Monthly Report on

Agriculture and Rural Finance[1]

August 2025

Research Department
(Internal Economic Wing)
Bangladesh Bank

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Highlights

- In FY26, the agricultural credit disbursement target has been set at BDT 39,000 crore, representing a 2.63 percent increase from the target of BDT 38,000 crore in FY25 and a 4.48 percent rise over the actual disbursement of BDT 37,326.52 crore.

- In August 2025, all scheduled banks disbursed BDT 2,672.00 crore in agricultural credit, marking a 24.05 percent increase from BDT 2,154.03 crore in the previous month and a 28.45 percent increase compared to BDT 2,080.20 crore disbursed in August FY25.

- Agricultural credit recovery by all scheduled banks reached BDT 3,119.96 crore in August 2025, increased by 5.63 percent from BDT 2,953.62 crore in the previous month and 7.89 percent higher than BDT 2,891.67 crore recovered in August FY25.

- At the end of August 2025, the outstanding balance (including interest) of agricultural credit for all scheduled banks stood at BDT 59,541.84 crore, reflecting a 6.66 percent increase from BDT 55,822.75 crore at the end of August 2024.

- At the end of August 2025, overdue of agricultural credit for all scheduled banks reached to BDT 22,968.31 crore which was 93.92 percent increase compared to BDT 11,844.20 crore in August 2024. This increase in overdue loans was primarily attributed to rise in overdue of State-owned Specialized Banks (SOSBs), Private Commercial Banks (PCBs), and State-owned Commercial Banks (SOCBs).

- In August FY26, Grameen Bank and ten Large NGOs collectively disbursed BDT 16,568.37 crore as microcredit, reflecting a 45.51 percent increase compared to August FY25. They recovered BDT 16,005.39 crore in August 2025, which was 19.81 percent higher than the same month of FY25. The outstanding microcredit balance for these organizations was BDT 121,539.51 crore, with overdue loans amounting to BDT 8,212.21 crore (representing 6.76 percent of the outstanding balance) at the end of August 2025.

Monthly Report on Agriculture and Rural Finance

1. Agricultural Credit

1.1 Disbursement

The agricultural credit disbursement target has been set at BDT 39,000 crore for all scheduled banks in FY26, marking a 2.63 percent increase compared to the disbursement target of BDT 38,000 crore for the previous fiscal year. The target of agricultural credit disbursement comprises of BDT 3,657.00 crore for state-owned commercial banks (SOCBs), BDT 10,223.00 crore for state-owned specialized banks (SOSBs), BDT 23,527.00 crore for private commercial banks (PCBs), and BDT 1,593.00 crore for foreign commercial banks (FCBs) for FY26.

In August 2025, agricultural credit disbursement by all scheduled banks amounted to BDT 2,672.00 crore, which was 24.05 percent and 28.45 percent higher compared to BDT 2,154.03 crore disbursed in the previous month and BDT 2,080.20 crore disbursed in August 2024 respectively (Table 1).

Table 1: Agricultural Credit by Scheduled Banks

(BDT in Crore)

Month	Disbursement		Recovery	
	FY25	**FY24**	**FY25**	**FY24**
July-June	37326.52	37153.90	38024.50	35571.62
	FY26	**FY25**	**FY26**	**FY25**
July	2154.03	1790.71	2953.62	2553.79
August	2672.00	2080.20	3119.96	2891.67
Total	**4826.03**	**3870.91**	**6073.58**	**5445.46**

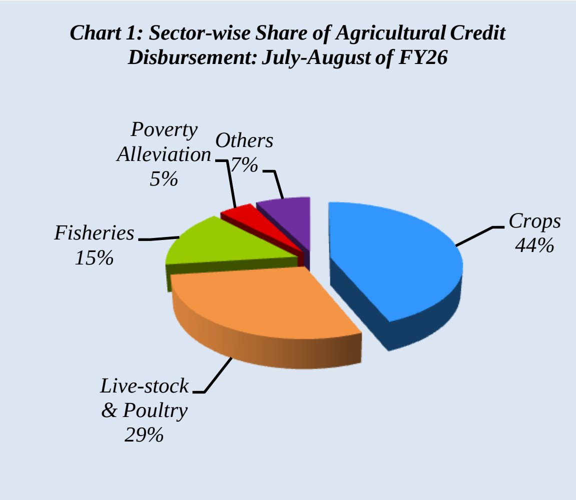
Source: Agricultural Credit Department, Bangladesh Bank.

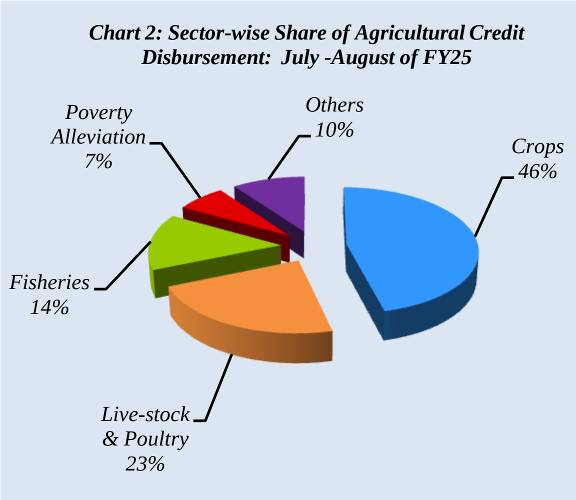
In July-August of FY26, all scheduled banks disbursed BDT 4,826.03 crore, reflecting a 24.67 percent increase from BDT 3,870.91 crore disbursed in the same period of FY25. The significant upward turn is attributed to increased disbursements by Foreign Commercial Banks (FCBs), State-Owned Specialized Banks (SOSBs), and State-Owned Commercial Banks (SOCBs) in July-August of FY26 compared to the same period of FY25. The disbursement of Private Commercial Banks (PCBs) decreased by 4.26 percent in July-August of FY26 as compared to July-August of FY25. However, this decline was not enough to offset the rise driven by higher disbursements from

Foreign Commercial Banks (FCBs), State-Owned Specialized Banks (SOSBs), and State-Owned Commercial Banks (SOCBs).

1.2 Sector-wise disbursement

During July-August of FY26, share of agricultural credit disbursement in crops and poverty alleviation decreased from 46 percent and 7 percent to 44 percent and 5 percent respectively compared to same period of FY25. In contrast, the share of agricultural credit disbursement in livestock & poultry and fisheries increased to 29 percent and 15 percent from 23 percent and 14 percent respectively compared to July-August of FY25. Additionally, the allocations for other sectors also decreased from 10 percent to 7 percent compared to July-August of FY25. During July-August of FY26, the composition of agricultural credit disbursement shifted notably. Credit allocation to crops and poverty alleviation declined, while financing for livestock, poultry, and fisheries increased, indicating a gradual diversification of agricultural loans towards income-generating sectors.





Source: Agricultural Credit Department, Bangladesh Bank.

1.3 Recovery

Recovery of agricultural credit by all scheduled banks was BDT 3,119.96 crore in August FY26, reflecting a 5.63 percent increase from BDT 2,953.62 crore recovered in July FY26 and a 7.89 percent increase compared to BDT 2,891.67 crore recovered in August FY25. In July-August of FY26, the recovery of agricultural credit by all scheduled banks increased by 11.53 percent to BDT 6,073.58 crore compared to BDT

5,445.46 crore during the same period of FY25 (Table 1). This overall increase was primarily driven by the 74.80 percent rise in recoveries from State-Owned Commercial Banks (SOCBs), 50.45 percent rise in recoveries from State-owned Specialized Banks (SOSBs), and 38.00 percent rise in recoveries from Foreign Commercial Banks (FCBs). In contrast, Private Commercial Banks (PCBs) recorded a decline of 10.66 percent in recovery (Annexure).

