

# **Monthly Report on**

## **Agriculture and Rural Finance<sup>1</sup>**



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**Research Department**  
**(Internal Economic Wing)**  
**Bangladesh Bank**

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## Contents

Highlights.....	1
1. Agricultural Credit .....	2
1.1 Disbursement.....	2
1.2 Sector-wise disbursement .....	3
1.3 Recovery.....	4
1.4 Outstanding and Overdue .....	4
1.5 Bangladesh Rural Development Board (BRDB).....	5
1.6 Bangladesh Samabaya Bank Limited (BSBL) .....	5
2. Refinance Facility .....	5
3. Rural Finance .....	6
3.1 Palli Karma-Sahayak Foundation.....	6
3.2 Microcredit Operations by Grameen Bank and Ten Large NGOs .....	7
4. Conclusion.....	8
5. Recent Measures by BB for Agriculture and Rural Finance: .....	9
Tables	
Table 1: Agricultural Credit by Scheduled Banks.....	2
Table 2: Agricultural Credit by BRDB and BSBL.....	5
Table 3: Rural Credit by PKSf .....	6
Table 4: Microcredit Operation by NGOs in May 2025 .....	7
Charts	
Chart 1: Sector-wise Share of Agricultural Credit Disbursement: July-May of FY25.....	3
Chart 2:Sector-wise Share of Agricultural Credit Disbursement: July-May of FY24.....	3
Annexure	
Annexure-1: Monthly Position of Agricultural Credit Performance by Scheduled Banks.....	10

## Monthly Report on Agriculture and Rural Finance

### Highlights

- The agricultural credit disbursement target for FY25 has been set at BDT 38,000 crore, reflecting an 8.57 percent increase from the previous year's target of BDT 35,000 crore and a 2.28 percent rise compared to the actual disbursement of BDT 37,153.9 crore in FY24.
- In May 2025, all scheduled banks disbursed BDT 4,111.79 crore in agricultural credit, marking a 26.94 percent increase from BDT 3,239.23 crore in the previous month and a 28.82 percent increase compared to BDT 3,191.92 crore disbursed in May of FY24.
- Agricultural credit recovery by all scheduled banks reached BDT 3,085.05 crore in May 2025, decreased 8.25 percent from BDT 3,362.50 crore in the previous month and 9.96 percent lower than BDT 3,426.43 crore recovered in May of FY24.
- At the end of May 2025, the outstanding balance (including interest) of agricultural credit for all scheduled banks stood at BDT 58,320.80 crore, reflecting a 3.53 percent increase from BDT 56,331.17 crore at the end of May 2024.
- At the end of May 2025, overdue of agricultural credit for all scheduled banks reached to BDT 9,851.40 crore which was slightly 0.87 percent decrease from BDT 9,937.85 crore in May 2024. This decrease in overdue loans was primarily attributed to the lower overdue of state-owned commercial banks (SOCBs) in May 2025 compared to May 2024.
- In May FY25, Grameen Bank and ten Large NGOs collectively disbursed BDT 18,054.42 crore as microcredit, reflecting an 8.97 percent increase compared to May FY24. They recovered BDT 15,816.11 crore in May 2025, which was 0.58 percent lower than the same month of FY24. The outstanding microcredit balance for these organizations was BDT 122,645.90 crore, with overdue loans amounting to BDT 8,637.46 crore (representing 7.04 percent of the outstanding balance) at the end of May 2025.

## Monthly Report on Agriculture and Rural Finance

### 1. Agricultural Credit

#### 1.1 Disbursement

The agricultural credit disbursement target has been set at BDT 38,000 crore for all scheduled banks in FY25, marking an 8.57 percent increase compared to the disbursement target of BDT 35,000 crore for the previous fiscal year. The target of agricultural credit disbursement comprises of BDT 3,315.00 crore for state-owned commercial banks (SOCBs), BDT 9,300.00 crore for state-owned specialized banks (SOSBs), BDT 24,121.00 crore for private commercial banks (PCBs), and BDT 1,264.00 crore for foreign commercial banks (FCBs) for FY25.

In May 2025, agricultural credit disbursement by all scheduled banks amounted to BDT 4,111.79 crore, which was 26.94 percent and 28.82 percent higher compared to BDT 3,239.23 crore disbursed in the previous month and BDT 3,191.92 crore disbursed in May 2024 respectively (Table 1).

**Table 1: Agricultural Credit by Scheduled Banks**

(BDT in Crore)

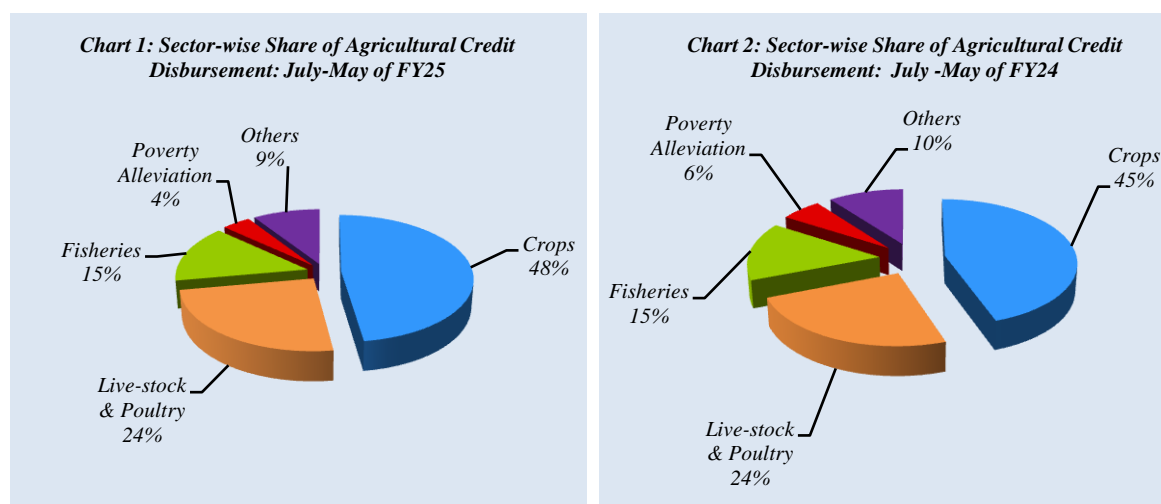
Month	Disbursement		Recovery	
	FY24	FY23	FY24	FY23
July-June	37153.9	32829.89	35571.62	33010.09
	FY25	FY24	FY25	FY24
July	1790.71	1991.27	2553.79	2710.32
August	2080.20	3316.99	2891.67	2540.26
September	2587.27	3516.38	3764.51	2763.73
October	2933.18	3135.87	3112.45	2934.14
November	3689.79	3319.61	3747.08	3470.00
December	3177.96	3046.05	3047.76	3361.09
January	2956.37	2827.68	2660.09	2531.05
February	2910.50	2536.90	2646.36	2351.12
March	2734.58	2976.88	3019.60	2749.03
April	3239.23	3436.54	3362.50	3538.44
May	4111.79	3191.92	3085.05	3426.43
<b>Total</b>	<b>32211.58</b>	<b>33296.09</b>	<b>33890.86</b>	<b>32375.61</b>

Source: Agricultural Credit Department, Bangladesh Bank.

In July-May of FY25, all scheduled banks disbursed BDT 32,211.58 crore, reflecting a 3.26 percent decrease from BDT 33,296.09 crore disbursed in the same period of FY24. The significant downturn is attributed to reduced disbursements by Foreign Commercial Banks (11.35 percent), Private Commercial Banks (9.74 percent) and State-Owned Commercial Banks (0.30 percent) in July-May of FY25 compared to the same period of FY24. The disbursement in State-Owned Specialized Banks increased by 11.69 percent in July-May of FY25 as compared to July-May of FY24. However, this increase was not significant enough to offset the overall decline caused by the significant reductions in disbursements by Private Commercial Banks, Foreign Commercial Banks, and State-Owned Commercial Banks.

## 1.2 Sector-wise disbursement

During July–May of FY25, scheduled banks continued to focus agricultural credit on crops, which accounted for 48 percent of total disbursement, up from 45 percent in the same period of FY24. Credit to livestock & poultry and fisheries held steady at 15 percent. In contrast, allocations for poverty alleviation and other sectors declined to 4 percent and 9 percent, down from 6 percent and 10 percent respectively. These shifts reflect a strategic reallocation of resources toward more productive and food security-driven sub-sectors, particularly crops. This focus may enhance agricultural output and resilience, laying a foundation for future expansion of support to poverty alleviation and other sectors.



Source: Agricultural Credit Department, Bangladesh Bank.

### **1.3 Recovery**

Recovery of agricultural credit by all scheduled banks was BDT 3,086.05 crore in May of FY25, reflecting an 8.25 percent down from BDT 3,362.50 crore recovered in April of FY25 and a 9.96 percent decrease compared to BDT 3,426.43 crore recovered in May of FY24. In July-May of FY25, the recovery of agricultural credit by all scheduled banks increased by 4.68 percent to BDT 33,890.86 crore compared to BDT 32,375.61 crore during the same period of FY24 (Table 1). This overall increase was primarily driven by the 8.76 percent rise in recoveries from Private Commercial Banks (PCBs) and 6.38 percent rise in recoveries from State-owned Specialized Banks (SOSBs). In contrast, State-Owned Commercial Banks (SOCBs) and Foreign Commercial Banks (FCBs) recorded a decline of 1.42 and 46.75 percent respectively in recovery. Although recovery declined for the two mentioned categories of banks, substantial increases by Private Commercial Banks (PCBs) and State-owned Specialized Banks (SOSBs) drove overall growth in agricultural credit recovery (Annexure).

### **1.4 Outstanding and Overdue**

At the end of May 2025, the outstanding balance of agricultural credit (including interest) for all scheduled banks was BDT 58,320.80 crore, a slight increase of 3.53 percent from BDT 56,331.17 crore at the end of May 2024. The overdue agricultural credit slightly decreased by 0.87 percent to BDT 9,851.40 crore at the end of May 2025 as compared to BDT 9,937.85 crore in May 2024. This decrease was driven by the decline in overdue amount for State-Owned Commercial Banks. Notably, Foreign Commercial Banks maintained a zero overdue position at the end of both May 2025 and May 2024. In May of FY25, the share of overdue loans as percentage of outstanding agriculture credit balance accounted for 16.89 percent, which was 17.64 percent in May of FY24. The decline in overdue agricultural credit in May 2025 compared to May 2024 suggests improved repayment performance and a gradual easing of 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 1,523.18 crore for FY25. In May of FY25, agricultural credit disbursement was BDT 122.46 crore, increased by 26.73 percent from BDT 96.63 crore in May 2024, while recovery rose by 24.24 percent to BDT 112.21 crore in May of FY25 from BDT 90.32 crore in May of FY24 (Table 2). During July-May of FY25, BRDB disbursed BDT 1,249.21 crore and recovered BDT 1,126.97 crore, representing a decreases of 7.60 percent and 7.98 percent, respectively, compared to the same period of FY24.

**Table 2: Agricultural Credit by BRDB and BSBL**

	Target of FY25	May'25		May'24	
		Disbursement	Recovery	Disbursement	Recovery
BRDB	1523.18	122.46	112.21	96.63	90.32
BSBL	25.00	0.00	0.11	0.00	0.12
<b>Total</b> (Percent)	<b>1548.18</b> (3.91)	<b>122.46</b> (2.89)	<b>112.32</b> (3.51)	<b>96.63</b> (2.94)	<b>90.44</b> (2.57)

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 FY25. BSBL recovered BDT 0.11 crore in May of FY25, which was 8.33 percent lower compared to the recovery of BDT 0.12 crore in May of FY24 (Table-2). In July-May of FY25, BSBL refrained from disbursing funds and exercised caution due to the high overdue. BSBL recovered BDT 1.45 crore in July-May of FY25 which was 15.08 percent higher as compared to the recovery of BDT 1.26 crore in July-May of FY24.

## 2. Refinance Facility

### Facility from Bangladesh Bank under Government Guarantee

During July-May of FY25, BKB and RAKUB did not apply for any short-term agricultural refinance facility. 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 24<sup>th</sup> October, 2025 subject to repayment of

BDT 500 crore. BKB did not repay any amount in May 2025. However, RAKUB paid BDT 1.72 crore as interest payment to BB of the short-term refinance credit in May 2025. The outstanding balance of refinance credit for BKB and RAKUB was BDT 2,115.11 crore as of May 2025 which was 25.47 percent lower compared to BDT 2,838.06 crore as of May 2024.

### 3. Rural Finance

#### 3.1 Palli Karma-Sahayak Foundation

**Table 3: Rural Credit by PKSf**

(BDT in Crore)

Month	Disbursement		Recovery	
	FY24	FY23	FY24	FY23
July-June	7553.11	6719.72	6139.10	4988.21
	<b>FY25</b>	<b>FY24</b>	<b>FY25</b>	<b>FY24</b>
July	32.00	60.47	439.56	421.63
August	433.32	490.06	475.77	419.87
September	1050.27	902.18	693.45	666.21
October	709.52	320.14	432.03	357.53
November	1013.99	765.11	467.01	391.83
December	935.60	480.56	692.88	623.16
January	582.18	872.05	429.29	357.96
February	697.03	960.94	489.49	372.75
March	836.87	530.23	784.58	769.18
April	455.34	197.00	586.95	421.43
May	2133.40	704.42	592.39	423.31
<b>Total</b>	<b>8879.52</b>	<b>6283.16</b>	<b>6083.4</b>	<b>5224.86</b>

Source: Palli Karma-Sahayak Foundation (PKSF).

In May 2025, Palli Karma-Sahayak Foundation (PKSF) disbursed BDT 2,133.40 crore to 289 partner organizations (POs) and recovered BDT 592.39 crore. These figures represent a 202.86 percent increase in disbursement and a 39.94 percent increase in recovery compared to May 2024 (Table-3). The large disbursement in May of FY25 resulted from efforts to meet the FY25 disbursement target, following lower disbursement levels in the earlier months of FY25. In July-May of FY25, total disbursement of Palli Karma-Sahayak Foundation (PKSF) was BDT 8,879.52 crore which was 41.32 percent higher as compared to the disbursed amount of BDT 6,283.16 crore in July-May of FY24. The recovery amount was BDT 6,083.40 crore in



July-May of FY25 which was 16.43 percent higher as compared to the recovery of BDT 5,224.86 crore in the same period of FY24.

At the end of May 2025, the outstanding balance of PKSf's loan program amounted to BDT 14,616.77 crore, with an overdue balance of BDT 116.04 crore. The outstanding balance increased by 27.49 percent in May 2025 compared to May 2024. Meanwhile, the overdue balance decreased by 34.91 percent in May 2025, compared to the same month of the previous fiscal year.

### 3.2 Microcredit Operations by Grameen Bank and Ten Large NGOs<sup>2</sup>

In May 2025, Grameen Bank and ten prominent NGOs disbursed BDT 18,054.42 crore for microfinance programs aimed at fostering productive rural activities, which was 8.97 percent higher as compared to the disbursement amount of May 2024.

**Table 4: Microcredit Operation by NGOs in May 2025**

(BDT in Crore )

NGOs	(Without Interest)			
	Disbursement	Recovery	Outstanding	Overdue
Grameen Bank	2195.38	2096.05	16756.61	582.67
BRAC	6911.10	6000.77	43780.27	2415.27
ASA	3841.91	3594.85	27705.76	3327.71
Proshika	209.48	184.43	1712.87	182.73
BURO Bangladesh	1747.75	1311.84	11502.85	621.68
TMSS	964.98	832.19	6604.74	466.00
RDRS Bangladesh	225.11	203.76	1579.81	194.77
CARITAS Bangladesh	81.99	74.55	546.95	106.23
Jagorani Chakra Foundation(JCF)	734.42	513.56	5408.44	272.31
Society for Social Service (SSS)	854.97	758.92	5063.96	365.06
Shakti Foundation	287.34	245.19	1983.64	103.03
<b>Total</b>	<b>18054.42</b>	<b>15816.11</b>	<b>122645.9</b>	<b>8637.46</b>

Source: Grameen Bank and respective NGOs.

Approximately 36.00 million members accessed this loan facility through a total of 13,893 branches operated by the top 11 Microfinance Institutions (MFIs). Notably, Grameen Bank, BRAC, and ASA collectively accounted for 71.72 percent of the total microcredit disbursed in May 2025.

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

The recovery efforts of these MFIs in May of FY25 amounted to BDT 15,816.11 crore, reflecting a 0.58 percent decrease from BDT 15,907.93 crore in May of FY24. As on May 2025, the outstanding balance of these MFIs stood at BDT 122,645.90 crore, marking a 6.39 percent rise compared to May 2024. Additionally, the overdue amount for MFIs remained at BDT 8,637.46 crore as on May 2025, representing a 38.46 percent increase as compared to the overdue amount of BDT 6,238.08 crore in May 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. Additionally, overdue loans grow faster due to their lower recovery rates compared to regularly repaid loans.

#### **4. Conclusion**

In May FY25, agricultural credit disbursement increased compared to the previous month, though slightly lower than the same month of previous year. The recovery of agriculture credit declined compared to previous month and same month of previous year. Agricultural credit recovery showed overall improvement in July-May of FY25, driven by stronger performances from PCBs and SOSBs. However, declines in recovery by FCBs and SCBs indicate uneven progress and identify for more balanced recovery efforts across all bank types. The decline in overdue agricultural credit and its share of total outstanding balance suggests an improvement in repayment performance, reflecting a gradual easing of credit recovery challenges in the agricultural sector. Microfinance disbursement saw steady growth in May 2025, driven mainly by Grameen Bank, BRAC, and ASA. While outstanding balances increased, the sharp rise in overdue loans highlights emerging repayment challenges, signaling the need for stronger credit monitoring and recovery measures. