

Trust Bank's Q1 profit drops 8%

STAR BUSINESS REPORT

Trust Bank PLC reported a fall in profit for the first quarter of 2025, as rising expenses dented its earnings.

The bank's profit declined by 8 percent year-on-year to Tk 29.37 crore, according to its financial statement.

Meanwhile, the bank's annual profit dropped by 11 percent year-on-year to Tk 372.31 crore in 2024.

Its earnings per share (EPS) declined to Tk 0.32 in the January-March period from Tk 0.35 in the same period a year earlier.

The bank attributed the fall in EPS to an increase in expenses.

Its net operating cash flow per share (NOCFPS) rose to Tk 13.82 from Tk 7.10 in the same quarter last year.

The increase in NOCFPS was driven by higher deposits from customers and a reduction in loans and advances, the bank said in the financial statement.

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Trust Bank saw significant growth in its income from investments, which surged 91 percent year-on-year to Tk 313.26 crore in the first quarter, mainly due to increased investments in treasury bills and bonds.

Its commission, exchange and brokerage income rose by 25 percent year-on-year to Tk 96.99 crore, supported by higher exchange gains on foreign currencies, as per the financial statement.

Trust Bank's provisions against loans and advances and other accounts stood at Tk 214.70 crore, up 7 percent from the same quarter a year ago, owing to a rise in classified loans.

The bank also said that its current tax expenses increased due to higher operating profit.

As of April 3, 2025, sponsor directors held 60 percent of the bank's shares, institutional investors 22.24 percent, foreign investors 0.02 percent and general investors 17.14 percent, according to Dhaka Stock Exchange data.

Trust Bank, operating since 1999, is sponsored by the Army Welfare Trust. It operates 119 branches and SME centres and eight sub-branches throughout the country, as per its website.



Farmers harvest maize at Char Saniajan along the Teesta river in Hatibandha upazila of Lalmonirhat. The sandy char lands in this region are known for yielding bumper maize crops, contributing significantly to rural livelihoods.

PHOTO: S DILIP ROY

Maize farmers lament price drop amid a rise in costs

S DILIP ROY

Maize cultivation remains a profitable venture for farmers, although many in districts where production is concentrated have voiced concerns over a drop in market prices this season amid a rise in production costs.

The crop's cultivation is concentrated in the country's northern region, with the leading districts being Lalmonirhat, Dinajpur, Chuadanga, Thakurgaon, Rangpur, Panchagarh, Nilphamari, Jhenaidah, Jamalpur and Gaibandha.

Farmers in Lalmonirhat, Kurigram, Rangpur and Dinajpur report that prices have declined by Tk 2 to Tk 3 from those in the previous season to Tk 28 to Tk 29 per kilogramme (kg).

The cost of production has increased by a similar margin to Tk 11 to Tk 13 per kg.

In terms of land area or every bigha (2,529 square metres), the cost stands between Tk 14,000 and Tk 16,000, subject to variations due to land lease rates and ancillary expenses.

A typical yield per bigha ranges from 35 maunds to 45 maunds (one maund equals around 37 kg).

This results in net profits of approximately Tk 28,000 to Tk 34,000 per bigha, cementing maize's status as one of the most financially viable crops.

Nevertheless, traders are reportedly purchasing maize at lower prices this year, citing acreage expansion and a bumper harvest.

Farmers argue that while yields are indeed robust, the combination of reduced prices and increased input costs is

eroding their profit margins and may deter future planting.

Such volatility has prompted calls for more stable pricing mechanisms and fairer market access—factors that many believe are crucial to the long-term sustainability of maize farming. According to the Department of Agricultural Extension (DAE), Bangladesh produced 68.84 lakh tonnes of maize from 6.42 lakh hectares of land in fiscal year 2023–24. The target for fiscal year 2024–25 has been set at 71.60 lakh tonnes from 6.51 lakh hectares of land.

National demand currently hovers around 70 lakh tonnes to 75 lakh tonnes.

Agricultural economist Jahangir Alam noted, "Last year, we had to import four lakh tonnes of maize. This year, dependency on imports will reduce. Until domestic production satisfies national demand, expansion must continue."

He cautioned that increased production combined with falling global prices could further depress domestic prices.

A government-fixed market price for maize would be beneficial, he added, describing the crop as a mode of cash generation that has reinvigorated rural economies.

In the Rangpur region, comprising Lalmonirhat, Kurigram, Gaibandha, Rangpur and Nilphamari, maize has been cultivated on 1.47 lakh hectares of land this year with a production target of 15.60 lakh

tonnes. Notably, approximately half of this is char areas—fertile floodplains prone to seasonal submersion.

In Lalmonirhat, maize is cultivated on 39,505 hectares, primarily on the sandy char lands of the Teesta river. Many local farmers have seen transformative improvements in their livelihoods through maize cultivation.

