

BRAC Bank, City Bank surpass Tk 1,000cr in net profits

STAR BUSINESS REPORT

Private commercial lenders BRAC Bank and City Bank registered significant profit growth last year.

BRAC Bank's consolidated profit surged 73 percent year-on-year to nearly Tk 1,432 crore, while that of City Bank rose by 59 percent to around Tk 1,014 crore.

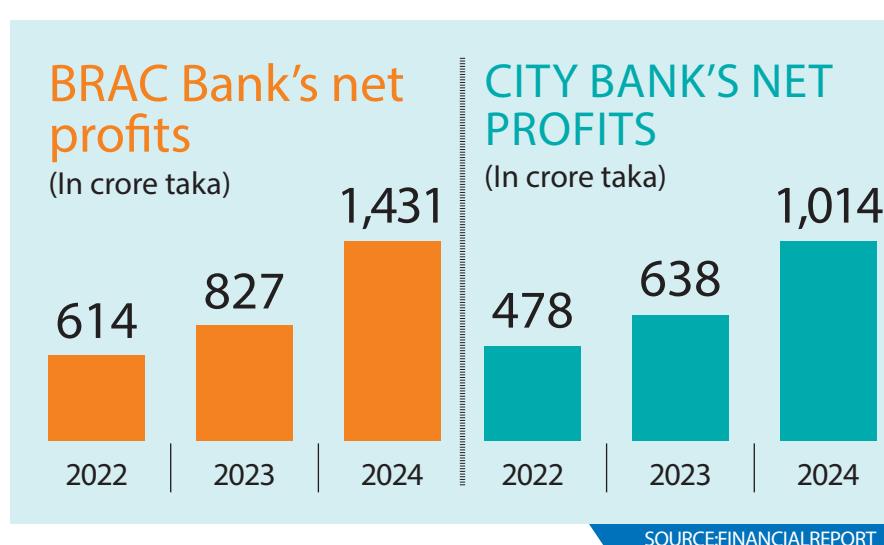
BRAC Bank reported consolidated earnings per share (EPS) of Tk 6.95, up from Tk 4.30 in 2023, the lender said in a disclosure posted on the Dhaka Stock Exchange (DSE) website yesterday.

Its shares declined 0.81 percent to close at Tk 49.1 on the DSE yesterday.

The lender's consolidated net operating cash flow per share also rose to Tk 60.91 from Tk 37.05 over the same period.

The board of directors recommended a 12.50 percent cash dividend and a 12.50 percent stock dividend.

The bonus shares have been proposed to strengthen the bank's capital base



and support future business expansion, according to the disclosure.

As of March 31, 2025, sponsors and directors held 46.17 percent of the bank's shares, institutions 14.24 percent, foreign

investors 31.97 percent, and the public 7.62 percent.

BRAC Bank Managing Director and CEO Selim RF Hussain said, "...our success stands as a testament to our unwavering

commitment to our customers, our community, and our country."

City Bank approved its financial statements for 2024 at a board meeting yesterday, declaring a 25 percent dividend—12.5 percent in cash and 12.5 percent in bonus shares.

The bank's EPS rose to Tk 8.06 from Tk 4.57 in 2023.

Similarly, net asset value per share increased to Tk 34.01 from Tk 6.38.

Some 64 percent of the bank's revenue came from interest income on loans, 12 percent from fees and letter of credit commissions, and 19 percent from treasury bills and bond investments.

The remaining 5 percent came from private bonds, dividends, and stock market earnings.

City Bank Managing Director and CEO Mashrur Arefin stated, "People have placed their trust in City Bank, resulting in a surge in deposits. Our cost-to-income ratio dropped from 60 percent to just 42 percent, leading to a substantial rise in profit."

RMG leaders urge rate cuts, energy fixes

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"Compare that to Bangladesh. For the past few days, there has been no gas pressure. We are entirely dependent on diesel," Azad said. "We have no gas, no electricity. And now, possibly, tariffs."

Orders have already started to drop since July-August last year, he said, with buyers hesitating to place new ones or shifting deliveries elsewhere.

He called on the government to enlist experienced diplomats and lobbyists, extend export incentives, and remove the source tax on export proceeds to help cushion the blow.

Faruque Hassan, another former BGMEA president, emphasised reducing lead times by importing raw cotton more efficiently.

"We've long discussed setting up a cotton warehouse. That would allow faster access, cut freight costs, and improve our advantage," he said.

Hassan noted that Trump's tariff announcement mentioned three issues: tariffs, currency manipulation, and trade barriers.

"We're not manipulating our currency," he said, adding that a previous non-tariff barrier related to US cotton fumigation had already been resolved.

The former BGMEA president said Bangladesh meets less than 2 percent of its cotton needs domestically.

He predicted that once the deep sea port construction is over and it goes into operation, cotton prices would fall with larger vessels arriving directly.

"But our production

costs must also come down," he said. "Interest rates are too high, utility costs and wages are rising, so rates must be adjusted."

He added that Vietnam sources many raw materials from China, while Bangladesh imports little to no cotton from there.

"In Vietnam and Mexico, Chinese inputs are re-exported to the US. We need to draw attention to these dynamics."

On market diversification, Hassan said that while 75 percent of exports once went to the US, the share has dropped to 19 percent.

"We've made gains in Australia, Japan, India and South Korea. But we must keep diversifying both markets and products."

Fazlul Hoque, former president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), said, "When external threats such as Trump's tariffs are looming, we must address our internal problems, especially productivity. But we're not doing enough."

He pointed out that Bangladesh's productivity still lags 10-20 percent behind China and Vietnam. "If we can narrow that gap, we'll be in a better position to tackle price and wage pressures."

Hoque acknowledged progress in technology adoption over the past decade. "But we must pick up the pace. Our rivals are moving faster, and the government must help accelerate improvements."

Regarding Trump's tariffs, he estimated that a 10 percent tariff on \$2 billion worth of upcoming US orders would amount to \$200 million in added costs.

If exporters share that equally with buyers, they will shoulder \$100 million themselves.

"Large exporters might weather the storm, but small and medium manufacturers will struggle," he said, especially since banks have little cotton from there.

"Big firms can negotiate with bank discount committees, small ones can't even get a meeting with a branch manager."

He urged policymakers to direct banks to offer more flexibility, saying that supply chain disruption could lead to labour unrest.

Negotiations for new orders are already slowing, Hoque said. "Uncertainty about what will happen after the 90-day tariff pause is making buyers cautious. If big exporters shift to Europe, that market could get crowded, triggering price drops there too."

Syed Sultan Uddin Ahmed, executive director of the Bangladesh Institute of Labour Studies (BILS), stressed the importance of diversification.

At the programme, he talked about the reputational damage to the local apparel industry caused by a few non-compliant factories. "If two or ten out of 2,500 don't pay wages, the entire industry's image suffers."

He urged the industry to distance itself from such actors and to build a unified platform involving international and national stakeholders, including the International Labour Organization (ILO).

"United voices make stronger cases," he added.

Humayun Rashid, managing director and

CEO of Energypac Power Generation PLC, called Trump's tariff threat "terrible".

He said the government and BGMEA must jointly seek new markets, much like China did when it faced steep US duties.

"China redirected exports to Asia. We need to do the same, look at regional markets, South America and ASEAN," said Rashid.

He also called for public-private collaboration in policymaking.

The CEO said that poor infrastructure, including chronic traffic congestion, deters buyers from visiting factories. Despite paying for utilities, factories are not getting enough gas or quality electricity, Rashid said.

He urged improvements at the port authority and better cooperation from tax officials.

"Bangladesh has brilliant entrepreneurs who built this industry against all odds. They deserve both respect and support."

He recommended shifting from basic garment manufacturing to producing higher-value goods like car seats, aircraft seats, and technical textiles.

"BGMEA should set up dedicated desks for Europe, Asia, South America and North America to monitor market trends and provide exporters with research support," Rashid said.

Mohammad Abdur Razzaque, chairman of local think-tank RAPID, said Bangladesh's competitiveness is slipping due to high inflation, currently around 10 percent, compared to just 2 percent in Vietnam.

"That's an 8-point loss in competitiveness each year," he said.

"The refusal to allow a market-based exchange rate is also hurting exporters," said the economist. "Greater flexibility could boost both exports and remittances."

He urged the government to continue supporting the industry through targeted subsidies.

Wrapping up the discussion, The Daily Star Editor and Publisher Mahfuz Anam said the paper is committed to addressing the issue.

"This is the time to be innovative," he said.

The event was moderated by The Daily Star Deputy Editor Arun Devnath.

Kihak Sung, chairman of Youngone Corporation, joined the event virtually.

The South Korean entrepreneur warned against relying on low-margin exports and highlighted Korea as an attractive market, where Bangladeshi goods are exempt from tariffs.

"If we're not making money, we shouldn't keep exporting," he said. "Profitability must come first. We need to move up the value chain and focus on high-quality, high-end clothing."

He emphasised the importance of timely deliveries and operational efficiency, noting that inefficiencies could hold Bangladesh back.

"Korea remains an opportunity. But we must be faster, better, and smarter if we want to compete. Bangladesh can build a strong supply chain to replace China in many areas," he added.

Govt drafting policy for tax exemptions

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"We must align our spending with our income so that we do not increase our debt burden or pass that burden onto the next generation."

The NBR chairman further informed that the chief adviser and financial adviser have instructed that the upcoming national budget for FY26 should be as realistic as possible, not overly ambitious.

"So, we are trying to reduce the budget deficit by cutting expenditure and increasing revenue."

M Masrur Reaz, chief executive officer of Policy Exchange Bangladesh, said the country needs to let go of its fascination with GDP growth for now.

