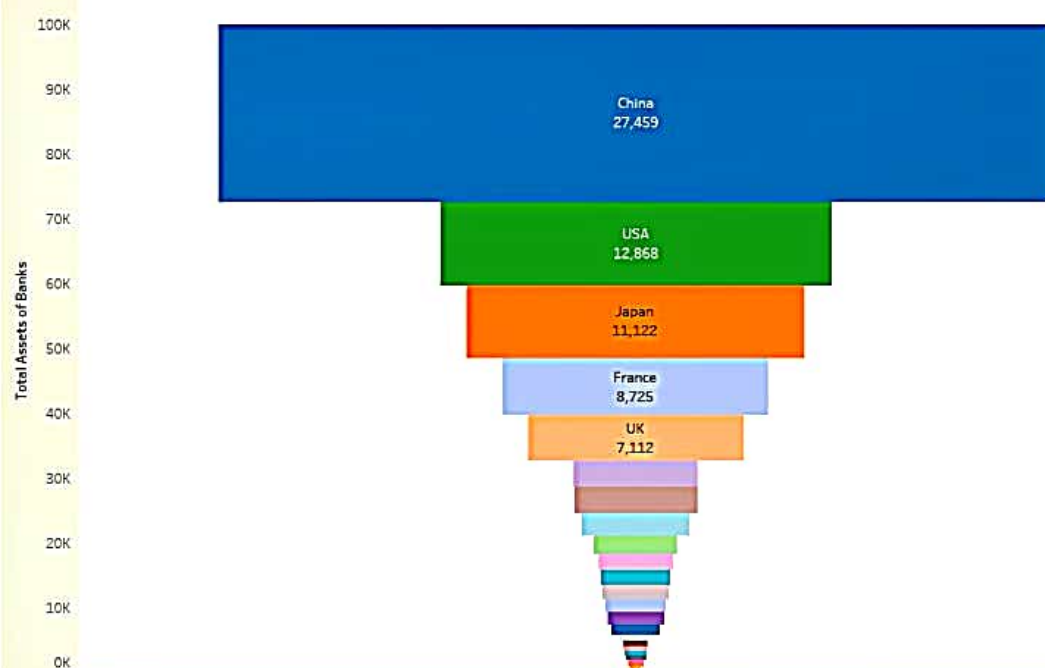
Top Banks according to country based on assets



