# Report On

# "Impact of Earnings Per Share (EPS) and Net Asset Value (NAV) on Share Price of Bangladesh Finance PLC"

**By**

**Muhtasim Billah Nafe**

**Student ID: 22104137**

**An internship report submitted to the BRAC Business School in partial fulfillment of the requirements for the degree of Bachelor of Business Administration**

**BRAC Business School**

**BRAC University**

**May 2026**

## Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at BRAC University.

2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.

3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.

4. I/We have acknowledged all main sources of help.

**Student's Full Name & Signature:**

______________________________

**Muhtasim Billah Nafe**

Student ID: 22104137

**Supervisor's Full Name & Signature:**

______________________________

**Safarath Ahmed**

Lecturer, BRAC Business School

BRAC University

## Letter of Transmittal

**Safarath Ahmed**

Lecturer,

BRAC Business School

BRAC University

Kha 224 Pragati Sarani, Merul Badda, Dhaka - 1212

**Subject:** Submission of Internship Report titled "Impact of Earnings Per Share (EPS) and Net Asset Value (NAV) on Share Price of Bangladesh Finance PLC."

Dear Sir,

It is my pleasure to present my internship report as a partial fulfillment of the degree requirement of the Bachelor of Business Administration programme in BRAC Business School, BRAC University.

This report gives a detailed discussion on the impact of EPS and NAV on share price of Bangladesh Finance PLC. The study assesses what measure of impact does EPS and NAV have over share price. I would like to believe that my study of impact measurement has been reflected in this report.

Sincerely yours,

___________________________

**Muhtasim Billah Nafe**

Student ID: 22104137

BRAC Business School

BRAC University

Date: 17 May, 2026

## Non-Disclosure Agreement

I, Muhtasim Billah Nafe, solemnly state that the internship report, entitled Impact of Earnings Per Share (EPS) and Net Asset Value (NAV) on Share Price of Bangladesh Finance PLC, has been prepared and updated by me after a three-month internship in Bangladesh Finance PLC has been completed successfully. I testify by the report that this is just a report commissioned by me and it has not been submitted under any other condition or use other than to meet my Bachelor of Business Administration program requirement at BRAC University.

## Acknowledgement

I am deeply appreciative towards Almighty Allah who has provided me with the strength and wisdom to finish this internship role, as well as the research project. I believe that this opportunity is a major step in my academic and career path.

My utmost appreciation goes to my supervisor, Mr. Safarath Ahmed who is a Lecturer at BRAC Business School and guided me throughout my preparation of this report. He has been encouraging and giving constructive feedback and his perseverance and inspiration.

I would like to extend my utmost gratitude to my industry supervisor, Mr. Amitav Deb Nath FCA, Group Head of Internal Control and Compliance at Bangladesh Finance PLC, who was consistently guiding and supporting me throughout my internship on the Annual Report project and other relevant tasks. His knowledge on corporate finance and compliance has enabled me to have a better view of the complexity in a large-scale company.

I would also like to thank all my colleagues at Bangladesh Finance PLC especially the Internal Control and Compliance department. Their support and the desire to help me during the internship were critical and assisted me in gaining an in-depth knowledge of the financial management practices.

## Executive Summary

The report provides an in-depth view of the financial and operational performance of Bangladesh Finance PLC, with a particular focus on the key themes titled as Impact of Earnings Per Share (EPS) and Net Asset Value (NAV) on Share Price of Bangladesh Finance PLC. It examines the relationship between Earnings Per Share (EPS), Net Asset Value per Share (NAV), and the year-end market price per share of Bangladesh Finance PLC. It also shows that EPS and NAV changed significantly over the years, while share price also moved sharply, indicating that investor valuation was influenced by both profitability and underlying net assets.

The findings suggest that stronger EPS and NAV were generally associated with better market performance in earlier years, but the relationship weakened during periods of heavy provision charges, negative profitability, and equity erosion. In particular, the sharp drop in EPS, negative NAV in some years, and large fluctuations in market price reflect instability in investor confidence and valuation expectations.

Therefore, this chapter opines that while EPS and NAV will, and have, had share price determinants in Bangladesh Finance PLC, they work habitually, and valuation will be tuned to profitability shocks, the capital adequacy crunch, the credit crunch, and positive feelings in the market. These findings suggest that Bangladesh Finance PLC will continue to perform in a manner that will demand to be valued on the market, more so, when the company is operating with assets of higher quality, more net quality assets, and more stable net earnings.

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## List of Acronyms

| Acronym | Full Form |
|---|---|
| AML | Anti-Money Laundering |
| BBS | BRAC Business School |
| BBA | Bachelor of Business Administration |
| BSEC | Bangladesh Securities and Exchange Commission |
| BB | Bangladesh Bank |
| BFIP | Bangladesh Finance Internship Program |
| CFT | Combating the Financing of Terrorism |
| CSE | Chittagong Stock Exchange |
| CV | Curriculum Vitae |
| DSE | Dhaka Stock Exchange |
| EPS | Earning Per Share |
| FAD | Financial Administration |
| FCA | Fellow Chartered Accountant |
| GAAP | Generally Accepted Accounting Principles |
| HRIS | Human Resources Information System |
| ICC | Internal Control and Compliance |
| IFRS | International Financial Reporting Standards |
| IPO | Initial Public Offering |
| ICAB | Institute of Chartered Accounts of Bangladesh |
| ICSB | Institute of Chartered Secretaries of Bangladesh |
| NAV | Net Asset Value |
| NPL | Non-Performing Loan |
| NBFI | Non-Banking Financial Institution |
| R&D | Research and Development |
| SAFA | South Asian Federation of Accountants |

| | |
|---|---|
| SME | Small & Medium Enterprise |
| SIP | Systematic Investment Plan |
| IT | Information Technology |
| HNI | High Net-Worth Individual |

## Glossery

| Term | Explanation |
|---|---|
| Book Value | Book value is the value of a company’s assets after deducting its liabilities. It approximates the total value shareholders would receive if the company were liquidated. Investors can use this metric to help determine whether a company is under or overvalued. |
| EPS | Earnings per Share measures a company’s profitability by indicating how much money a shareholder would receive for each share they own if all profits were distributed. |
| Intrinsic Value | Intrinsic value is the real value of an asset based on fundamental factors, as opposed to the price assigned by the market. |
| IPO | Initial Public Offering is the term for the first time that a private company sells shares of its stock to the public on a stock exchange. |
| Fintech | Financial technology, commonly known as fintech, revolutionizes how financial services are delivered and consumed. |
| FI | A financial institution is a company involved in financial and monetary transactions such as deposits, loans, investments, insurance, brokerages, and investment dealers. |
| NAV | Net asset value (NAV) is the difference between a company’s assets and its liabilities calculated at the end of each business day. |
| NBFI | Nonbank financial institutions are entities that offer financial services similar to those provided by traditional banks but don't have a banking license. |
| NPL | A nonperforming loan (NPL) is a loan in which the borrower has defaulted or is likely to default, posing a risk to full repayment. |
| SIP | Systematic investment plans (SIPs) are a disciplined investment technique that involves investing at regular intervals in equal amounts. |
| SME | Small and midsized enterprises refer to businesses that fall within certain employee and financial size criteria, serving as a backbone for economic development and job creation in various industries. |

# Chapter 1

# Overview of Internship

## 1.1 Student Information: Name, ID, Program and Major

I am a Bachelor of Business Administration (BBA) student, ID of 22104137, at BRAC Business School (BBS), and am an enthusiast in the academic discipline of Finance in BRAC University. BRAC University curriculum is integrated with theory and practice models as it features an internship in the final semester. This internship program is aimed at reducing the gap between theory and practice particularly in the area of interest of the student. To fulfill the requirement of this program, I was compelled to acquire an internship experience in one of the most prominent non-banking financial institutions in this country known as Bangladesh Finance PLC. The report presented here is a summary of the facts of internship as it is, the tasks assigned, the lessons learnt, and the reflection of the entire experience of the internship.

## 1.2 Internship Information

### 1.2.1 Period, Company Name, Department, Address

The duration of the internship was three months, with the start being January 19, 2026, and ended on April 16, 2026. I was appointed to the Internal Control and Compliance (ICC) department on the Annual Report project of Bangladesh Finance PLC, one of the leading non-banking financial institutions (NBFI) of Bangladesh and a financial branch of Anwar Group. Bangladesh Finance PLC’s principal branch is located at the center of Bangladesh’s financial hub, Motijheel, commonly known as Bangladesh Finance Tower, 64, Motijheel C/A, Dhaka - 1000.

### 1.2.2 Internship Company Supervisor’s Information: Name and Position

During the internship, I was under the supervision of Amitav Deb Nath FCA, Group Head of Internal Control and Compliance at Bangladesh Finance PLC. The Annual Report Project was led by a Fellow Chartered Accountant with a lot of experience in regulatory compliance, internal audit, and risk management, who advised me on the matters of financial documentation, data structuring, and compliance with the IFRS, GAAP, BSEC and BB standards, and on the importance of precision and confidentiality in the operations of corporate finance.

### 1.2.3 Job Scope - Job Description/Duties/Responsibilities

My internship experience in Bangladesh Finance PLC was focused on the Annual Report project, and I assisted the Internal Control and Compliance (ICC) team and Financial Administration (FAD) team in preparing quantitative parts of the Annual Report under a strict confidentiality policy. The most critical tasks were supporting documentation, handling of data, compliance with regulations and presentation in a professional and accurate way to achieve accurate, compliant and professional outputs. Mainly, the following tasks were my responsibilities during the internship:

- **Quantitative Documentation Assistance:** Prepared and checked numerical information of internal records to be included in the annual report, cross-referring entries to ensure accuracy and integrity.
- **Data Collection, Structuring, and Organization:** Collected raw market data and archives, cleaned, and organized them in Excel for analysis and reporting.
- **Regulatory Compliance:** Implemented the applicable rules of IFRS, GAAP, BSEC, and the Bangladesh Bank (BB) while drafting the financial disclosures to ensure the legal requirements and standards were met.
- **Visual Data Presentation:** Designed and built charts, tables and graphs and developed tools to create and/or enhance reading ease while encapsulating the financial details in a simple and understandable manner for the stakeholders.

