ABSTRACT
This study aimed at finding out the role of analysis and interpretation of financial statements in decision making at Eco Bank Rwanda and determining whether financial statements help in making decisions. Objectives of the study were: to find out how analysis and interpretation of financial statements is done at ECO BANK; determine the liquidity position of Eco Bank Rwanda, and finally to find out the return on assets registered by Eco Bank Rwanda. It was conducted in Nyarugenge District Kigali city in the Republic of Rwanda. The literature relating to the financial statements was reviewed by consulting different books and electronic materials in the view of getting more insights on the subject matter which was financial statements and decision making. In chapter three the research design, population of the study, sample size, sampling techniques and data collection techniques are all explained. Data was analyzed, presented in tables and charts for further interpretation and conclusions. Major research findings from the research include: it was identified that financial statements are very important tools in decision making at Eco Bank Rwanda. This was confirmed by 93% of the responses asked, Financial statements provides reliable information to base on in making strategic decisions in an organization like expansion, dividends pay out and investment. Financial statements are often referred to while making decisions. Analysis and interpretation of financial statements at Eco Bank Rwanda is done through trend analysis, comparative analysis and ratio analysis. Liquidity position of Eco Bank Rwanda was revealed to be good and this was confirmed by computation of ratios especially cash ratios, return on assets during the years under the study was fluctuating and generally very low.