

## **Abstract**

The study examines the financial analysis and its role in evaluating the financial performance in Sudanese banks specifically Omdurman National Bank (OMN). The study is aimed to identify the financial statements analysis, explain its role in evaluating the financial performance and consider the importance of financial analysis in banks.

The problem of the study is to what extent using financial analysis could help to collect the required information for measuring and evaluating the financial performance and provide answers for the following questions:

- Are the banks really using financial analysis for evaluating their financial performance?
- Using financial analysis for financial statements; does it help to identify the financial performance in banks?
- Are the information and data provided by financial analysis sufficient to the user of financial statements for evaluating financial performance and taking sound decisions?
- Could the financial analysis help to find out the strength and weakness points in financial performance?

The study adopted the inductive method for testing the hypotheses and the historical approach for tracing the former studies in this concern. The descriptive method is also used to examine the case study that is OMB and identify the role of financial analysis in evaluating the financial performance in the said bank.

The most important results indicate that banks don't take in their consideration financial analysis and its outcome in evaluating performance, and so it has disadvantage effect on overall performance evaluation. It is also noted that figures, information and data shown in financial statements are insufficient to carry out performance evaluation. There is a statistical correlation between using financial analysis and identifying the financial position of the bank.

The recommendations are as follows:

- The commercial banks should give consideration for the financial analysis at evaluating their performance because of its effective role in financial planning and

control.

- The commercial bank should pursue suitable criteria at evaluating performance to minimize incorrect evaluation which doesn't reflect the actual financial position.
- The financial statements should inclusively include appropriate accounting information to reflect the actual picture and accurate financial position.
- The sources of information which are essential for the financial analyst should be highly reliable to provide financial indicators. These indicators could be used for predicating the future financial position of the bank.
- The information in financial analysis should be balanced between its suitability and reliability and the financial analyst should consider the requirements of the beneficiary.