These particular tasks demanded analytical acuity and great attention to detail, and required collaboration with the more experienced staff, to ensure the timely and efficient completion of the annual report. My internship at Bangladesh Finance PLC also offered me restricted access to the core components of a company's financial operations and helped me to become familiar with the confidentiality protocols for processes containing crucial company information.

## 1.3 Internship Outcomes:

### 1.3.1 My Contribution to Bangladesh Finance PLC

My primary role was to help with the micro and macro economic parts of the annual report and their analysis. This involved help with reporting and data and compliance with rules and regulations. This helped to merge work processes and control the quality of financial reporting. A big part of this job was helping work with the quantitative parts of the annual report.

I worked with the finance division to put together and verify quantitative data. This was done from the various sources and divisions in the company and ensured every entry was documented and cross-tabulated to minimize errors. This was a complicated exercise that needed a higher level of alertness and detailed-oriented skills in financial reporting so that the senior personnel could focus on other valuable analysis.

At the same time, I was involved in collecting and setting up information for the annual report. This work centered on gathering raw data from transaction records, financial streams, and historical data, removing outliers, and digital organizing via software systems like Excel. Through process automation, I was able to fast-track data usage and lower operating margin of errors. This gave the team a solid data set to resort to for decision making. I ensured I worked well within the bounds set by the International Financial Reporting Standards (IFRS), Generally Accepted and Accounting Principles (GAAP), the Bangladesh Securities and Exchange Commission (BSEC) and the Bangladesh Bank (BB). I created layout designs for data representation in the form of visually appealing and reader friendly/comprehensible graphs, tables, and charts which ensured compliance. These enhancements did not only meet the legal threshold, but also increased the level of professionalism in the annual report.

Overall, my work provided insight and evidenced the integrity and efficiency of the annual reports of Bangladesh Finance PLC. This deepened my knowledge of trade-offs between the accuracy, efficiency, and integrity of corporate finance reports and the technical trade-offs of financial data handling and adherence to standards. It also provided me with my first solid professional experience in financial analysis, which will be of great value to me in my professional journey as a financial analyst.

### 1.3.2 Gains

The internship experience at Bangladesh Finance PLC will also be a pivotal experience in my journey, as I filled the gap I had in relation to the practice of corporate finance. Different aspects of my experience aligned me with the knowledge areas of Internal Controls and Compliance, Treasury, Financial Administration and Credit Risk Management. At the personal level, the experience not only increased my level of analytical thinking and attention to detail but also greatly increased my level of proficiency in Excel and financial reporting. Other vital soft skills that I gained comprise professional communication, teamwork, time management, and stakeholder engagement. Working in a team with high performance has highlighted the importance of teamwork, responsibility and mutual expertise to achieve organizational success. Moreover, practical experience in live financial information and software enhanced my self-confidence in full time work in the financial sector. This experience has only increased my desire to major in corporate finance with specialization in liquidity planning, treasury management and financial forecasting.

### 1.3.3 Problems/Difficulties Experienced During Internship

Although the experience was generally positive, there were obstacles which interfered with integration and productivity. First, there was no official induction program, which posed a major knowledge gap in the form of departmental structures, core functions, company products/services, and basic policies, which rendered me feeling out of place at first.

### 1.3.4 Recommendations Toward Bangladesh Finance PLC

The Bangladesh Finance Internship Program (BFIP) has great potential, as it has been seen that interns who perform well are promoted to become Management Trainees (MT) through technical examination and interviews with departmental heads, head of HR, and the MD/CEO. To increase the reach, I would suggest advertising BFIP to students of reputed public and private universities. This would draw in a more diverse and larger applicant base, raise the company brand value, and enhance financial literacy and inclusion in the country. I would also recommend including facilities like scheduled orientations, frequent feedback to ensure that the interns feel important and included in the program, which will improve the retention and reputation of the program.

# Chapter 2

# Organization Part

## 2.1 Introduction

Bangladesh Finance PLC started as BD Finance was founded in 1999 and is one of the most prominent Non-Banking Financial Institutions (NBFI) in Bangladesh. The company has established a good reputation in the financial institution domain with 23 other listed NBFIs with sound risk management practices due to its diversification of products. The company has made significant milestones over the years such as having a good credit rating, developing a stable deposit foundation and establishing Islamic finance business. The entity has also registered a relatively low Non-Performing Loan (NPL) ratio meaning that the organization has been successful in managing its credit risks.

Bangladesh Finance, which has two subsidiaries, Bangladesh Finance Securities Limited and Bangladesh Finance Capital Limited, has the objective of offering total financial service, such as leasing, SME finance, home loans, capital market services and Islamic finance. These diversified services will help the company to support businesses and individual customers in various sectors of the economy.

### 2.1.1 Objective

This chapter reviews Bangladesh Finance PLC as an organization, its structure and its way of governance, the way people, marketing, finance and operations functions work in practice in the company and how it competes in the Bangladesh's financial institution industry. It is geared towards giving a cohesive organizational portrait that forms the basis to further analysis of share price determination in the report.

### 2.1.2 Scope of Study

The scope incorporates the main functional areas of Bangladesh Finance PLC (Management/Human Resources, Marketing, Finance and Accounting, Operations and Information Systems) and how they fit within the country's industry environment. The discussion revolves around the current practice and the current policy, which can be traced throughout the past few years, relying on the publicly available information regarding the company and the financial institution sector in general.

### 2.1.3 Methodology

The chapter is written in the form of an organised review of the organisation. It is a compilation of secondary materials, disclosures to the public and classical academic models (e.g. naive financial ratios interpretations, Porters Five Forces, and SWOT). Where applicable, it employs the general industry ratios and key financial indicators that one needs to know about the financial performance of the company like cost to income ratio, capital adequacy ratio, cost of funds etc.

### 2.1.4 Significance of the Study

An industry that is capital intensive and controlled such as the financial institution, needs the interaction of the finance, operations, marketing and human resource closely together in order to make sure that the performance of the organization is achieved. It is essential to be aware of such building blocks to determine how Bangladesh Finance PLC can have adequate liquid, make consistent growth and compete on the quality of services and provide benefits to its shareholders.

## 2.2 Overview of the Company

Being one of Bangladesh's financial institutions, Bangladesh Finance PLC is dedicated to offering creative and inclusive financial services. The company has built recognition over the years of being actively engaged in the economic development of Bangladesh through its diverse financial services. Bangladesh Finance PLC has built its operations reflecting customer focus and commitment on building trust and professionalism to create long lasting value.

Constant improvement is a principal value and the cornerstone of the company. Bangladesh Finance PLC is a strongly reputed company through being responsible with their surrounding business activities in Bangladesh's Finance sector and has successfully struck a balance between modern and traditional services. The company is participative with the development of Bangladesh's financial market. It is also a company of diverse range of services and they all perceive their compliance and commitment to regulation.

### 2.2.1 Vision, Mission and Values

Bangladesh Finance PLC aspires to be the most innovative and popular financial service

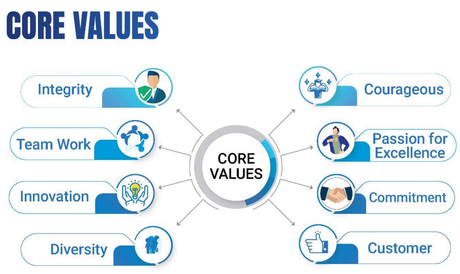


*Figure 01: Core Values of Bangladesh Finance PLC*

provider in the country, particularly in creating value to all stakeholders. To achieve this vision, the firm articulates a mission of delivering its financial services to broader segments of the population as its contribution to inclusive, sustainable and quality development upon trust and confidence. Furthermore, it has core values such as integrity, teamwork, innovation, diversity, courage, passion of excellence, and customer focus, which are collectively oriented towards its corporate culture and service approach.

## 2.2.2 Company History

As the financial division of Anwar Group, which is one of the local giant groups of companies, Bangladesh Finance PLC started its operation in 1999 and received the license of Bangladesh Bank (BB), once known as BD Finance launched its first public offering (IPO) in 2007 and was listed in the Chottrogram Stock Exchange (CSE) and Dhaka Stock Exchange (DSE) respectively. Later in 2010 and 2011, equity participation with Bangladesh Finance Securities Limited and Bangladesh Finance Capital Limited was done. In 2020, they received the International Financial Award 2019 and in the second half of 2020 they received permission to open Islamic based Shariah wing. Between 2021 and 2024, Bangladesh Finance won the SAFA, ICAB, ICSB award for the best published annual report and most sustainable and climate focused financial institution through Bangladesh Bank.

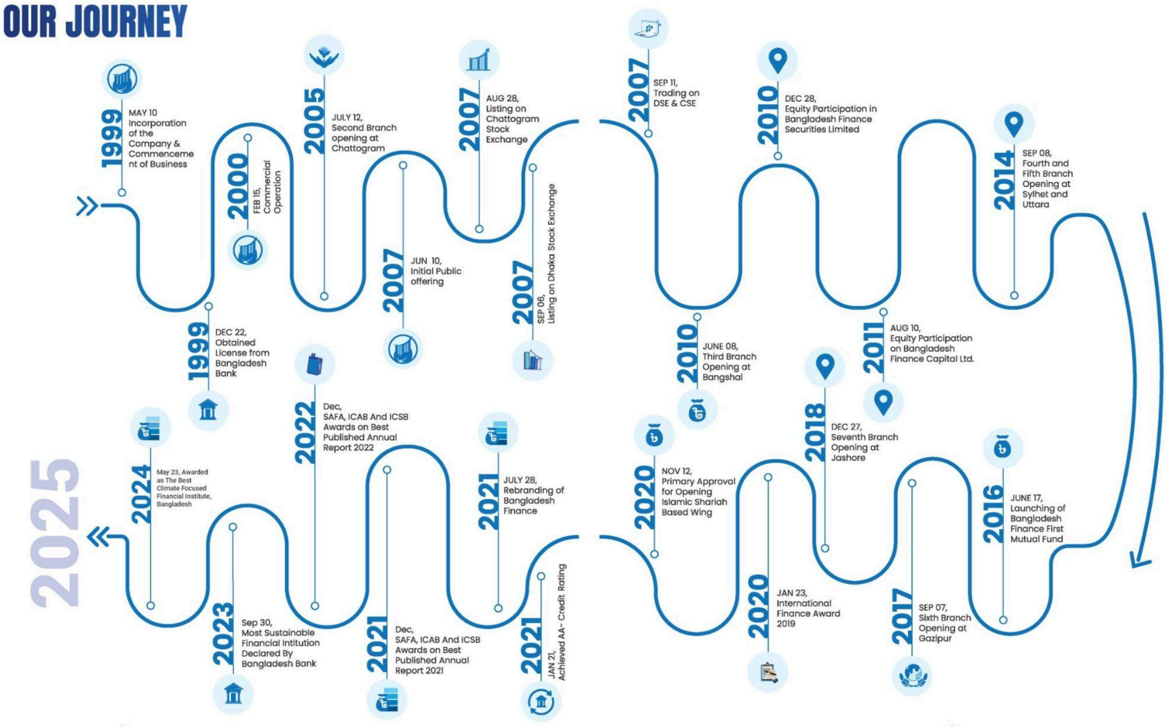


*Figure 02: Bangladesh Finance PLC’s Journey*

### 2.2.3 Company Hierarchy

The company operates under a rigid structure topped by the Board of Directors. Below this level, the Managing Director and CEO supervise the company’s major functions. Key committees and heads of departments, such as those involved in internal control and compliance, finance, treasury, risk management and operations, work in this structure in order to enable effective coordination and fast decision-making throughout the company.

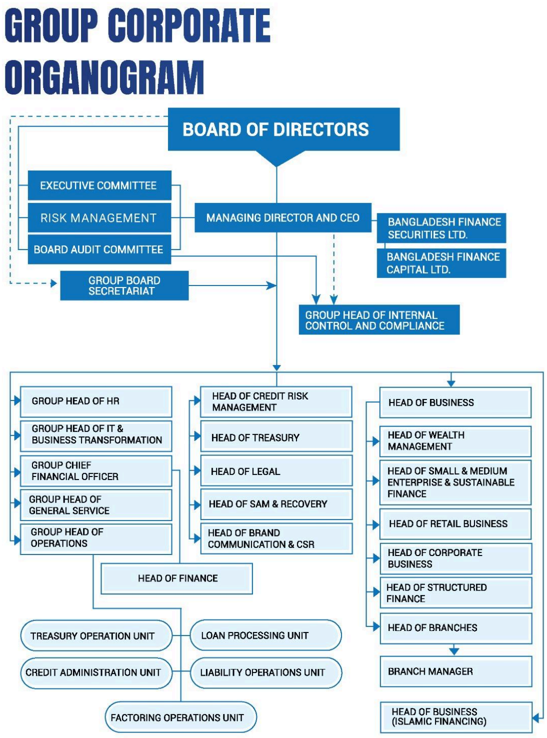


*Figure 03: Group Corporate Organogram*

### 2.2.4 National Footprint

Bangladesh Finance PLC has established a significant presence throughout the country, with its main branch at the Motijheel area. The company has also expanded its operations in the country by opening branches in the areas of Gulshan, Uttara, Gazipur, Jashore, Sylhet, and Chattogram, ensuring that clients in the key business areas of the country can access its services.

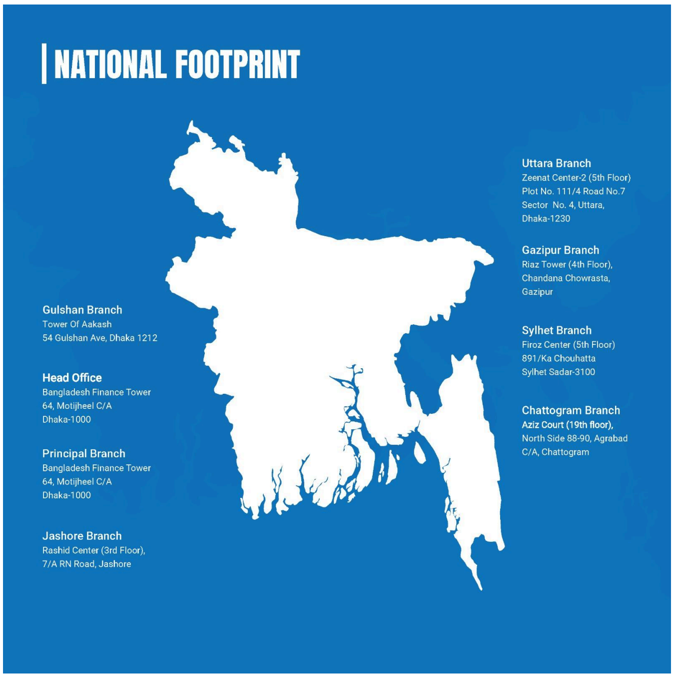


*Figure 04: National Footprint*

### 2.2.5 Subsidiaries

Bangladesh Finance PLC has two subsidiaries which support its primary business. These subsidiaries are Bangladesh Finance Capital Limited, which provides investment banking and investment portfolio management services, and Bangladesh Finance Securities Limited, which is a licensed brokerage firm that provides brokerage services and specializes in compliance and transparency in an effort to build trust with investors.


*Figure 05: Subsidiary Overview*

### 2.2.6 Products and Services

Bangladesh Finance PLC provides a wide range of services and products in three main lines of business: SME, Corporate, and Retail divisions. These offerings help customers for business, investment, and personal financial growth by addressing the different financial needs of customers.


*Figure 06: Products and Services*

## 2.3 Management Practices

Participatory leadership and systematic human resource processes are combined in the management system at Bangladesh Finance PLC. This system helps ensure continuity in the organization’s branches, processes, and goal-directed activities.

### 2.3.1 Leadership Style

Democratic leadership style is the foundation of this organization. The department heads have been seen conducting morning meetings to address the pending and upcoming tasks and other relevant issues. These meetings are framed in such a way that they encourage colleagues to give their opinions and concerns about the issues at hand and propose recommendations. This creates a culture of active participation that improves coordination and collaboration within the organization. This leadership style contributes significantly to the goal achievement of Bangladesh Finance PLC due to the responsibility and engagement levels of the employees. As a company in the NBFI sector, the primary business challenges are obtaining deposits and providing encashment to loans. To tackle this, the company has specific business initiatives such as the Pre-Eid Deposit Drive and the Blue SIP Surge, whereby employees are given performance targets, and those targets are achieved and rewarded. The rewards can range from pay bonuses and shopping vouchers to sponsored trips. These rewards are to stimulate employees to take a goal-oriented interest in the organization's development.

### 2.3.2 Recruitment and Selection Process

The company, Bangladesh Finance PLC, concentrates a lot of effort in selecting and recruiting top quality candidates for the positions available. The company has a policy whereby the job openings are publicly posted on the corporate site, the company's LinkedIn, and on other popular recruitment sites. The company Mission accepts CVs and screens them against the job criteria. For the candidates who are short-listed, a one hour written test containing market, role and general testing are administered. Successful candidates from the written test face the final hurdle in the selection process, a formal interview that is conducted by the Human Resources officer, the relevant line manager, and the Company Secretary.

### 2.3.3 Compensation System

The company uses its Human Resource Information System (HRIS) to create a structured salary system, and each employee is assigned their personal dashboard to track their data. After data collection, payroll will issue salaries directly into employee bank accounts, from their City Bank accounts as a preference, on the 28th of each month. If the 28th falls on a bank holiday, the salary will be credited on the last working day before the holiday. Salary payments are dependent on the employees' attendance, tardiness, and/or absence during the month.

### 2.3.4 Training and Development Initiatives

Bangladesh Finance PLC prioritizes investment in the training and development of employees. The company conducts monthly training sessions for each department and is a good opportunity for employees to gain knowledge on a continuous basis. There are also customized training sessions in the case of a certain occasion or operational need. These were evident during the month of Ramadan, which hosted training on Shariah compliant banking and investment. They also held training on AML, CFT and risk management. Custom training helps the employees keep abreast of the modern day practices and bespoke knowledge of the various sectors and elements of finance.

### 2.3.5 Performance Appraisal System

The company has a performance appraisal system that focuses on employee outcome/results and the achievement of pre-set targets. Based on performance, employees become eligible to receive a performance-based salary increment. The company also provides non-monetary rewards and gifts for employees and their families. The dual nature of recognition, rewards and gifts fosters employee motivation and improves productivity while developing employee loyalty to the company.

## 2.4 Marketing Practices

With a keen eye on McKinsey's 7P's as a framework for modern marketing, Bangladesh Finance PLC endeavors to implement an organized marketing practice which commences once their financial products are on offer and a considerable presence has caused market-entry effects. Relationship marketing, brand and customer reach, and communication/brand visibility are key markers around which the company builds its clientele.

### 2.4.1 Marketing Strategy

Consistent and effective marketing strategies hinge on customer relationship building, development and trust as well as product and service awareness - this [is no different in the context of] Bangladesh Finance PLC. In a heavily service orientated sector like finance, the company highly considers marketing as a blend of service quality and positioning to meet the expectations. It thus markets Reliability, Financial Strength and Value Financial Services to gain clientele.

### 2.4.2 Target customers, Targeting and Positioning strategy

Retail, Corporate and SME market segments are the key operating segments for Bangladesh Finance PLC. In the context of the retail market segment, the company primarily focuses on the high-net-worth individuals (HNI) which provides a win-win in the domain of investment/ services supply and monetary flows. The company sees itself as a trustworthy financial institution offering the best solutions to fulfill each customer group’s needs.

### 2.4.3 Marketing Channels

Bangladesh Finance PLC uses online and offline marketing channels to promote its services. Online marketing is mainly done on social media through platforms such as LinkedIn and Facebook, with the company sharing updates, campaigns, and service information. Offline marketing is done through special campaigns to engage with the customers and create stronger market engagements, especially during the festival.

## 2.5 Financial Performance and Accounting Practices

This section analyzes the financial standing of Bangladesh Finance PLC in recent years by making use of proprietary ratio, trend, and articulated approaches to the public markets result, and looks at their financial statements in order to evaluate their transparency and authenticity. It is important as it is a key tool that helps determine the company's profitability, liquidity, solvency, and financial health. It also provides relevant information on the consistency of the company's accounting policies and disclosures to sound reporting standards.

### 2.5.1 Financial Performance Analysis

Profitability of the company declined after 2022 due to the sharp rise in loan loss provisions and the weak outcomes of the company's non-interest operating income. The company's operating results in 2025 showed stabilization, but earnings continued to be adversely affected, mainly by income derived exclusively from the company's loan portfolio.

