

Monthly Report on

Agriculture and Rural Finance¹



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Research Department
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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 January 2026, all scheduled banks disbursed BDT 3,351.26 crore in agricultural credit, marking a 31.82 percent decrease from BDT 4,915.49 crore in the previous month and a 13.36 percent increase compared to BDT 2,956.37 crore disbursed in January of FY25.
- Agricultural credit recovery by all scheduled banks was BDT 3,146.02 crore in January 2026, reflecting a 20.48 percent decrease from BDT 3,956.21 crore recovered in the previous month and an 18.27 percent increase compared to BDT 2,660.09 crore recovered in January 2025.
- At the end of January 2026, the outstanding balance (including interest) of agricultural credit for all scheduled banks stood at BDT 63,040.20 crore, reflecting an 11.76 percent increase from BDT 56,407.31 crore at the end of January 2025.
- At the end of January 2026, overdue of agricultural credit for all scheduled banks reached to BDT 22,333.52 crore which was 110.88 percent increase compared to BDT 10,590.51 crore in January 2025. This increase in overdue loans was primarily attributed to rise in overdue of State-owned Specialized Banks (SOSBs) and State-owned Commercial Banks (SOCBs) and Private Commercial Banks (PCBs).
- In January 2026, Grameen Bank and ten Large NGOs collectively disbursed BDT 19,336.68 crore as microcredit, reflecting a 9.62 percent increase compared to January 2025. They recovered BDT 17,287.75 crore in January 2026, which was 8.84 percent higher than the same month of 2025. The outstanding microcredit balance for these organizations was BDT 132,265.80 crore, with overdue loans amounting to BDT 8,263.73 crore (representing 6.25 percent of the outstanding balance) at the end of January 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 January 2026, agricultural credit disbursement by all scheduled banks amounted to BDT 3,351.26 crore, which was 31.82 percent lower than BDT 4,915.49 crore disbursed in the previous month and 13.36 percent higher compared to BDT 2,956.37 crore disbursed in January 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
Total	24359.42	19215.48	24920.44	21777.35

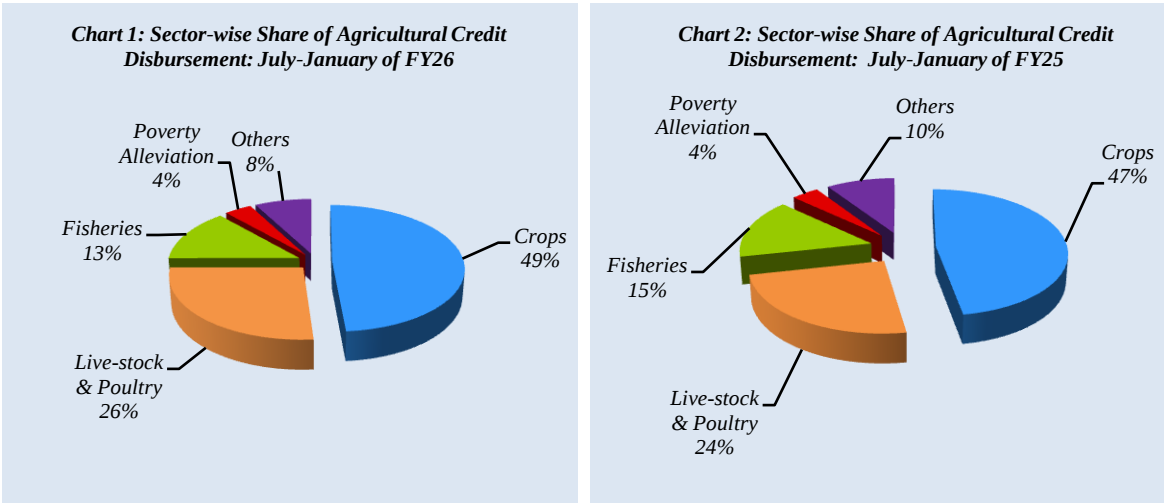
Source: Agricultural Credit Department, Bangladesh Bank.