Shafiqul Islam, additional director of the DAE's Rangpur division, explained that maize was predominantly cultivated during the Rabi (winter) season, with planting running in October–November and harvests in March–April.

The season benefits from favourable weather and allows companion cropping. Although some cultivation occurs in the Kharif or monsoon season, yields are typically lower.

Shahidar Rahman, a seasoned farmer of Char Saniajan in Lalmonirhat's Hatibandha upazila, has been growing maize on 10 bighas of sandy land along the Teesta for 15 years.

"I've harvested 43 maunds per bigha on eight bighas so far, spending a total of Tk 2.8 lakh. Without maize, I would still be mired in poverty," he said.

Similarly, Afiaz Rahman of Char Bhotmari in Lalmonirhat's Kaliganj upazila voiced disappointment over this year's price drop. "If prices matched last year's, we could have earned much more," he said, informing that he had harvested 326

maunds from eight bighas, incurring a cost of Tk 1.28 lakh.

Wholesalers also noted tight profit margins.

Jamilur Rahman of Chilmari, Kurigram, said, "We buy maize at Tk 27–28 per kg and sell it to feed mills for Tk 29. After transport, our margin is minimal."

He cited abundant supply and increased cultivation as factors driving the price dip.

Bablu Mia, a wholesaler in Bhotmari, echoed this, stating, "Transport costs from the char areas are high. I buy from char farmers at Tk 27 and sell at Tk 29. With strong yields, prices could fall further."

From the industry side, Azizar Rahman, a procurement representative of Aftab Feed Mill, explained that purchases were aligned with global trends.

"We prioritise local produce over imports. If global prices rise, farmers will benefit domestically," he said.

Afzal Hossain, a Rangpur-based feed producer, noted that despite robust production, feed prices are unlikely to drop due to high bank interest rates, service charges and other operating costs.

Procurement centres in high output areas enable direct purchases from farmers, improving supply chain efficiency, he said. Mizanur Haque, senior vice-president of Bangladesh Maize Association, warned of growing monopolistic behaviour.

"Previously, we could ensure fair returns for farmers. Now, syndicates led by feed mill owners are dictating prices," he claimed.

He added that falling global wheat prices and increased maize production have further suppressed the market.

Only splitting the NBR may not help

MAMUN RASHID

Bangladesh's government recently enacted a long-awaited reform measure: dissolving the National Board of Revenue (NBR) and splitting it into two new agencies. The goal is to separate the tax policymaking and implementation processes, in line with a key conditionality of the International Monetary Fund (IMF) for the next tranche of disbursements.

With a dismal revenue-GDP ratio, a narrow tax base, and bias towards indirect taxes, an overhaul of the revenue administration has been overdue for many years, and many of us have been talking about this. The government even formed a task force to look at the NBR and its activities more closely and recommend actions in order to bolster revenue growth.

Had the opportunity to work closely with NBR seniors since the early nineties and was associated with many impactful reform projects there.

Under the TACTS (tax administration capacity building and taxpayers' services) project, where we reviewed the revenue administration and structure in India and Thailand, we even talked about a possible split along the direct (corporate & income tax) and indirect taxes (customs & VAT) lines along with capacity building in those agencies to be able to handle leakages.

Right scoping, planning, reaching out to the right target market, right communication, handling corruption and timely implementation have been issues with many agencies in Bangladesh, not only NBR. Existing NBR strength was severely constrained with day-to-day operational work, not much time available to think beyond and creatively for a visible revenue increase.

My long interface with NBR as a large institutional and individual taxpayer, a faculty at the tax academy and other government set up as well as consultancy experience with World Bank and UKAID projects, I would also say that there had been serious jelling issues between NBR professionals and seniors coming from outside.

By dissolving the NBR along with the Internal Resources Division (IRD) through an ordinance, the government is trying to pave the way for the Revenue Policy Division and Revenue Management Division. The first will be tasked with designing the tax policy framework, formulating tax laws, determining various rates, and overseeing the coordination of international tax treaties and trade-related tariffs.

The second, on the other hand, will be responsible for tax administration, compliance, audit, and enforcement of income tax, VAT, customs and other taxes and duties.

The split of duties is deemed to make the tax system more efficient and increase overall revenue earnings. Until now, the NBR has been responsible for all these tasks—both policymaking and policy enforcement—something that has been criticised for creating an overlap of functions leading to poor revenue earning performance and coordination.

As we know, Bangladesh has one of the lowest tax-GDP ratios in Asia (below 8 percent). The NBR has consistently failed to ensure effective resource mobilisation, increase revenue generation through direct taxes, and plug loopholes to prevent tax evasion, among other things. Moreover, in its objective to meet revenue collection targets, it has often ended up enforcing policies that created unjust and uneven pressure on taxpayers and businesses.