In 2025, net interest income increased when compared to non-interest income, which influenced the company's overall income target. The company's operating expenses reported a higher cost of income share in 2023, but the company's operating results turned out to be negative and the wage and salary expenses, which were the highest costs incurred by the company, remained throughout the entire period.

| Consolidated Profit & Loss Statement of Bangladesh Finance | | | | | |
|---|---|---|---|---|---|
| **Particulars** | **2025** | **2024** | **2023** | **2022** | **2021** |
| Interest Income | -28.40% | -188.35% | 396.77% | 161.37% | 136.49% |

| | | | | | |
|---|---|---|---|---|---|
| Less: Interest paid on Deposits & Borrowings etc. | -100.20% | -355.05% | 367.68% | 114.69% | 88.13% |
| **Net Interest Income** | **71.80%** | **166.70%** | **29.09%** | **46.68%** | **48.36%** |
| Income from Investment in securities | 31.35% | -44.43% | 21.73% | 34.60% | 37.83% |
| Commission, Exchange and Brokerage | -2.05% | -11.99% | 23.74% | 12.22% | 10.89% |
| Other Operating Income | -1.10% | -10.29% | 25.44% | 6.50% | 2.92% |
| **Non-interest Income** | **28.20%** | **-66.70%** | **70.91%** | **53.32%** | **51.64%** |
| **Total Operating Income** | **100.00%** | **100.00%** | **100.00%** | **100.00%** | **100.00%** |
| Salaries and Allowances | -15.74% | -52.45% | 74.81% | 24.89% | 14.58% |
| Rent, Taxes, Insurances, Electricity etc. | -0.68% | -3.14% | 3.92% | 1.04% | 0.73% |
| Legal & Professional Fees | -0.40% | -0.86% | 0.74% | 0.85% | 0.46% |
| Postage, Stamps, Telecommunication etc. | -0.20% | -0.91% | 1.61% | 0.57% | 0.37% |
| Stationery, Printings, Advertisements etc. | -0.63% | -1.51% | 5.11% | 1.90% | 1.42% |
| Managing Director's Salary and Allowances | -0.49% | -1.74% | 2.47% | 0.86% | 0.68% |
| Directors' Fees and Conveyance | -0.16% | -0.45% | 0.42% | 0.21% | 0.15% |
| Auditors' Fees | -0.04% | -0.15% | 0.22% | 0.07% | 0.07% |
| Depreciation & Repairs of Assets | -3.89% | -13.81% | 23.30% | 6.71% | 4.45% |
| Other Expenses | -1.82% | -6.83% | 9.68% | 5.17% | 3.26% |
| **Total Operating Expenses** | **-24.05%** | **-81.87%** | **122.29%** | **42.26%** | **26.17%** |
| **Profit before Provision** | **124.05%** | **181.87%** | **-22.29%** | **57.74%** | **73.83%** |
| Specific provisions for Classified Investment | 0.47% | 29.78% | 204.63% | 10.53% | -5.41% |
| General Provisions for Unclassified Investment | 0.00% | 0.00% | 0.00% | 4.51% | 16.72% |
| Special Provisions for Unclassified Investment | 0.00% | 0.00% | 0.00% | -0.19% | 7.40% |
| Provisions for Other Receivables | 0.00% | 0.00% | 0.00% | 2.23% | 2.64% |
| Provisions for Off-Balance Sheet exposures | 0.00% | 0.00% | -0.68% | -0.17% | 0.31% |

| | | | | | |
|---|---|---|---|---|---|
| Provisions for Investment in Securities | 49.51% | -198.83% | 5.58% | 5.91% | 6.10% |
| **Total Provision** | **138.30%** | **-1816.15%** | **333.57%** | **22.82%** | **27.76%** |
| **Total Profit before Provisions for Taxation** | **-14.25%** | **1998.02%** | **-355.85%** | **34.92%** | **46.07%** |
| Current Tax Expenses | -0.73% | -8.54% | 9.42% | 7.80% | 21.14% |
| Deferred Tax Expenses/(benefit) | 2.13% | 169.33% | -10.76% | -6.84% | -3.57% |
| **Net Tax Expense** | **1.39%** | **160.79%** | **-1.34%** | **0.96%** | **17.57%** |
| **Net Profit after Taxation** | **-15.64%** | **1837.23%** | **-354.51%** | **33.95%** | **28.50%** |

*Table 1: Vertical Analysis of Consolidated Profit and Loss Statement of Bangladesh Finance PLC (2021 - 2025)*

The company's overall performance continued to be adversely affected by the increase in loan loss provisions, which remained at 333.57% and 138.30% for the 2023 and 2024 financial years, respectively. These factors contributed to the company's operating results, which reported a net loss for the financial year, which remained volatile.

| **Consolidated Balance Sheet of Bangladesh Finance Limited** | | | | | |
|---|---|---|---|---|---|
| **Particulars** | **2025** | **2024** | **2023** | **2022** | **2021** |
| **Property & Asset** | | | | | |
| Cash Balance with Bangladesh Bank | 0.71% | 0.63% | 0.58% | 0.62% | 0.54% |
| Balance with other Banks and Financial Institutions Inside Bangladesh | 6.83% | 7.70% | 8.32% | 8.23% | 7.91% |
| Investment in Securities - Others | 4.41% | 7.18% | 6.89% | 5.94% | 5.34% |
| Lease, Loans and Advances In Bangladesh | 72.48% | 70.38% | 72.08% | 73.21% | 74.12% |
| Fixed Assets including Premises, Furniture and Fixtures | 3.85% | 3.35% | 3.62% | 3.27% | 2.95% |
| Other Assets | 10.82% | 9.94% | 7.46% | 7.63% | 7.99% |
| Non-Banking Assets | 0.89% | 0.82% | 1.05% | 1.11% | 1.15% |
| **Total Assets** | **100.00%** | **100.00%** | **100.00%** | **100.00%** | **100.00%** |

| Liabilities and Capital | | | | | |
|---|---|---|---|---|---|
| **Liabilities** | | | | | |
| Financing (Borrowings) from other Banks, Financial Institutions and Agents | 21.63% | 22.61% | 25.54% | 16.44% | 15.41% |
| Deposits and other Accounts | 44.64% | 41.40% | 43.85% | 51.21% | 51.80% |
| Term Deposits | 41.20% | 38.26% | 41.90% | 49.57% | 49.72% |
| Scheme Deposit | 3.00% | 2.86% | 1.12% | 1.28% | 1.09% |
| Other Deposits | 0.35% | 0.18% | 0.74% | 0.30% | 0.90% |
| Advance Rent & Installments | 0.09% | 0.10% | 0.09% | 0.06% | 0.09% |
| Other Liabilities | 59.97% | 61.20% | 17.43% | 12.58% | 13.01% |
| **Total Liabilities** | **126.24%** | **125.21%** | **86.81%** | **80.23%** | **80.23%** |
| **Capital/ Shareholders' Equity** | | | | | |
| Share Capital | 9.84% | 9.02% | 9.30% | 9.84% | 9.61% |
| Statutory Reserve | 2.77% | 2.40% | 2.47% | 2.62% | 2.50% |
| Capital Reserve | 0.52% | 0.47% | 0.49% | 0.18% | 0.18% |
| Revaluation Surplus on Land & Building | 2.74% | 2.52% | 2.60% | 2.14% | 2.22% |
| Retained Earnings | -44.26% | -41.52% | -4.15% | 2.36% | 2.52% |
| **Total Shareholders' Equity** | **-28.40%** | **-27.11%** | **10.71%** | **17.13%** | **17.04%** |
| Non-Controlling Interest | 2.16% | 1.90% | 2.47% | 2.64% | 2.73% |
| **Total Liabilities & Shareholders' Equity** | **100.00%** | **100.00%** | **100.00%** | **100.00%** | **100.00%** |

*Table 2: Vertical Analysis of Consolidated Balance Sheet of Bangladesh Finance PLC (2021 - 2025)*

Continuing on the balance sheet, loans and advances still account for the bulk of the assets, being 72.48% for the year 2025. It is still obvious that the company is still immensely loan driven. It is still evident that deposits remained the biggest source of funding, while borrowings and retained earnings have gone from negative, in 2025, to positive, enhancing the strength of equity. On the whole, it appears that Bangladesh Finance is partially normalized, however, there is a need to enhance profitability, the quality of assets, and the diversification of earnings.

### 2.5.2 Efficiency Analysis

According to the cumulative data, Bangladesh Finance PLC has exhibited a decline in efficiency from 2021-2025. The total assets rose from 18,473 to 20,864 million BDT between 2021 and 2024. However, a decline to 19,128 million BDT occurred in 2025. This shows that there was no significant growth in the assets, and a contraction in the balance sheet was also seen.

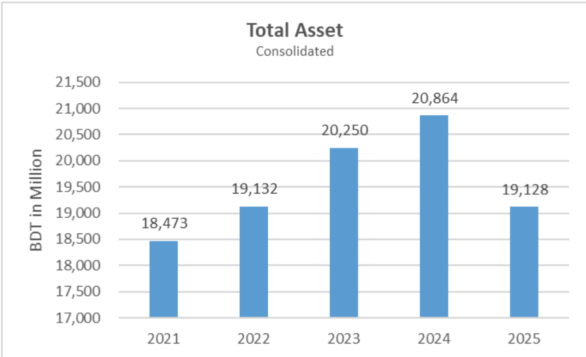


*Figure 7: Total Assets of Bangladesh Finance PLC (2021 - 2025)*

Bangladesh Finance PLC has shown a decline in efficiency, as anticipated, due to the decline in the return to the assets. The Return on Assets, or ROA, fell from 1.82% in 2021 to 1.62% in 2022. The ROA further plummeted to negative 5.29% in 2023 and to negative 38.61% in 2024, before a slight recovery to 1.20% in 2025. The dramatic decreases of 2023 and 2024, illustrate that the company had an inconceivable difficult time profitably managing the assets on hand due to the significant reserves taken in anticipation of and addressing deficient performance.

