Monthly Report on

Agriculture and Rural Finance[1]

February 2026

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 FY25.

- In February 2026, all scheduled banks disbursed BDT 3,120.32 crore in agricultural credit, marking a 6.89 percent decrease from BDT 3,351.26 crore in the previous month and a 7.21 percent increase compared to BDT 2,910.50 crore disbursed in February of FY25.

- Agricultural credit recovery by all scheduled banks was BDT 2,847.36 crore in February 2026, reflecting a 9.49 percent decrease from BDT 3,146.02 crore recovered in the previous month and an 7.60 percent increase compared to BDT 2,646.36 crore recovered in February 2025.

- At the end of February 2026, the outstanding balance (including interest) of agricultural credit for all scheduled banks stood at BDT 63,723.17 crore, reflecting an 11.66 percent increase from BDT 57,066.94 crore at the end of February 2025.

- At the end of February 2026, overdue of agricultural credit for all scheduled banks reached to BDT 22,915.63 crore which was a 123.90 percent increase compared to BDT 10,234.61 crore in February 2025. This increase in overdue loans was primarily attributed to rise in overdue of State-owned Specialized Banks (SOSBs), State-owned Commercial Banks (SOCBs) and Private Commercial Banks (PCBs).

- In February 2026, Grameen Bank and ten Large NGOs collectively disbursed BDT 17,231.63 crore as microcredit, reflecting a 0.08 percent increase compared to February 2025. They recovered BDT 16,045.65 crore in February 2026, which was 5.45 percent higher than the same month of 2025. The outstanding microcredit balance for these organizations was BDT 133,457.38 crore, with overdue loans amounting to BDT 8,425.09 crore (representing 6.31 percent of the outstanding balance) at the end of February 2026.

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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 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 February 2026, agricultural credit disbursement by all scheduled banks amounted to BDT 3,120.32 crore, which was 6.89 percent lower than BDT 3,351.26 crore disbursed in the previous month and 7.21 percent higher compared to BDT 2,910.50 crore disbursed in February 2025 (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
September	3663.44	2587.27	4470.81	3764.51
October	3438.30	2933.18	3446.85	3112.45
November	4164.90	3689.79	3826.97	3747.08
December	4915.49	3177.96	3956.21	3047.76
January	3351.26	2956.37	3146.02	2660.09
February	3120.32	2910.50	2847.36	2646.36
Total	**27479.74**	**22125.98**	**27767.80**	**24423.71**

Source: Agricultural Credit Department, Bangladesh Bank.

In July-February of FY26, all scheduled banks disbursed BDT 27,479.74 crore, reflecting a 24.20 percent increase from BDT 22,125.98 crore disbursed in the same period of FY25. The significant rise was primarily driven by higher disbursements across all bank groups, with Private Commercial Banks (PCBs) contributing the largest share, followed by State-Owned Specialized Banks and State-Owned Commercial Banks.

1.2 Sector-wise disbursement

During July-February of FY26, share of agricultural credit disbursement in crops, and livestock & poultry increased from around 48 percent to 49 percent and 24 percent to 26 percent respectively compared to same period of FY25. In contrast, the share of agricultural credit disbursement in fisheries and other sectors decreased to 13 percent and 8 percent from 15 percent and 9 percent respectively compared to July-February of FY25. The share of poverty alleviation was around 4 percent during July-February of FY26 showing same as before. During July-February of FY26, composition of agricultural credit disbursement shifted modestly toward crops and livestock & poultry. In contrast, the share allocated to fisheries and other sectors declined. Overall, the data reflect a gradual reorientation of agricultural credit towards core production activities.