However, merely overhauling the structure may not bear the desired results if the problems beneath the carpet are not addressed. Much has been said time and again, the government should reduce its overreliance on indirect taxes and expand the tax base to improve our tax-GDP ratio by bringing surplus generating sectors and individuals under the tax net. Tax exemptions must also be reconsidered and allowed more judiciously, and corrupt practices in tax collection must be stopped. The entire system must be designed in a way that encourages eligible taxpayers so they can pay taxes without hassle.

We saw NBR officials protesting against the move, arguing that the new ordinance sidelines experienced tax professionals and does not recognise their career progression issues. Many, however, feel this can be sorted out through dialogue and necessary readjustments.

However, the ongoing reform and reconstruction drive must be followed through since it is in line with international best practices and the desire of the major stakeholders—development partners, domestic & foreign investors along with poor people hard pressed by large indirect tax-biased architecture.

The writer is an economic analyst and chairman at Financial Excellence Ltd.

Trump tells Walmart to 'eat the tariffs' instead of raising prices

REUTERS, Washington

US President Donald Trump said on Saturday that Walmart should "eat the tariffs" instead of blaming duties imposed by his administration on imported goods for the retailer's increased prices.

His comments were in response to the world's largest retailer saying this week it would have to start raising prices later this month due to high tariffs.

"Walmart should STOP trying to blame Tariffs as the reason for raising prices throughout the chain. Walmart made BILLIONS OF DOLLARS last year, far more than expected," Trump said in a social media post.

"Between Walmart and China they should, as is said, 'EAT THE TARIFFS,' and not charge valued customers ANYTHING." Walmart said it has always worked to keep its prices as low as possible, adding that this practice will not stop.

"We'll keep prices as low as we can for as long as we can given the reality of small retail margins," the company said in a statement to Reuters.

Walmart CEO Doug McMillon said on Thursday the retailer could not absorb all the tariff costs because of narrow retail margins. Even so, he said, the company was committed to ensuring that tariff-related costs on general merchandise, which primarily comes from China, would not drive food prices higher.

Many US companies have either slashed or pulled their full-year expectations amid friction between the US and its trading partners, particularly China, as consumers curtail spending.

Moody's downgrade intensifies investor worry about US fiscal path

REUTERS, New York

A US sovereign downgrade by Moody's has exacerbated investor worries about a looming debt time-bomb that could spur bond market vigilantes who want to see more fiscal restraint from Washington.

The ratings agency cut America's pristine sovereign credit rating by one notch on Friday, the last of the major ratings agencies to downgrade the country, citing concerns about the nation's growing \$36 trillion debt pile.

The move came as Republicans who control the House of Representatives and the Senate seek to approve a sweeping package of tax cuts, spending hikes and safety-net reductions, which could add trillions to the US debt pile. Uncertainty over the final shape of the so-called "Big Beautiful Bill" has investors on edge even as optimism has emerged over trade. The bill failed to clear a key hurdle on Friday even as US President Donald Trump called for unity around the legislation.

"The bond market has been keeping a sharp eye on what transpires in Washington this year in particular," said Carol Schleif, chief market strategist at BMO Private Wealth, who said that Moody's downgrade may make investors more cautious.

"As Congress debates the 'big, beautiful bill' the bond vigilantes will be keeping a sharp eye on making them toe a fiscally responsible line," she said, referring to bond investors who punish bad policy by making it prohibitively expensive for

governments to borrow.

The downgrade from Moody's, which follows similar moves from Fitch in 2023 and Standard & Poor's in 2011, will "eventually lead to higher borrowing costs for the public and private sector in the

United States," said Spencer Hakimian, founder of Tolou Capital Management in New York.

Even so, the ratings cut was unlikely to trigger forced selling from funds that can only invest in top-rated securities, said Gennadiy Goldberg, head of US rates strategy at TD Securities, as most funds revised guidelines after the S&P downgrade. "But we expect it to refocus the market's attention on fiscal policy and the bill currently being negotiated in Congress," Goldberg said.

US stocks closed higher on Friday, with the Dow gaining more than three quarters of a percent, the S&P 500 climbing seven-tenths of a percent and the Nasdaq adding half a percent.

One question is how much pushback there will be in Congress over whether fiscal principles are being sacrificed, said Scott Clemons, chief investment strategist at Brown Brothers Harriman, adding that a bill that shows profligate spending could be a disincentive to add exposure to long-dated Treasuries.

The Committee for a Responsible Federal Budget, a nonpartisan think tank, estimates the bill could add roughly \$3.3 trillion to the country's debt by 2034 or around \$5.2 trillion if policymakers extend temporary provisions.



Traders work on the floor of the New York Stock Exchange on May 13. The downgrade from Moody's, which follows similar moves from Fitch in 2023 and Standard & Poor's in 2011, will eventually lead to higher borrowing costs for the public and private sectors in the United States.

PHOTO: AFP