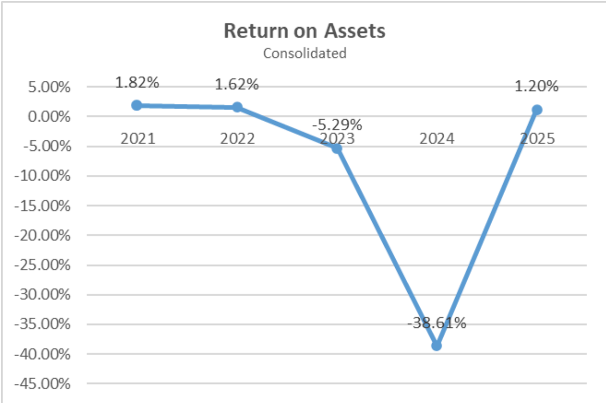


*Figure 8: Return on Assets of Bangladesh Finance PLC (2021 - 2025)*

From the cumulative data, the Bangladesh Finance PLC would show a stagnant asset base during the reviewed period and a declining trend in the return to the asset bases. A slight recovery, although, was evident in the ROA for the year 2025, however, the situation is still anticipated in the near future due to a low return and a negligible growth in the assets.

### 2.5.3 Profitability Analysis

From 2021-2025, profitability declined, especially after 2022. Consolidated ROE declined from 10.55% in 2021, to 9.49% in 2022, and then went strongly negative to -38.28% in 2023, -455.38% in 2024, and then improved to -4.34% in 2025. Bangladesh Finance PLC's ROE dropped from 9.34% in 2021, to 6.45% in 2022, to -42.80% in 2023, and to -418.11% in 2024, with a small improvement to -2.69% in 2025.

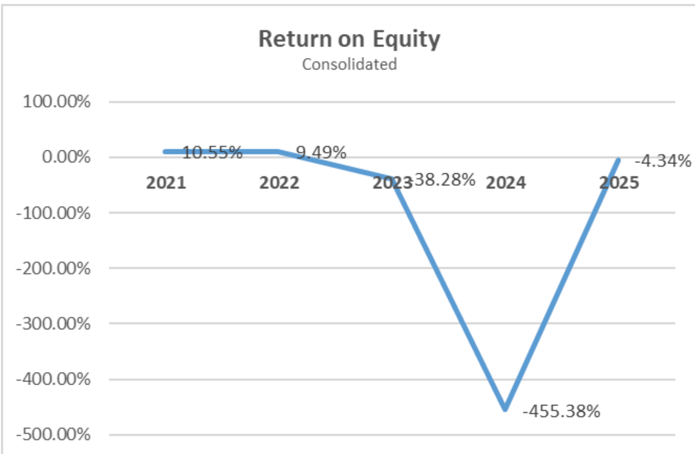


*Figure 9: Return on Equity of Bangladesh Finance PLC (2021 - 2025)*

The profit margin ratio declined. Consolidated profit margin went from 28.50% in 2021, to 34.00% in 2022, and then went to -354.51% in 2023, 1,837.23% in 2024 from an abnormal profit effect, and then to -15.64% in 2025. Bangladesh Finance closed 2021 with a profit margin of 30.12%, a profit margin of 30.49% in 2022, and then in 2023 with -560.21% margin, 1,262.52% in 2024, and -13.81% for 2025.

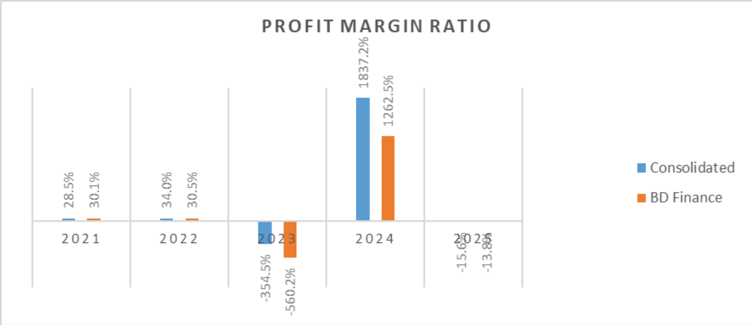


*Figure 10: Profit Margin Ratio of Bangladesh Finance PLC (2021 - 2025)*

## 2.5.4 Market Value Analysis

The consolidated P/E ratio reflected a significant decline in the market value of Bangladesh Finance PLC over the period of 2021 to 2025. The ratio declined from 40.02 times in 2021, to 35.17 times in 2022, to 2023 (-7.88 times and 2024 (-0.28 times, before recovering to 11.23 times in 2025.


*Figure 11: Price to Earning Ratio of Bangladesh Finance PLC (2021 - 2025)*

This trend demonstrates the collapse of earnings over the 2023 - 2025 period. This reflected an increase in market confidence. When positive, P/E ratios reflect earnings and therefore, during this period, the ratios were almost without meaning. From this time period, the P/E ratio reflected extremely weak earnings and positive reflected positive earnings. The trend during 2025 indicates that the earnings were improving, however, the P/E ratio during this period reflected a significant decline in the previously stated levels for the years 2021 and

2022.

The overall trend of the market valuation indicates that there was a significant amount of volatility and stress over the period and the P/E ratio for the year 2025 indicates that there was a return of earnings, however, the company did not return to a market position of strength.

### 2.5.5 DuPont Analysis

DuPont analysis dissects the return on equity into three strata, and the strata classifications indicate strengths and weaknesses in the FI's profitability. For FIs, stockholders typically expect higher return on equity, but the increasing ROE could come from the increase of the financial liability or from the increase of the return of the assets. Therefore, the source of the increasing ROE should be determined. Increases of ROE, which is the result of the increase of the financial liability, shows the sign of increasing solvency risk.

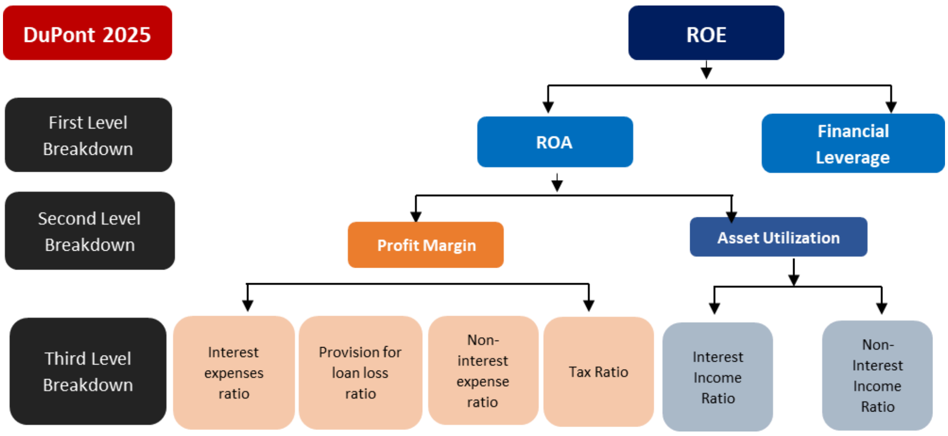


*Figure: DuPont Analysis Breakdown*

In the previous five years, the ROE of Bangladesh Finance Group was not the same. In the end of 2025, the ROE of Bangladesh Finance Group was -4.34% and the financial leverage would increase to 3.61 times and ROA was also increasing in 2025. By the end of 2025, the ROA of the group was 1.20%.

| DuPont Consolidated | | | | | | |
|---|---|---|---|---|---|---|
| **Ratio** | **Description** | **2021** | **2022** | **2023** | **2024** | **2025** |
| Net Interest Income | % of average asset | 3.10% | 2.23% | 0.43% | -3.50% | -5.52% |

| | | | | | | |
|---|---|---|---|---|---|---|
| Non Interest income | % of average asset | 3.31% | 2.55% | 1.06% | 1.40% | -2.17% |
| Operating Income | % of Avg  Assets | 6.40% | 4.77% | 1.49% | -2.10% | -7.69% |
| Operating Expenses | % of Avg Assets | 1.68% | 2.02% | 1.83% | 1.72% | 1.85% |
| Cost/Income | % of operating income | 26.2% | 42.3% | 122.3% | -81.9% | -24.1% |
| Operating Profit (PBT&P) | % of Avg Assets | 4.7% | 2.8% | -0.3% | -3.8% | -9.5% |
| Provisions | % of Avg Assets | 1.78% | 1.09% | 4.98% | 38.17% | -10.64% |
| Profit Before Tax (PBT) | % of Avg Assets | 2.9% | 1.7% | -5.3% | -42.0% | 1.1% |
| Tax ratio | % of PBT | 38.1% | 2.8% | 0.4% | 8.0% | -9.8% |
| Profit Margin Ratio | % of total operating income | 28.5% | 34.0% | -354.5% | 1837.2% | -15.6% |
| ROA | % of Avg Asset | 1.82% | 1.62% | -5.29% | -38.61% | 1.20% |
| Financial Leverage (Equity Multiplier) | Avg Asset / Avg Equity | 5.78 | 5.85 | 7.23 | 11.79 | 3.61 |
| ROE | (ROA * Equity Multiplier) | 10.55% | 9.49% | -38.28% | -455.38% | -4.34% |

*Table 3: Consolidated DuPont Analysis of Bangladesh Finance PLC (2021 - 2025)*

### 2.5.6 Core Accounting Principles

From their financial statements, we can see that Bangladesh Finance PLC is in accordance with the principles of consistency, historical cost, full disclosure, going concern, matching, materiality, and revenue recognition. Comparability of their annual reports can also be seen as recognition of transparency in reporting and consistency over the years. Recognition of revenue, expenses, provisions, and depreciation is a positive reflection that Bangladesh Finance PLC complies with the standards of the profession.

### 2.5.7 Accounting Basis and Cycle

Being a financial institution, it is apt for Bangladesh Finance PLC to present their financial statements on an accrual basis. Therefore, revenue and expenses are recognized on an accrual basis rather than on a cash basis. Looking at the annual reports, it appears that the company is in full compliance with the requirements of the full accounting cycle which are journalizing, posting, and adjusting, as well as preparing and reporting financial statements and comparative reports.

### 2.5.8 Depreciation and Disclosure Practices

Like many companies, Bangladesh Finance adheres to the straight-line method of charging depreciation. Once an asset is hustled into action, Bangladesh Finance begins to charge depreciation. If an asset is used in the middle of an accounting period, an entire month is charged, regardless of the purchase date. For 2024, the rates charged will be the Building charged 10%, Office Equipment 25%, Office Renovation 20%, Furniture and Fixtures 20%, Motor Vehicles 20%, Other Assets 20%, and the Right-of-Use Assets will fall under the scope of the depreciation policy, Office Renovation, and charge as stated for the period of the lease. Fixed Asset disposals will remove the related cost and accumulated depreciation, and any gain or loss will be recognized in the income statement.

## 2.6 Operations Management and Information System Practices

### 2.6.1 Office Management Software

Bangladesh Finance PLC uses HRIS (Human Resource Information System) to manage its employee records, attendance, leave, and payroll. As an office management system, HRIS simplifies the business process by eliminating the need to do cumbersome manual work, overcoming discrepancies, and managing seamless administration between multiple departments.

## 2.7 Industry and Competitive Analysis

### 2.7.1 Porter’s Five Forces Analysis

Porter’s Five Forces analysis helps assess the external business environment of Bangladesh Finance PLC by examining political, economic, social, technological, environmental, and legal conditions. This framework captures the main risks and opportunities that impact the competitiveness of a company and how it is positioned for tech adoption and sustainability.

**Political and Geopolitical Shift:** Political stability leads to growth in the finance sector. In Bangladesh it is possible to finance the first level of growth. Bangladesh Finance PLC is in the first stage. Rapid policy changes disrupt operations and revenues. New policies impact financing. Bangladesh Finance PLC will have to adjust to changes due to changes in revenue. Strategic adjustment of policies will impact Bangladesh Finance PLC's operations in the future.

**Economic Trends:** Economic downturn in the Bangladesh economy entails cases of inflation and dwindling demand for deposits. Negative conditions encompass unemployed Bangladeshis with lowered income due to inflation coupled with increased demand for borrowing. Bangladesh Finance PLC will be impacted with increased levels of financial criminal activity, tight credit, and restricted market liquidity. Bangladesh Finance PLC will have to wait for better economic conditions and improved demand for funds for the private sector to trace a better route to sustained economic activity. Bangladesh Finance PLC has to adjust the framework of content to better manage risks. The process of better managing both credit and liquidity risks will encompass added attention to flexibility.

**Socio-Cultural State:** Changes in income levels, digitalization, and evolving consumer preferences affect both customer behavior and demand for financial products. Bangladesh Finance PLC's strategic and reputational risk co-exist with the large financially excluded population which presents a significant opportunity for growth. With both the financial and reputational resources, the organization can target the excluded clients and widen the market.

**Technological Future:** Fintech adoption brings the financial market the possibility of faster, better, and more customer-centric services. For Bangladesh Finance PLC, it brings significant credit, operational, and technological risks with ever-increasing cyber threats and the low levels of technology penetration in Bangladesh. On the other hand, the low levels of technology penetration in Bangladesh create the opportunity for Bangladesh Finance PLC to automate its processes and digitalize its services, thereby lowering the costs of transactions. Bangladesh Finance PLC can do all these while strengthening the safety of its IT and digital services.

**Environmental State:** The urgency of climate change and environmental decline has demanded that all businesses adjust to these new sustained conditions. From an environmental, operational, and strategic standpoint, this has affected Bangladesh Finance

PLC. Opportunities of this nature, such as Bangladesh Finance PLC's case, can be utilized by establishing themselves as a green financial institution. Reduction of consumption of energy, water, and paper has already been achieved, and this can be used as a basis for Bangladesh Finance PLC to bolster its commitment to sustainability by adopting environmental practices within the business's strategy.

**Legal/Regulatory State:** Today, the requirements for financial institutions are becoming even more burdensome in a way that can be described as increasingly complex and costly. While Bangladesh Finance PLC in this scenario faces market, strategic, and liquidity and legal risks, there is a strategic opportunity for Bangladesh Finance PLC to solve customer issues by servicing them through the process of compliance. Bangladesh Finance PLC can in this case have strategic, legal, and compliance risks, through strong documentation, strong compliance, regulatory, and employee vigilance to compliance and suspicious transaction reporting.

### 2.7.2 SWOT Analysis

A SWOT analysis identifies Bangladesh Finance PLC's strengths and weaknesses, as well as the external opportunities and threats that pertain to the company. This model clarifies the current scenario of the firm and facilitates enhanced strategic planning.

**Strengths:** Bangladesh Finance PLC is a 26-year-old company that has catered to more than 40,000 people in Bangladesh. Stable finances and strong credit standing, along with loan default mitigation, incorporate advanced technologies and a capital adequacy ratio that exceeds the minimum requirement.

**Weaknesses:** Due to a limitation in the coverage beyond the major urban centers, the company has a higher cost of capital due to restricted funding. There is an absence of a fully integrated plan for in-house automation, and there is a need for more research and development in order to diversify revenue streams.

**Opportunities:** Bangladesh Finance PLC has an opportunity to increase financial and literacy services to the sizable unserved portion of the market. The company will also gain from Bangladesh’s improving economic outlook, falling levels of commercial banking deposit rates, stock market volatility, and the commencement of services in additional geographic areas.

**Threats:** There is intense competition in the company's market because of the increasing competition from commercial banks and other non-banking financial services. The company is also in a position where it has to cope with relative policy threat, liquidity threat, a threat of a cyber attack, threat of Finance Technology (FinTech) disruption, threats of an attack of political and economic instability and threats of Foreign Exchange (FX) volatility.

# Chapter 3

# Project Part

## 3.1 Introduction

This study will examine the relationship between EPS, NAV, and the stock price of Bangladesh Finance PLC. Indicators of profitability and intrinsic value, such as the EPS and NAV, are critical in the analysis of a company's financial situation. For publicly traded financial institutions (FI), these metrics serve as critical benchmarks in illuminating the perception and behavioral dynamics of the market. However, share prices are not always predicted to follow these indicators. This paper will endeavor to determine, using both graphical and statistical methods, the impact of EPS and NAV on the price of shares in Bangladesh Finance PLC.

### 3.1.1 Background and Problem Statement

Share price is an indication of how a company is rated in the market based on its financial performance. Investors assess the company's Earnings Per Share (EPS) and Net Asset Value (NAV) per share as the financial indicators of profitability and intrinsic value or book value. These measures assist investors to determine the financial stability of a company and the value of its share to invest in.

As a listed Non-Banking Financial Institution, in its annual reports, Bangladesh Finance PLC periodically reports its EPS and NAV per share. Nevertheless, these financial indicators are available, the share price of the company has been fluctuating over the years. It is not well known whether these fluctuations are highly dependent on variations in EPS and NAVPS.

Therefore, it is not possible to regard the degree of influence of EPS and NAV on the share price without statistical analysis. Thus, the purpose of the research is to consider the effect of Earnings Per Share and Net Asset Value per share on the share price of Bangladesh Finance PLC through statistical analysis and graphical analysis. In this regard, the following are questions that will be tried to be answered in this study:

1. What is the trend of share price of Bangladesh Finance PLC?
2. What are the trends of Earnings Per Share and Net Asset Value per share?
3. Is there any significant relationship between EPS and NAV per share with the share

price of Bangladesh Finance PLC?

### 3.1.2 Objective(s)

- To examine the trend of share price through the years.
- To analyze the trends of EPS and NAV per share.
- To ascertain the correlation between EPS and NAV with share price.
- To investigate the relationship of Earnings Per Share and Net Asset Value per share on share price of the Bangladesh Finance PLC.

### 3.1.3 Significance

The research has a number of significance levels. First, it is going to make investors aware of the relationship between earnings per share and net asset value per share with the share price, which will eventually guide them in making proper investment decisions. Second, it will enable the management of Bangladesh Finance PLC to realize the correlation between financial performance indicators and market value. Third, the research will add to the academic literature by offering empirical data on the predictors of the share price of a non-banking financial institution in Bangladesh. This research will deepen the knowledge of researchers and implementing financial concepts and statistical techniques in real time financial data will also enhance analytical skills.

### 3.1.4 Scope of the Study

This study will be focused on Bangladesh Finance PLC. This research will primarily analyze the relationship between Earnings Per Share (EPS) and Net Asset Value (NAV) per share and the price of each share. The study will analyze publicly traded financial firms' data, and build an analysis based on the collected data to build an understanding of the data. This study will analyze the impact, if any, of EPS, NAV, and stock market price of a financial service provider. The scope of the study is a single company, and thus, the study's conclusions are not applicable to the entire financial company spectrum.

## 3.2 Literature Review

Among the key indicators of the market value and future expectations of the investors regarding the performance of a firm, share price is one of the most significant indicators. Before making investment decisions, investors normally make use of the firm specific financial indicators including the Earnings Per Share (EPS) and Net Asset Value (NAV) per share to assess profitability and intrinsic value of a company.

Earnings Per Share is generally regarded as a major player in the determination of share price since it is a measure of the amount of profit, which is distributed to an individual share of the company. Islam et al. (2014) notes that the share price shows a strong positive correlation with EPS, and thus the greater the earnings, the more the investor confidence, and thus higher stock value. Equally, Subramaniam and Pratheesh (2013) discovered that the earnings per share is one of the strongest variables influencing the share price because the investors rely on the information of earnings as a major indicator of the performance and future expansion prospects of the company.

Moreover, the authors have also pointed out that accounting-based performance measurements like EPS are also vital in the explanation of the stock price movements since such metrics offer valuable information on the financial health and profitability of a firm. According to their discoveries, EPS is a strong explanatory variable in the determination of market value.

The next indicator is Net Asset Value per share, which is of particular significance in the case of the financial institutions as it reflects the net worth assigned to every share. Shams et al. (2013) state that NAV is a measure of intrinsic value of a company, and the discrepancies between the share price and NAV may serve as an indicator of the future prospects of the company as perceived by the market. As NAV rises, it is an indication of greater asset support and financial stability that can have a positive impact on the share price.

Equally, Miah et al. (2012) also discovered that NAV per share is strongly related to the share price since it indicates the inherent worth and financial capacity of the company. Investors commonly use market price and NAV to determine whether a stock has been undervalued, or overvalued.

In addition, Jayarangi and Buddhika (2025) tested the diversified financial companies and discovered that the firm-specific variables including EPS and NAV are important determinants of share price. Their research established that the level of profitability and assets value are significant factors affecting stock valuation, especially in the financial institutions.

On the whole, the literature indicates that EPS and NAV per share are important factors of determining share price as they give details about profitability, and intrinsic value. Nevertheless, the relationship between non-banking financial institutions and this is scarcely studied in Bangladesh. Hence, the research will focus on the analysis of the effects of earnings per share and net asset value per share on the share price of Bangladesh Finance PLC.

## 3.3 Methodology

The research will use a quantitative approach with the help of secondary data available from the annual reports of Bangladesh Finance PLC, Dhaka Stock Exchange (DSE), investing.com website. The study will cover a time range of 5 to 10 years and the study variables will be: dependent variable which is the share price and independent variables which are earnings per share (EPS), net asset value per share (NAV). The trend analysis, graphical analysis, correlation analysis, regression analysis will be used to analyze the data. The regression equation will look like: Share Price = $\beta 0 + \beta 1(EPS) + \beta 2(NAV) + \varepsilon$

The statistical analysis and the graphical visualization will be done with the help of Microsoft Excel and python.

## 3.4 Findings and Analysis

### 3.4.1 Share Price Trend

The share price of Bangladesh Finance PLC in publicly traded securities between 2018-2025 exhibited high price fluctuation and trading volumes over this period. It decreased from 14.45 in 2018 to 12.05 in 2019, then inched up slightly to 12.97 in 2020. In 2021, the valuation increased significantly to 43.27, with an even higher record of 45.01 in 2022. 2023 was slightly lower at 44.10, until a steep fall to 20.15 in 2024 and a meager 11.48 in 2025.

The increase in share price between 2021-2023 was likely a measure of market investor positivity and the potential value of the company to the investor market, and, the company, with improved market potential and value, and then, with increased market valuation fluctuation patterns, post and price valuation subsequently. Data from the annual report of

Bangladesh Finance suggests a decline in EPS over the years, including negative earnings per share in 2023 and 2024, leading to a share price decline.

Further decline in Financial Performance in 2024 and 2025 may generate negative shareholder equity in the form of declines in the Bangladesh Finance's stock compared to the broader market. Some market sources recently suggested that the stock of Bangladesh Finance will decline again over the next few years, confirming the downward deviation in the annual reports. The share price, thus, reflects the company's unstable market position under thin and uninformed markets.

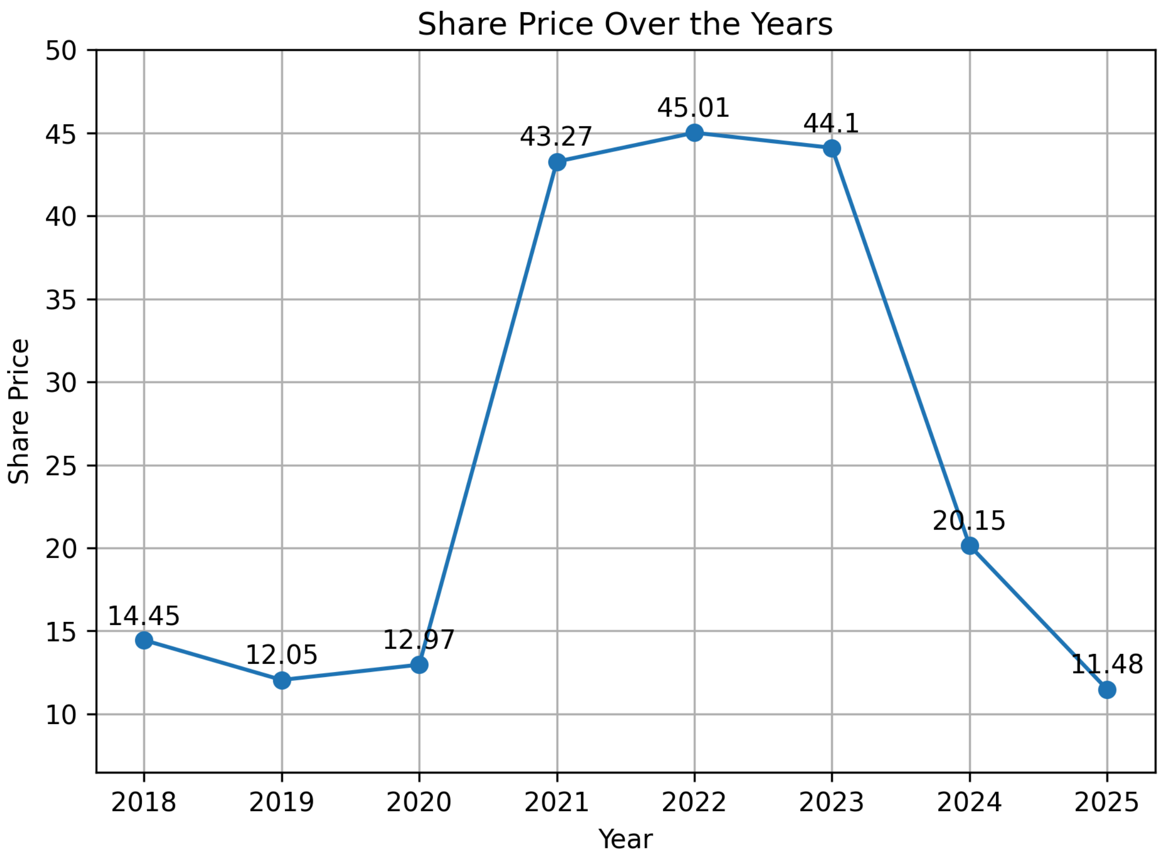


*Figure: Share Price Trend of Bangladesh Finance PLC*

### 3.4.2 EPS Trend

Between 2018 and 2022, EPS generally increased which ranged between 1.12 and 1.69, reflecting the company's weak, although positive, profitability. EPS then dramatically decreased to -5.60 in 2023 and further to -41.61 in 2024. This indicates the company became unprofitable. EPS indicated a slightly positive profitability in 2025 with a value of 10.20.

However, this value is well below the EPS values of 2018 through 2022.

The reason behind decreased in EPS between 2023 and 2024 due to the need to create reserves for stressed loans, increased funding costs, and the Gap of net interest income. This explains the company's unprofitability and the negative EPS, which is also the reason for the company's stock underperforming. The temporary recovery in 2025 suggests stabilization of the earnings conditions pointer, but the earlier losses subsisted.

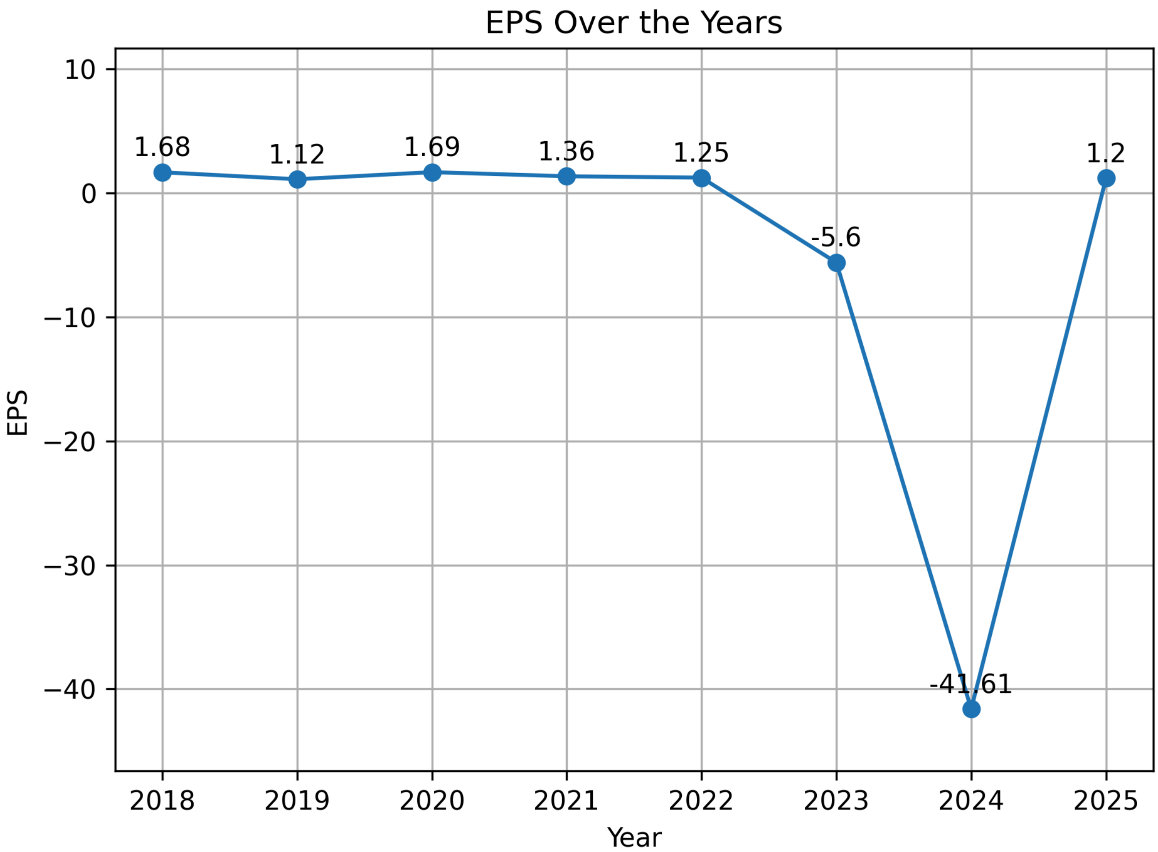


*Figure: EPS Trend of Bangladesh Finance PLC*

### 3.4.3 NAV Trend

Between 2018 and 2022, the Net Asset Value (NAV) per share was consistent in the narrow range of 16.37 to 17.41. This shows the firm had consistency in its asset base and book value. 2023 saw an abrupt decrease in NAV to 11.53, followed by an even sharper decrease to -30.05 in 2024, followed by an improvement to -28.85 in 2025. The NAV shows the sharp decrease in the company's net worth and financial position.

NAV and the firm-wide losses, which reached their peak in 2023 and 2024, because of the provisions for non-performing loans and stress in the firm's financial position, which led to a sharp decrease in the company's equity. NAV is the firm's book value, so the steep decline explains the lost equity. During 2025, improvement beyond the prior year was noted. Despite improvement, NAV remains negative and the company stock will decline in the future unless there is change in the financial constraint the company is facing.