1.4 Outstanding and Overdue

At the end of August 2025, the outstanding balance of agricultural credit (including interest) for all scheduled banks was BDT 59,541.84 crore, an increase of 6.66 percent from BDT 55,822.75 crore at the end of August 2024. The overdue agricultural credit increased by 93.92 percent to BDT 22,968.31 crore at the end of August 2025 as compared to BDT 11,844.20 crore at the end of August 2024. This increase was mainly driven by the rise in overdue of State-owned Specialized Banks (SOSBs), Private Commercial Banks (PCBs), and State-owned Commercial Banks (SOCBs). The loan classification criteria effective from April 2025 also attributed to this significant rise in overdue in August 2025. The rise in overdue loans signals growing concerns over credit recovery and requirement for stronger oversight and risk management to address the credit recovery challenges in the sector.

1.5 Bangladesh Rural Development Board (BRDB)

The Bangladesh Rural Development Board (BRDB) has a disbursement target of BDT 1,537.46 crore for FY26. In August of FY26, agricultural credit disbursement was BDT 100.58 crore, increased by 71.55 percent from BDT 58.63 crore in August 2024, while recovery rose by 50.34 percent to BDT 100.94 crore in August of FY26 from BDT 67.14 crore in August of FY25 (Table 2). During July-August of FY26, BRDB disbursed BDT 195.64 crore and recovered BDT 205.03 crore, representing a increases of 20.01 percent and 15.50 percent, respectively, compared to the same period of FY25.

Table 2: Agricultural Credit by BRDB and BSBL

(BDT in Crore)

	Target of FY26	August'25		August'24	
		Disbursement	**Recovery**	**Disbursement**	**Recovery**
BRDB	1537.46	100.58	100.94	58.63	67.14
BSBL	25.00	0.00	0.10	0.00	0.05
Total (Percent)	**1562.46** (3.85)	**100.58** (3.63)	**101.04** (3.14)	**58.63** (2.74)	**67.19** (2.27)

Source: Agricultural Credit Department, Bangladesh Bank.
Note: figure in the parenthesis shows % share of total agriculture credit arrangement of BRDB and BSBL in total amount of all group of Banks, BRDB and BSBL.

1.6 Bangladesh Samabaya Bank Limited (BSBL)

BSBL, a non-scheduled bank, has a disbursement target of BDT 25.00 crore for FY26. BSBL recovered BDT 0.10 crore in August of FY26 which was BDT 0.05 crore in August of FY25 (Table-2). In July-August of FY26, BSBL refrained from disbursing funds and exercised caution due to the high overdue. BSBL recovered BDT 0.17 crore in July-August of FY26 which was 30.77 percent higher as compared to the recovery of BDT 0.13 crore in July-August of FY25.

2. Refinance Facility

Facility from Bangladesh Bank under Government Guarantee

During July-August of FY26, no funds have been sanctioned for short-term agricultural refinance facility in favor of BKB and RAKUB from Bangladesh Bank. Out of BDT 1,000 crore sanctioned in FY24 in favour of RAKUB against government guarantee, the repayment period of remaining BDT 500 crore has been extended to 24th October, 2025 subject to repayment of BDT 500 crore. RAKUB paid BDT 1.72 crore as interest payment to BB of the short-term refinance credit in August 2025. The outstanding balance of refinance credit for BKB and RAKUB was BDT 2,003.70 crore as of August 2025 which was 26.34 percent lower compared to BDT 2,720.36 crore as of August 2024.

3. Rural Finance

3.1 Palli Karma-Sahayak Foundation

In August 2025, Palli Karma-Sahayak Foundation (PKSF) disbursed BDT 575.96 crore to 289 partner organizations (POs) and recovered BDT 634.73 crore. These figures represent a 32.92 percent increase in disbursement and a 33.41 percent increase in recovery compared to August 2024 (Table-3).

Table 3: Rural Credit by PKSF

(BDT in Crore)

Month	Disbursement		Recovery	
	FY25	**FY24**	**FY25**	**FY24**
July-June	9357.74	7553.11	7073.29	6139.10
	FY26	**FY25**	**FY26**	**FY25**
July	51.00	32.00	444.74	439.56
August	575.96	433.32	634.73	475.77
Total	**626.96**	**465.32**	**1079.47**	**915.33**

Source: Palli Karma-Sahayak Foundation (PKSF).