In July-January of FY26, all scheduled banks disbursed BDT 24,359.42 crore, reflecting a 26.77 percent increase from BDT 19,215.48 crore disbursed in the same period of FY25. The significant rise was primarily driven by higher disbursements of State-Owned Commercial Banks (SOCBs), Private Commercial Banks (PCBs), Foreign Commercial Banks (FCBs), and State-Owned Specialized Banks (SOSBs).

1.2 Sector-wise disbursement

During July-January of FY26, share of agricultural credit disbursement in crops, and livestock & poultry increased from around 47 percent to 49 percent and around 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 10 percent respectively compared to July-January of FY25. The share of poverty alleviation was around 4 percent during July-January of FY26 showing same as before. During July-January 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.



Source: Agricultural Credit Department, Bangladesh Bank.

1.3 Recovery

Recovery of agricultural credit by all scheduled banks was BDT 3,146.02 crore in January FY26, reflecting a 20.48 percent decrease from BDT 3,956.21 crore recovered in December FY26 and an 18.27 percent increase compared to BDT 2,660.09 crore recovered in January FY25. In July-January of FY26, the recovery of agricultural credit by all scheduled banks increased by 14.43 percent to BDT 24,920.44 crore compared to BDT 21,777.35 crore during the same period of FY25 (Table 1). This increase was primarily driven by the 150.76 percent rise in recoveries from Foreign Commercial Banks (FCBs), 37.26 percent rise in recoveries by State-Owned Commercial Banks (SOCBs), and 23.11 percent rise in recoveries by State-owned Specialized Banks (SOSBs) in July-January of FY26. Private Commercial Banks (PCBs) also recorded an increase of 2.05 percent in recovery during July-January of 2026 (Annexure).

1.4 Outstanding and Overdue

At the end of January 2026, the outstanding balance of agricultural credit (including interest) for all scheduled banks was BDT 63,040.20 crore, an increase of 11.76 percent from BDT 56,407.31 crore at the end of January 2025. The overdue of agricultural credit increased by 110.88 percent to BDT 22,333.52 crore at the end of January 2026 as compared to BDT 10,590.51 crore at the end of January 2025. 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 January 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 January of FY26, agricultural credit disbursement by BRDB was BDT 118.56 crore, decreased 3.55 percent from BDT 122.92 crore in January 2025, while recovery declined by 0.10 percent to BDT 120.77 crore in January 2026 from BDT 120.89 crore in January 2025 (Table 2). During July-January of FY26, BRDB disbursed BDT 757.45 crore and recovered BDT 768.21 crore, representing a 3.64 percent decrease and 8.40 percent increase respectively compared to the same period of FY25.

Table 2: Agricultural Credit by BRDB and BSBL

(BDT in Crore)					
	Target of FY26	January FY26		January FY25	
		Disbursement	Recovery	Disbursement	Recovery
BRDB	1486.10	118.56	120.77	122.92	120.89
BSBL	25.00	0.00	0.07	0.00	0.44
Total	1511.10	118.56	120.84	122.92	121.33
(Percent)	(3.73)	(3.42)	(3.70)	(3.99)	(4.36)

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 January FY26 but at the same time it recovered BDT 0.07 crore which was BDT 0.44 crore in January of FY25 (Table-2). The agricultural credit disbursement of BSBL during July-January of FY26 was BDT 0.70 crore and no disbursement happened in the same period of FY25. The recovery was BDT 1.27 crore during July-January of FY26, which was BDT 1.16 crore in the same period of the previous fiscal year.

2. Refinance Facility

Facility from Bangladesh Bank under Government Guarantee

During July-January 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 1.72

crore as interest payment to BB of the short-term refinance credit in January of FY26. The outstanding balance of refinance credit for BKB and RAKUB combined was BDT 1,909.11 crore as of January 2026 which was 10.02 percent lower compared to BDT 2,121.78 crore as of January 2025.