"If we can tackle macroeconomic challenges even with 3-4 percent GDP

growth, that would be a major achievement. There's no need to be disheartened if GDP growth slows a bit in the process," he added.

TIM Nurul Kabir, executive director of FICCI, said the chamber emphasised the importance of collaboration with the NBR to create a more integrated tax system that streamlines revenue collection processes and improves the effectiveness of internal revenue mobilisation efforts.

To attract more foreign direct investment (FDI), he suggested optimising the effective tax rate by withdrawing thresholds for inadmissibility, rationalising tax deducted at source, and gradually eliminating the minimum tax.

These steps are aimed at creating a more competitive tax environment and would ultimately foster greater FDI inflow, Kabir said.

Recognising the global shift towards sustainability, the FICCI has proposed introducing preferential tax rates and excise benefits to incentivise the development of green supply chains.

This would not only align with global trends but also position Bangladesh as a leader in green manufacturing, he added.

The FICCI recommended the implementation of a unified VAT rate focusing exclusively on value-added tax. This would simplify the VAT structure and reduce complexities for businesses while ensuring the tax system remains efficient and equitable.

ERF General Secretary

Abul Kashem moderated the seminar chaired by ERF President Doulot Akter Mala.

The NBR's Khan also said that Bangladesh is expected to receive a decision on the next tranche of its IMF loan during a key meeting in Washington on May 5.

He explained that the staff-level discussions will determine the IMF loan's approval, with a final decision anticipated at the IMF board meeting on May 23.

"We are optimistic that a positive outcome will be reached regarding the tranche," Khan added.

Khan also highlighted that negotiations with the IMF are ongoing, with significant disagreements surrounding the issue of liberalising exchange rates.

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Banglalink raises data, voice and bundle volumes by up to 25%

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Banglalink has launched a new range of data packages, increasing the volume of data, voice minutes, and bundle allocations by up to 25 percent.

Customers can now get 20 percent more data, 22 percent more voice minutes, and expanded bundle volumes under the updated plans, the third-largest operator said in a statement.

The announcement comes as the government has recently taken several steps to bring down internet service costs, including reductions in wholesale bandwidth prices, transmission charges, and granting mobile operators access to dense wavelength division multiplexing (DWDM) infrastructure.

Under the new packages, Banglalink users will also get unlimited access to Toffee, as well as Facebook, YouTube, and TikTok, without using data from the selected packs. Additional high-volume deals are available through the MyBL App. Johan Buse, chief executive officer of Banglalink, said they welcome the government's recent reform initiatives in the telecom sector, including the approval granting mobile network operators access to dark fibre and DWDM infrastructure.

Trump expected to ease tariffs impact on automakers

AFP, New York

US President Donald Trump has agreed to soften the impact of tariffs on automakers who have been hit by multiple levies, US media reported on Monday.

The move comes ahead of a Trump rally planned for Tuesday night near Detroit to mark the president's first 100 days in office.

The shift means companies paying 25 percent tariffs on car imports won't also pay other duties, such as those on steel and aluminum, according to the Wall Street Journal, which was first to report the shift.

The administration is also allowing some reimbursements on foreign auto parts, levies that were supposed to take effect on May 3, said the Journal, citing unnamed sources.

Matarbari power

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The PLF is a measure of how efficiently a power plant is being utilised compared to its maximum possible output. The government will use the rate as a benchmark tariff to renegotiate deals with all the other coal-fired power plants.

Fouzul Kabir Khan, adviser to the Ministry of Power, Energy and Mineral Resources, said they were holding talks with representatives of the other power plants.

Due to "other expenses", their price could have differed by Tk 0.30 or Tk 0.40 but the

plants were being paid Tk 3 to Tk 4 higher.

"Why?" he asked in a seminar last Saturday, adding, "We are not taking any arbitrary decisions."

The PDB's annual report on power plants states that Adani was paid Tk 14.88 per kWh, Rampal Tk 15.29 per kWh, Payra Tk 11.83 kWh, SS Power Tk 20.43 per kWh and Barishal 307MW power plant Tk 12.49 per kWh in fiscal year 2023-24.

In yesterday's meeting of the purchase committee, the government approved a decision to import three cargoes of liquified natural gas (LNG) from the spot market for June at around Tk 1,620 crore following public procurement regulations.

The cargoes will be delivered by three Singaporean companies—Aramco Trading Singapore Pte Ltd at Tk 534.76 crore, Gunvor Singapore Pte Ltd at Tk 540.51 crore and Vitol Asia Pte Ltd at Tk 544.77 crore.

Every cargo will contain 33.60 lakh Million British Thermal Units (MMBu) of LNG while the unit price would be \$11.15, \$11.27 and \$11.36 per MMbu respectively.

Felling of Economically Life Cycle Lost Rubber Tree, Reforestation and Modernization of Rubber Processing Project	
Bangladesh Forest Industries Development Corporation (BFIDC)	