In July-August of FY26, total disbursement of Palli Karma-Sahayak Foundation (PKSF) was BDT 626.96 crore which was 34.74 percent higher as compared to the disbursed amount of BDT 465.32 crore in July-August of FY25. The recovery amount was BDT 1,079.47 crore in July-August of FY26 which was 17.93 percent higher as compared to the recovery of BDT 915.33 crore in the same period of FY25.

At the end of August 2025, the outstanding balance of PKSF’s loan program amounted to BDT 13,652.58 crore, with an overdue balance of BDT 110.07 crore. The outstanding balance increased by 20.07 percent in August 2025 compared to August 2024. Meanwhile, the overdue balance decreased by 35.23 percent in August 2025, compared to the same month of the previous fiscal year.

3.2 Microcredit Operations by Grameen Bank and Ten Large NGOs[2]

In August 2025, Grameen Bank and ten prominent NGOs disbursed BDT 16,568.37 crore for microfinance programs aimed at fostering productive rural activities, which was 45.51 percent higher as compared to the disbursement amount of August 2024.

[2]Grameen Bank, BRAC, ASA, Proshika, BURO Bangladesh, TMSS, RDRS Bangladesh, CARITAS Bangladesh, Jagorani Chakra Foundation (JCF), Society for Social Service (SSS), Shakti Foundation.

Table 4: Microcredit Operation by NGOs in August 2025

(BDT in Crore)

NGOs	(Without Interest)			
	Disbursement	**Recovery**	**Outstanding**	**Overdue**
Grameen Bank	2159.32	2168.62	16745.03	620.81
BRAC	6060.72	5906.35	42838.76	2094.30
ASA	3609.80	3613.59	27286.23	3354.70
Proshika	200.01	187.13	1738.73	218.47
BURO Bangladesh	1532.28	1381.47	11715.36	383.36
TMSS	967.01	869.21	6617.17	505.64
RDRS Bangladesh	222.04	208.60	1584.19	181.92
CARITAS Bangladesh	66.69	69.81	537.15	105.72
Jagorani Chakra Foundation(JCF)	643.05	546.67	5647.93	288.96
Society for Social Service (SSS)	873.35	830.86	4987.73	362.67
Shakti Foundation	234.10	223.08	1831.22	95.67
Total	**16568.37**	**16005.39**	**121529.51**	**8212.21**

Source: Grameen Bank and respective NGOs.

Approximately 36.78 million members accessed this loan facility through a total of 14,036 branches operated by the top 11 Microfinance Institutions (MFIs). Notably, Grameen Bank, BRAC, and ASA collectively accounted for 71.40 percent of the total microcredit disbursed in August 2025.

The recovery efforts of these MFIs in August FY26 amounted to BDT 16,005.39 crore, reflecting a 19.81 percent increase from BDT 13,358.75 crore in August of FY25. As on August 2025, the outstanding balance of these MFIs stood at BDT 121,529.51 crore, marking a 10.55 percent rise compared to August 2024. Additionally, the overdue amount for MFIs remained at BDT 8,212.21 crore as on August 2025, representing a 23.83 percent increase as compared to the overdue amount of BDT 6,632.06 crore in August 2024 (Table-4). The significant rise in overdue balances is mainly due to erratic borrower behavior and payment difficulties caused by crop losses from floods and rising living costs.

4. Conclusion

Overall, agricultural and rural credit activities showed notable growth in disbursement and recovery during July-August of FY26, supported by stronger performances from State-owned Specialized Banks (SOSBs) and Microfinance Institutions (MFIs).

However, the sharp rise in overdue loans, particularly among State-Owned Commercial Banks (SOCBs), State-owned Specialized Banks (SOSBs), and Private Commercial Banks (PCBs), signals emerging credit quality concerns, highlighting the need for enhanced monitoring, prudent lending practices, and strengthens recovery mechanisms to sustain financial stability in the sector.

