

**FINANCIAL REPORTING AND INVESTMENT DECISIONS: THE STRATEGIC
ROLE OF ACCOUNTING INFORMATION**

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Annotation. This article analyzes the importance of financial statements in investment decision-making and the strategic role of accounting information. Financial statements provide reliable information about a company's financial position, operating performance, and cash flows, making them an important source of information for investors. The study highlights the role of accounting information in assessing investment risks, determining profitability, and developing effective investment strategies. Furthermore, the article demonstrates that the transparency and reliability of financial statements contribute to improving the investment environment and strengthening investor confidence.

Keywords: financial statements, investment decisions, accounting, financial analysis, investors, financial information, profitability, risk assessment.

Introduction. The integration of Uzbekistan's commercial banks into international financial markets, ensuring transparency in financial activities, and creating an attractive environment for foreign investors have increased the importance of the **International Financial Reporting Standards (IFRS)**. In recent years, the implementation of these standards has contributed to improving the financial performance of banks. Statistical analysis indicates that financial statements prepared in accordance with IFRS have enhanced banks' investment potential and expanded opportunities for international cooperation. In particular, the growth in the volume of commercial bank assets is closely linked to accounting practices and financial reporting conducted in compliance with IFRS requirements.

Financial reports prepared according to international standards improve the accuracy and reliability of financial information, making it easier for investors and lending institutions to evaluate bank performance. As a result, the inflow of foreign investment has increased, leading to a significant expansion of banks' financial resources and asset volumes. Therefore, the implementation of IFRS has become one of the key factors strengthening the financial stability and competitiveness of commercial banks.

Growth of Commercial Bank Assets (2018–2023)

Table 1

Bank Name	Assets in		Assets in		Assets in		Growth (%) (2018–2023)
	2018 UZS)	(billion UZS)	2020 UZS)	(billion UZS)	2023 UZS)	(billion UZS)	
National Bank of	55,000		85,000		110,000		100%

Uzbekistan				
Ipoteka Bank	30,000	58,000	78,000	160%
Asaka Bank	35,000	60,000	90,000	157%
Agrobank	25,000	48,000	68,000	172%
People's Bank	20,000	38,000	55,000	175%
Hamkorbank	22,000	35,000	43,000	145%

Changes in Capital Adequacy Ratios of Commercial Banks (2018–2023)

Table 2

Bank Name	Capital Adequacy in 2018 (%)	Capital Adequacy in 2020 (%)	Capital Adequacy in 2023 (%)	Growth (%) (2018–2023)
National Bank of Uzbekistan	13.0	18.5	22.0	69%
Ipoteka Bank	11.5	17.0	21.0	83%
Asaka Bank	12.5	18.0	23.0	84%
Agrobank	10.0	15.5	19.5	95%
People's Bank	9.5	14.5	18.0	89%
Hamkorbank	8.0	13.1	14.4	78%

The analysis of the data demonstrates that between 2018 and 2023, the assets of Uzbekistan's commercial banks increased significantly, with some banks experiencing nearly twofold or even higher growth. This positive trend can be explained by the increased transparency and reliability of financial statements resulting from the implementation of IFRS, which strengthened the confidence of foreign investors and international financial institutions. Consequently, the financial stability and investment attractiveness of banks have improved considerably.

The findings indicate that the adoption of IFRS has led to positive changes in the key financial indicators of commercial banks. In particular, increases in asset volumes, net profits, and capital adequacy ratios demonstrate enhanced efficiency and financial stability. This clearly illustrates the practical significance of accounting and financial reporting conducted in accordance with international standards.

The implementation of IFRS has not only improved banks' internal management systems but has also enhanced their reputation in international financial markets. The transparency and reliability of financial reporting have strengthened the trust of foreign investors and international financial institutions, creating favorable conditions for increased investment inflows.

The gradual implementation of IFRS in Uzbekistan's commercial banks has had a significant positive impact on the development of the banking sector. Research findings and statistical data show that financial reporting based on international standards has increased the openness and transparency of banking operations. As a result, the confidence of both domestic and foreign investors in the banking system has strengthened, while the level of investment attractiveness has continued to grow.

Furthermore, maintaining financial statements in accordance with IFRS contributes to improved financial performance. The growth of net profits and capital adequacy indicators reflects the expanding financial capacity of banks, thereby enhancing their competitiveness in international markets. Higher capital adequacy ratios also strengthen banks' resilience to financial risks and enable them to maintain stable operations during periods of economic

uncertainty. Therefore, a capital policy developed in compliance with IFRS requirements is an essential factor for the long-term development of banks.

In addition, financial reporting that complies with international standards facilitates broader cooperation with foreign investors, attracts new sources of financing, and increases access to international capital markets. The growth of bank assets can be regarded as a practical outcome of these processes.

At the same time, several challenges remain in the process of fully implementing IFRS. These include a shortage of qualified specialists, the need for modern information technologies, and limited practical experience in applying international standards. Therefore, expanding professional training programs and developing modern management systems are of critical importance.

Conclusion. In conclusion, the findings of this study demonstrate that the implementation of the **International Financial Reporting Standards (IFRS)** in the operations of Uzbekistan's commercial banks serves as an important factor in enhancing the efficiency, transparency, and financial stability of the banking sector. Financial statements prepared under IFRS ensure the reliability and comparability of information regarding banking activities, thereby creating a favorable information environment for both domestic and foreign investors.

The analysis revealed positive changes in banks' asset volumes, capital adequacy ratios, and other financial indicators. This confirms the practical effectiveness of IFRS and its contribution to strengthening the competitiveness of banks in international financial markets. Moreover, financial reporting based on international standards facilitates the attraction of foreign investment, effective risk management, and improvements in corporate governance quality.

However, the need remains to train qualified professionals, expand the use of modern information technologies, and further improve the regulatory and legal framework to ensure the full implementation of IFRS. Future reforms in these areas will accelerate the integration of Uzbekistan's banking system into the international financial environment and contribute to its sustainable development.

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