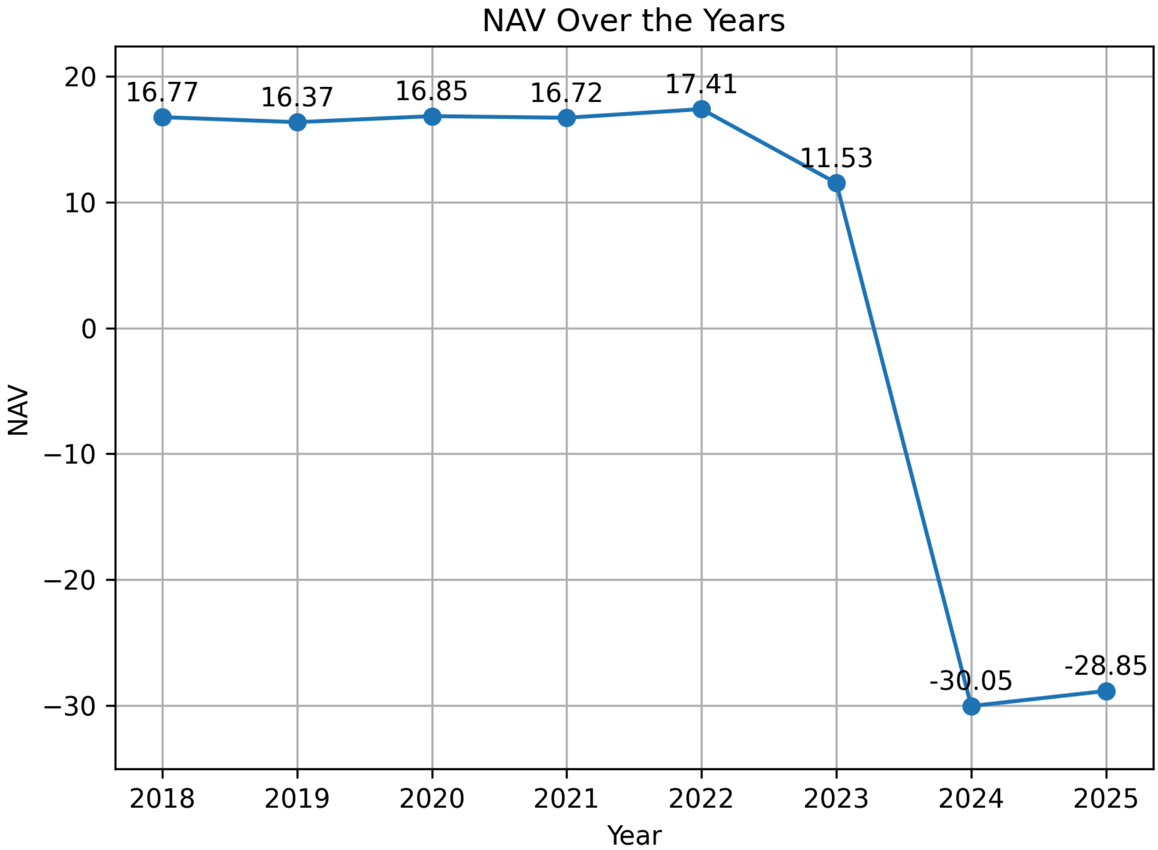


*Figure: NAV Trend of Bangladesh Finance PLC*

### 3.4.4 Relationship Between EPS, NAV and Share Price

The data indicated NAV correlates to share price moderately positive at a rate of 0.3458, while share price correlates to EPS weak positive at a rate of 0.0561. Share price changes at Bangladesh Finance PLC are likely more controlled by NAV than EPS due to the given correlation coefficients.

EPS and NAV alone will not be able to determine the share price of the company. Even though NAV relates more to share price changes than EPS, it is not high enough to indicate a strong correlation. As EPS shows very weak correlation to share price, it indicates that the changes related to share price movements of the company.

Therefore, the overall findings have shown that the share price of Bangladesh Finance PLC is influenced by more than the factors of Earnings per Share (EPS) and the Net Asset Value (NAV). Some of the factors that could influence the share price include market sentiment, industry-side factors, expectation from investors and macro economic factors. Therefore, share price and EPS have shown there is no significant influence and/or relationship, while the share price and NAV hold a modest positive relationship.

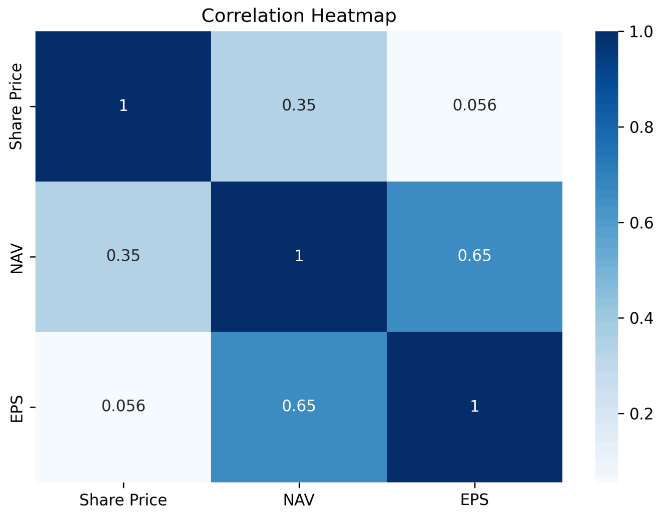


*Figure: Correlation Heatmap of EPS, NAV and Share Price*

### 3.4.5 Regression Analysis

According to the regression results, EPS and NAV provide an explanation of Bangladesh Finance PLC's share price to a weak level and with low predictive power. Overall, the value of Multiple R of 0.4118 indicates a moderate association, as a result of the R Square of 0.1695, which suggests that EPS and NAV explain about 16.95% of the change of share price. The adjusted R Square remains negative.

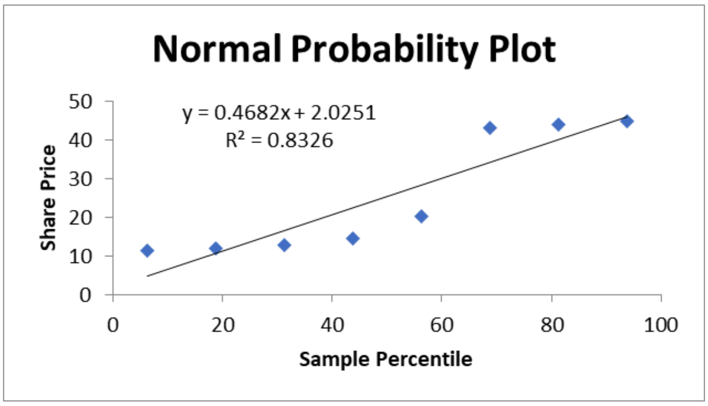


*Figure: Normal Probability Plot of Share Price and Sample Percentile*

Likewise, the ANOVA results reflect that the model is not statistically significant, as evidenced by the highest value for Significance F of 0.6285. This is above the heuristic 0.05 threshold, which suggests that as a whole, the regression model does not effectively show that the EPS and NAV systematically explain the price of the shares.

Examining the coefficient estimates, NAV has a coefficient of 0.4007. This implies that the share price is likely to increase with an increase in NAV, with EPS held constant. However, the relationship lacks statistical significance and thus, cannot be relied upon, as the p-value is 0.3628. EPS has a coefficient of -0.3079. This suggests that the relationship between EPS and share price is negative as modeled. Again, as evidenced by the p-value which is 0.6069, this is also a statistically insignificant relation in the model. Additionally, with a standard error of 5.12, the observed data points show a moderate deviation from the regression line. This also indicates the model's predictions are, on average, 5.12 units from the actual data. So, the regression model holds some value, but the fit is rather poor. Lower values of standard error would indicate a better fit, but the current value shows a degree of unaccounted variability of the dependent variable.

In aggregate, the regression model suggests that EPS and NAV do not have statistically significant influence on the share price of Bangladesh Finance PLC for the observable period. Although NAV has a statistically insignificant and positive relationship, EPS has an insignificant and negative relationship with the share price. The results of the model thus imply that there are greater unexplained influences on the share price largely on the market and firm-specific characteristics, than the modeled variables. Reliability of the theory output is also accommodating, as the share price output remains largely scattered, and supports the conclusion of a good potential that the stock was volatile and irregular in nature.

## 3.5 Summary and Conclusions

This study analyzed the relationship of Earnings Per Share (EPS), Net Asset Value (NAV) per share, and stock prices for Bangladesh Finance PLC. The research findings indicated that the company's individual stock prices changed in differentiable ways during the research study period. EPS and NAV, too, exhibited similar distinctive behaviors, especially in the later years. Correlation and regression results suggested that NAV and EPS had a weak and moderate positive relationship, respectively. The relationship of EPS to share price was noted to be very weak. Overall, the study found that neither EPS nor NAV singularly had a strong relationship with share price movements.

Based on the findings, and perhaps not surprisingly, the share price of Bangladesh Finance PLC is likely the product of numerous other firm level and market factors. These are most likely a combination of investor psychology, industry trends, ease of trading, economic and market risks, investor confidence, and market perception. Therefore, EPS and NAV are useful indicators of intrinsic value but cannot wholly determine share price movement predictability due to their limited nature.

In conclusion, this study examined some of the effects of accounting-based indicators and the ways in which they correlate to market value in the example of Bangladesh Finance PLC. The research indicates the complexity of price determination exercised by the market and the inadequacy of the financial variables to comprehensively describe the functions of price determination. This chapter reinforces the notion that EPS and NAV should all be regarded as components of a more extensive evaluation of investments and should not be treated as single predictors of the market price.

## 3.6 Recommendations

Bangladesh Finance PLC should consider other factors beyond just EPS and NPV to bolster market confidence, as the indicators imply minimal direct correlation with price changes. Investors should be more concerned with the efficiency of the organization with financial performance, improved volatility of earnings and the level of consistency maintained on the value of the organization's assets. Improved results in these factors will help build investor confidence over time.

Bangladesh Finance PLC, should direct more of its attention to other contributing factors on the periphery of the company such as credit quality, liquidity management and risk control, as well as the control of profitability. The price of shares is influenced by both public information and out of the company's control which are market factors. For these reasons, an improvement in clear communication through annual reports, financial disclosures and investor relations is recommended, as these factors improve the market's understanding and ultimately the perception of the company.

The study has demonstrated to investors that, in evaluating Bangladesh Finance PLC, both

EPS and NAV are valuable indicators and should be treated as such in investments. For the company, this study suggests a need for reinforcement of fundamentals and market confidence in order to improve the stability of the share price over the longer run.

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