Chart 1: Sector-wise Share of Agricultural Credit Disbursement: July-February of FY26

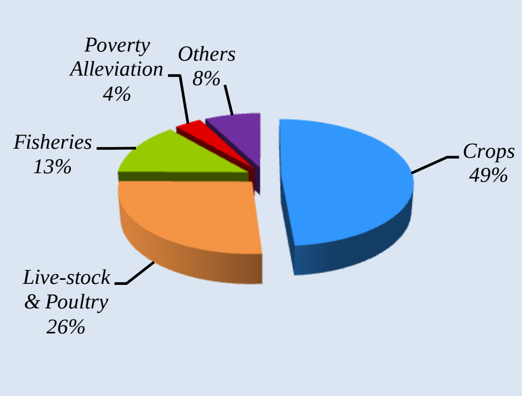
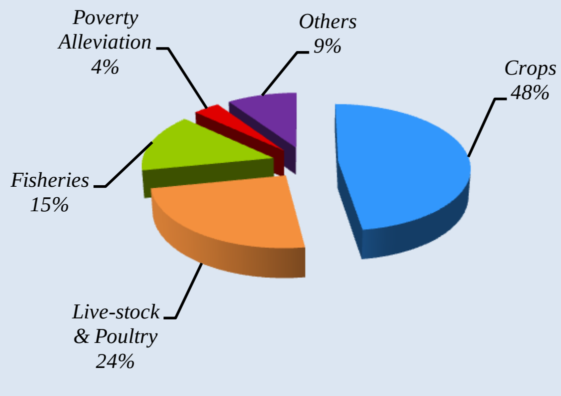


Chart 2: Sector-wise Share of Agricultural Credit Disbursement: July-February of FY25



Source: Agricultural Credit Department, Bangladesh Bank.

1.3 Recovery

Recovery of agricultural credit by all scheduled banks was BDT 2,847.36 crore in February FY26, reflecting a 9.49 percent decrease from BDT 3,146.02 crore recovered in January FY26 and a 7.60 percent increase compared to BDT 2,646.36 crore recovered in February FY25. In July-February of FY26, the recovery of agricultural credit by all scheduled banks increased by 13.69 percent to BDT 27,767.80 crore compared to BDT 24,423.71 crore during the same period of FY25 (Table 1). This increase was primarily driven by the 154.67 percent rise in recoveries from Foreign Commercial Banks (FCBs), 33.0 percent rise in recoveries by State-Owned Commercial Banks (SOCBs), and 20.97 percent rise in recoveries by State-owned Specialized Banks (SOSBs) in July-February of FY26. Private Commercial Banks (PCBs) also recorded a slight increase of 2.12 percent in recovery during July-February of 2026 (Annexure-1). The growth was supported by strong percentage increases in FCBs, SOCBs, and SOSBs, although in absolute terms, PCBs and SOSBs remained the major contributors.

1.4 Outstanding and Overdue

At the end of February 2026, the outstanding balance of agricultural credit (including interest) for all scheduled banks was BDT 63,723.17 crore, an increase of 11.66 percent from BDT 57,066.94 crore at the end of February 2025. The overdue of agricultural credit increased by 123.90 percent to BDT 22,915.63 crore at the end of February 2026 as compared to BDT 10,234.61 crore at the end of February 2025 (Annexure-2). This sharp increase was mainly driven by the rise in overdue balance of State-owned Specialized Banks (SOSBs) and State-owned Commercial Banks (SOCBs) and Private Commercial Banks (PCBs). Loan classification criteria effective from April 2025 also contributed to this significant rise in overdue at the end of February 2026. 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 1,486.10 crore for FY26. In February of FY26, agricultural credit disbursement by BRDB was BDT 129.90 crore, decreased 0.36 percent from BDT 130.37 crore in February 2025, while recovery declined by 7.66 percent to BDT 106.44 crore in February 2026 from BDT 115.27 crore in February 2025 (Table 2). During July-February of FY26, BRDB disbursed BDT 887.35 crore and recovered BDT 874.65 crore, representing a 3.17 percent decrease and 6.16 percent increase respectively compared to the same period of FY25.