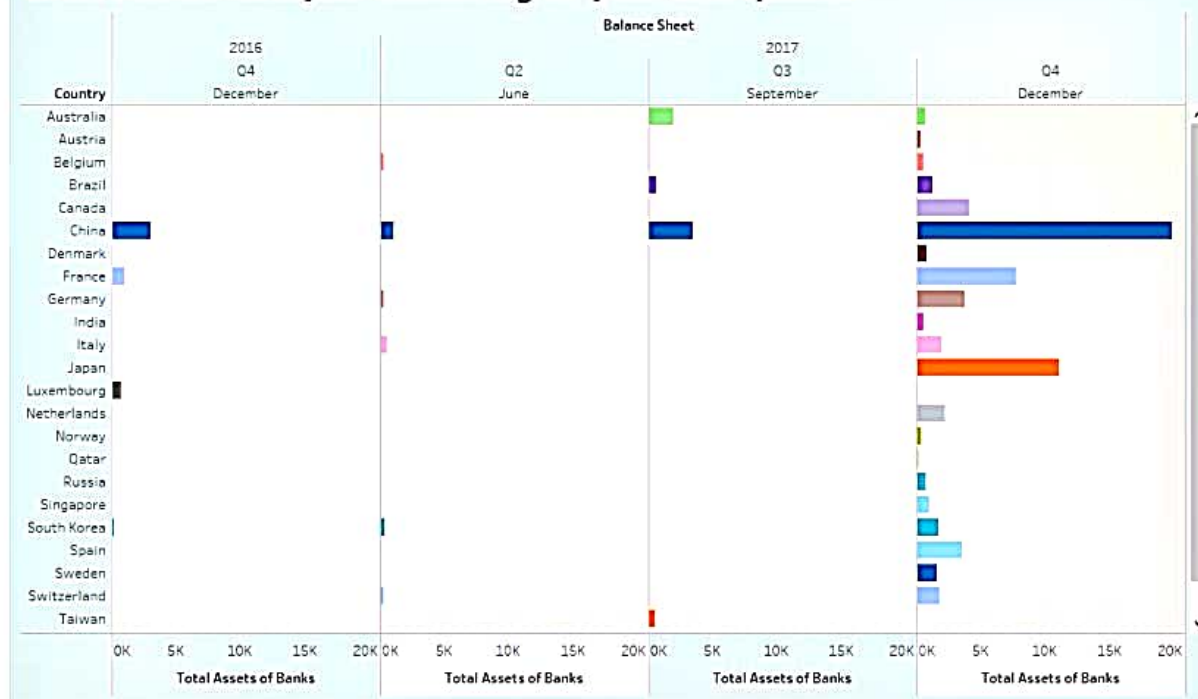
Top Countries with assets proportion



Country with total assets using funnel chart



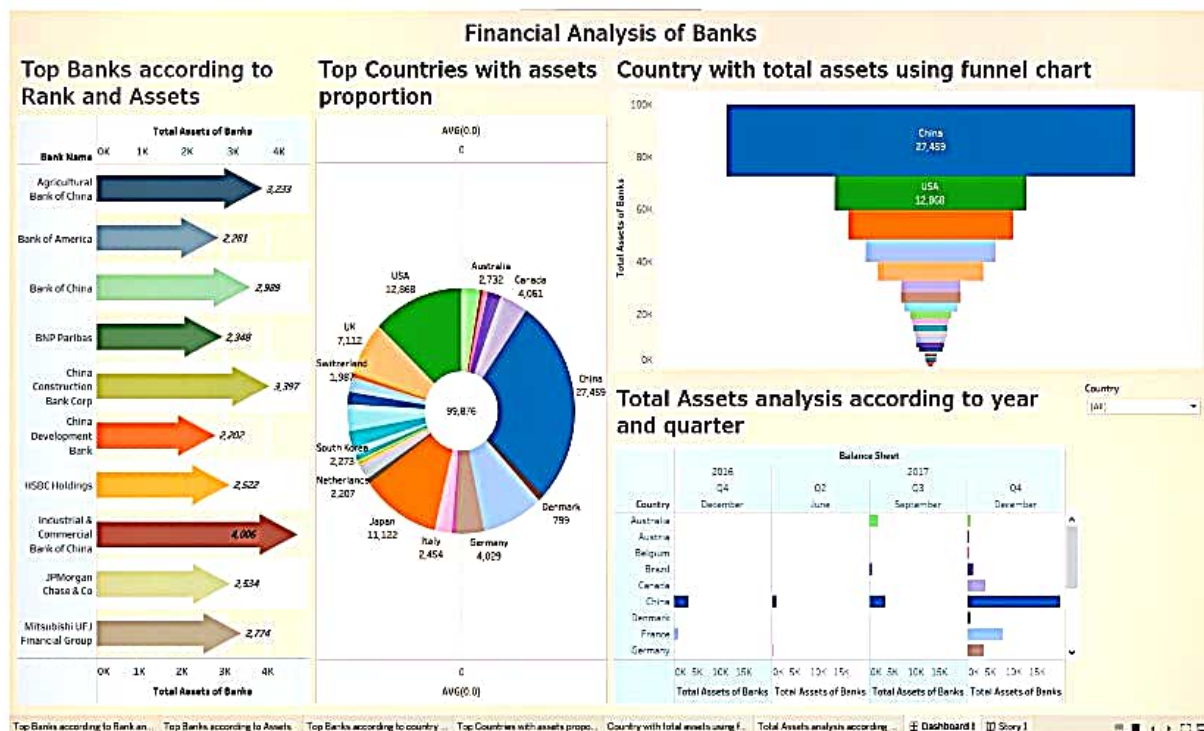
Total Assets analysis according to year and quarter



Dashboard

A dashboard is a graphical user interface (GUI) that displays information and data in an organized, easy-to-read format. Dashboards are often used to provide real-time monitoring and analysis of data and are typically designed for a specific purpose or use case. Dashboards can be used in a variety of settings, such as business, finance, manufacturing, healthcare, and many other industries. They can be used to track key performance indicators (KPIs), monitor performance metrics, and display data in the form of charts, graphs, and tables.

Design of Dashboard



Story

A data story is a way of presenting data and analysis in a narrative format, intending to make the information more engaging and easier to understand. A data story typically includes a clear introduction that sets the stage and explains the context for the data, a body that presents the data and analysis logically and systematically, and a conclusion that summarizes the key findings and highlights their implications. Data stories can be told using a variety of mediums, such as reports, presentations, interactive visualizations, and videos.



CONCLUSION:

In conclusion, a comprehensive analysis of financial performance is a vital tool for evaluating the financial health and performance of an organization. It involves the examination of various financial statements and ratios to gain a deeper understanding of an organization's financial situation. The advantages of conducting a comprehensive analysis of financial performance include better decision making for investors, creditors, and management, improved regulatory compliance, and better strategic planning. When done correctly, it can provide valuable insights into an organization's financial performance, strengths, weaknesses, and potential areas for improvement.