5. Recent Measures by BB for Agriculture and Rural Finance

- Through ACD Circular No. 01 issued on 12 August 2025, Agricultural and Rural Credit Policy and Program for FY26 published (circular link: aug282025acdl02.pdf (bb.org.bd)).
- As per ACD Circular Letter No. 02 issued on 28 August 2025, the deadline for disbursing loans at customer level by the banks under refinance scheme of BDT 1000 crore aimed at increasing wheat and maize production has been estended. (circular link: aug282025acdl02.pdf (bb.org.bd)).
- Through BRPD Circular No. 39 issued on 01 September 2024, loan repayment/ adjustment of borrowers affected by recent floods was facilitated (circular link: sep012024brpdl39.pdf (bb.org.bd)).
- As per ACD Circular No. 03 issued on 21 November 2023, facilitating most of the actual/marginal farmers under BDT 5000.00 crore refinance scheme, ceiling of new loan/investment in favor of single customer from livestock sector shall be BDT20 lakh (circular link: nov212023acdl03.pdf (bb.org.bd)).
- According to ACD Circular No 01 issued on 22 June 2023, banks were directed to recruit experienced people from NGOs/MFIs on temporary contractual basis for the post of ‘Agri Credit Supervisor (Contractual)’ following manpower requirement need for ensuring proper uses of agricultural credit (circular link: jun222023acd01.pdf (bb.org.bd)).
- According to ACD Circular No 02 issued on 21 March 2023, beef fattening sector was included into the refinance scheme of BDT 5000.00 crore (circular link: mar212023acdl02.pdf (bb.org.bd)).
- Following ACD Circular No: 01 of January 2023, agricultural credit on priority basis shall be disbursed to new farmers, and to more than one member of the same family based on rational consideration (circular link: jan012023acdl01.pdf (bb.org.bd)).
- As per ACD Circular No. 08 of 19 December 2022, fund titled ‘Bangladesh Bank Agricultural Development Common Fund (BBADCF)’ had been formed with the unattainable portion of banks annual agriculture and rural credit disbursement target (circular link: dec192022acd08.pdf (bb.org.bd)).
- According to ACD Circular No. 07 of 17 November 2022, BB formed a refinance scheme of BDT 5000.00 crore for agriculture sector to ensure food security of the country (circular link: nov172022acd07.pdf (bb.org.bd)).

Annexure

Monthly Position of Agricultural Credit Performance by Scheduled Banks

(BDT in Crore)

Month	Disbursement		Recovery		Outstanding (at the end of Month)		Overdue (at the end of Month)	
	FY25	**FY24**	**FY25**	**FY24**	**FY25**	**FY24**	**FY25**	**FY24**
July	1790.71	1991.27	2553.79	2710.32	56894.54	52361.91	12131.73	8627.61
August	2080.20	3316.99	2891.67	2540.26	55822.75	53230.38	11844.20	8804.06
September	2587.27	3516.38	3764.51	2763.73	54927.74	54164.17	11754.32	8666.13
October	2933.18	3135.87	3112.45	2934.14	55084.42	54862.5	11931.74	8521.57
November	3689.79	3319.61	3747.08	3470	54809.59	54590.56	11667.11	8339.3
December	3177.96	3046.05	3047.76	3361.09	56018.85	55395.32	11600.25	8084.15
January	2956.37	2827.68	2660.09	2531.05	56407.31	55634.92	10590.51	9031.63
February	2910.50	2536.90	2646.36	2351.12	57066.94	55860.89	10234.61	9334.39
March	2734.58	2976.88	3019.60	2749.03	56965.12	56565.61	10096.93	10175.78
April	3239.23	3436.54	3362.50	3538.44	57153.48	56487.15	9992.80	9994.89
May	4111.79	3191.92	3085.05	3426.43	58320.80	56331.17	9851.40	9937.85
June	5114.94	3857.81	4133.64	3196.01	60232.42	58119.59	21629.76	9368.20
Total	**37326.52**	**37153.90**	**38024.50**	**35571.62**	60232.42	58119.59	21629.76	9368.20
	FY26	**FY25**	**FY26**	**FY25**	**FY26**	**FY25**	**FY26**	**FY25**
July	2154.03	1790.71	2953.62	2553.79	59470.95	56894.54	23806.61	12131.73
August	2672.00	2080.20	3119.96	2891.67	59541.84	55822.75	22968.31	11844.20
Total	**4826.03**	**3870.91**	**6073.58**	**5445.46**	59541.84	55822.75	22968.31	11844.20

Source: Agricultural Credit Department, Bangladesh Bank.