Table 2: Agricultural Credit by BRDB and BSBL

(BDT in Crore)

	Target of FY26	**February FY26**		**February FY25**	
		Disbursement	**Recovery**	**Disbursement**	**Recovery**
BRDB	1486.10	129.90	106.44	130.37	115.27
BSBL	25.00	0.00	0.09	0.00	0.06
Total (Percent)	**1511.10** (3.73)	**129.90** (4.0)	**106.53** (3.61)	**130.37** (4.29)	**115.33** (4.18)

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 has not disbursed any agricultural loans in February FY26 but at the same time it recovered BDT 0.09 crore which was BDT 0.06 crore in February of FY25 (Table-2). The agricultural credit disbursement of BSBL during July-February of FY26 was BDT 0.70 crore and no disbursement happened in the same period of FY25. The recovery was BDT 1.36 crore during July-February of FY26, which was BDT 1.22 crore in the same period of the previous fiscal year.

2. Refinance Facility

Facility from Bangladesh Bank under Government Guarantee

During July-February of FY26, no funds have been sanctioned for short-term agricultural refinance facility in favor of BKB and RAKUB from Bangladesh Bank.

However, in view of the application of RAKUB, BB approved refinancing facility of BDT 1,000 crore for a period of 01 year at the prevailing bank rate (4 percent) in favor of RAKUB with guarantee of Finance Department, Ministry of Finance for continuation of agricultural credit disbursement and smoothing socio-economic activities. RAKUB paid BDT 1.56 crore as interest payment to BB of the short-term refinance credit in February of FY26. The outstanding balance of refinance credit for BKB and RAKUB combined was BDT 1,907.71 crore as of February 2026 which was 10.02 percent lower compared to BDT 2,120.23 crore as of February 2025.

3. Rural Finance

3.1 Palli Karma-Sahayak Foundation

In February 2026, Palli Karma-Sahayak Foundation (PKSF) disbursed BDT 734.45 crore to 289 partner organizations (POs) and recovered BDT 703.05 crore. These figures represent 5.37 percent increase in disbursement and 43.63 percent increase in recovery compared to February 2025 (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
September	854.45	1050.27	814.67	693.45
October	666.59	709.52	509.28	432.03
November	1160.48	1013.99	657.11	467.01
December	1248.90	935.60	903.75	692.88
January	626.86	582.18	426.92	429.29
February	734.45	697.03	703.05	489.49
Total	**5918.69**	**5453.91**	**5094.250**	**4119.48**

Source: Palli Karma-Sahayak Foundation (PKSF).

In July-February of FY26, total disbursement of Palli Karma-Sahayak Foundation (PKSF) was BDT 5,918.69 crore which was 8.53 percent higher as compared to the disbursed amount of BDT 5,453.91 crore in July-February of FY25. The recovery amount was BDT 5,094.25 crore in July-February of FY26 which was 23.66 percent higher as compared to the recovery of BDT 4,119.48 crore in the same period of FY25.

At the end of February 2026, the outstanding balance of PKSF's loan program amounted to BDT 14,929.52 crore, with an overdue balance of BDT 116.89 crore. The outstanding balance increased by 13.49 percent at the end of February 2026 compared to BDT 13,155.09 crore at the end of February 2025. Meanwhile, the overdue balance decreased by 32.40 percent at the end of February 2026, compared to BDT 172.91 crore at the end of the same month of previous fiscal year (Annexure-3).

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

In February 2026, Grameen Bank and ten prominent NGOs disbursed BDT 17,231.63 crore for microfinance programs aimed at fostering productive rural activities, which was 0.08 percent higher as compared to the disbursed amount of February 2025.

Table 4: Microcredit Operation by NGOs in February 2026

(BDT in Crore)

NGOs	(Without Interest)			
	Disbursement	**Recovery**	**Outstanding**	**Overdue**
Grameen Bank	1983.83	1913.40	17561.79	644.61
BRAC	6898.27	6384.37	48054.50	2211.56
ASA	3309.77	3319.51	27959.10	3351.24
Proshika	179.79	168.49	1712.16	239.89
BURO Bangladesh	1709.65	1483.65	13898.95	435.82
TMSS	1021.41	898.20	7361.18	455.79
RDRS Bangladesh	227.75	212.46	1738.43	167.97
CARITAS Bangladesh	67.10	64.30	560.72	113.34
Jagorani Chakra Foundation(JCF)	691.47	608.72	6419.60	311.81
Society for Social Service (SSS)	873.81	738.46	6191.41	393.48
Shakti Foundation	268.77	254.10	1999.55	99.58
Total	**17231.63**	**16045.65**	**133457.38**	**8425.09**

Source: Grameen Bank and respective NGOs.

Approximately 37.94 million members accessed this loan facility through a total of 14,371 branches operated by the top 11 Microfinance Institutions (MFIs). Notably,

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

Grameen Bank, BRAC, and ASA collectively accounted for 70.75 percent of the total microcredit disbursed in February 2026.

The recovery efforts of these MFIs in February of FY26 amounted to BDT 16,045.65 crore, reflecting a 5.45 percent increase from BDT 15,215.79 crore in February of FY25. As on February 2026, the outstanding balance of these MFIs stood at BDT 133,457.38 crore, marking a 11.97 percent rise compared to February 2025. Additionally, the overdue amount for MFIs remained at BDT 8,425.09 crore as on February 2026, representing a 4.71 percent increase as compared to the overdue amount of BDT 8,046.15 crore in February 2025 (Table-4). The significant rise in overdue balances is mainly due to erratic borrower behavior and payment difficulties caused by crop losses from natural disasters and rising living costs.

4. Conclusion

Agricultural and rural finance activities during July-February of FY26 showed steady expansion in credit disbursement and improved recovery performance, reflecting continued support to the productive sectors of the rural economy. The shift of agricultural credit toward crops and livestock & poultry indicates a stronger focus on core agricultural production. Recovery growth across the banks, PKSF, and major MFIs suggests enhanced collection efficiency and institutional resilience. However, the increase in overdue of agricultural credit raises concerns regarding asset quality, partly influenced by revised loan classification criteria, climate-induced crop damages, and rising living costs. Therefore, ongoing condition underscores the need for strengthening credit supervision, improving risk mitigation mechanisms, and ensuring targeted support to vulnerable borrowers to maintain financial stability and inclusive rural growth.

5. Necessary Measures by BB for Agriculture and Rural Finance

- As per BRPD-1 Circular Letter No. 06 issued on 22 February 2026, Bangladesh Bank has extended the deadline to 30 June 2026 for raw jute exporters to get the benefit of rescheduling their classified loans with a 2% down payment. (circular link: feb222026brpd-1l06.pdf)
- As per BRPD Circular Letter No. 29 issued on 21 December 2025, banks are allowed maintain provision at the rate of 0.50% against all unclassified (Standard and SMA) Short Term Agricultural Credits and Cottage, Micro and Small (CMS) enterprise credits under CMSME sector till 31 December 2026. (circular link: https://www.bb.org.bd/en/index.php/mediaroom/circular)
- Through ACD Circular No. 01 issued on 12 August 2025, Agricultural and Rural Credit Policy and Program for FY26 was published (circular link: aug282025acdl02.pdf (bb.org.bd)).
- Through BRPD Circular No. 15 issued on 27 November 2024 and effective from 01 April 2025, Expected Credit Loss (ECL) methodology-based provisioning system was implemented to manage credit risk more effectively (circular link: nov272024brpd15e.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 extended. (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)).

Annexure-1

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
September	3663.44	2587.27	4470.81	3764.51	59500.11	54927.74	22120.06	11754.32
October	3438.30	2933.18	3446.85	3112.45	59880.74	55084.42	22435.43	11931.74
November	4164.90	3689.79	3826.97	3747.08	60718.03	54809.59	22297.95	11667.11
December	4915.49	3177.96	3956.21	3047.76	62723.28	56018.85	22693.17	11600.25
January	3351.26	2956.37	3146.02	2660.09	63040.20	56407.31	22333.52	10590.51
February	3120.32	2910.50	2847.36	2646.36	63723.17	57066.94	22915.63	10234.61
Total	**27479.74**	**22125.98**	**27767.80**	**24423.71**	**63723.17**	**57066.94**	**22915.63**	**10234.61**

Source: Agricultural Credit Department, Bangladesh Bank.