3. Rural Finance

3.1 Palli Karma-Sahayak Foundation

In January 2026, Palli Karma-Sahayak Foundation (PKSF) disbursed BDT 626.86 crore to 289 partner organizations (POs) and recovered BDT 426.92 crore. These figures represent 7.68 percent increase in disbursement and 0.55 percent decrease in recovery compared to January 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
Total	5184.24	4756.88	4391.20	3629.99

Source: Palli Karma-Sahayak Foundation (PKSF).

In July-January of FY26, total disbursement of Palli Karma-Sahayak Foundation (PKSF) was BDT 5,184.24 crore which was 8.98 percent higher as compared to the disbursed amount of BDT 4,756.88 crore in July-January of FY25. The recovery amount was BDT 4,391.20 crore in July-January of FY26 which was 20.97 percent higher as compared to the recovery of BDT 3,629.99 crore in the same period of FY25.

At the end of January 2026, the outstanding balance of PKSF’s loan program amounted to BDT 14,898.12 crore, with an overdue balance of BDT 118.26 crore. The outstanding balance increased by 15.07 percent at the end of January 2026 compared to BDT 12,947.54 crore at the end of January 2025. Meanwhile, the overdue balance decreased by 21.59 percent at the end of January 2026, compared to BDT 150.83 crore at the end of the same month of previous fiscal year.

3.2 Microcredit Operations by Grameen Bank and Ten Large NGOs²

In January 2026, Grameen Bank and ten prominent NGOs disbursed BDT 19,336.68 crore for microfinance programs aimed at fostering productive rural activities, which was 9.62 percent higher as compared to the disbursed amount of January 2025.

Table 4: Microcredit Operation by NGOs in January 2026

NGOs	(Without Interest)			
	Disbursement	Recovery	Outstanding	Overdue
Grameen Bank	2470.26	2360.03	17488.36	637.52
BRAC	7287.11	6425.70	47540.60	2153.28
ASA	3719.03	3834.97	27968.74	3302.91
Proshika	211.86	197.93	1700.86	236.99
BURO Bangladesh	2040.82	1568.00	13672.95	427.16
TMSS	1176.16	958.80	7237.97	437.15
RDRS Bangladesh	268.23	226.54	1723.14	164.77
CARITAS Bangladesh	85.64	77.81	555.41	112.64
Jagorani Chakra Foundation(JCF)	773.07	608.39	6336.84	307.66
Society for Social Service (SSS)	1024.75	790.99	6056.06	390.11
Shakti Foundation	279.75	238.59	1984.88	93.53
Total	19336.68	17287.75	132265.80	8263.73

Source: Grameen Bank and respective NGOs.

Approximately 37.75 million members accessed this loan facility through a total of 14,331 branches operated by the top 11 Microfinance Institutions (MFIs). Notably, Grameen Bank, BRAC, and ASA collectively accounted for 69.69 percent of the total microcredit disbursed in January 2026.

The recovery efforts of these MFIs in January of FY26 amounted to BDT 17,287.75 crore, reflecting an 8.84 percent increase from BDT 15,883.14 crore in January of FY25. As on January 2026, the outstanding balance of these MFIs stood at BDT 132,265.80 crore, marking a 12.88 percent rise compared to January 2025. Additionally, the overdue amount for MFIs remained at BDT 8,263.73 crore as on January 2026, representing a 7.71 percent increase as compared to the overdue amount of BDT 7,761.94 crore in January 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-January 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

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

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 Circular Letter No. 29 issued on 21 December 2025, banks are allowed to 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: [sep012024brpd139.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
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
Total	24359.42	19215.48	24920.44	21777.35	63040.20	56407.31	22333.52	10590.51

Source: Agricultural Credit Department, Bangladesh Bank.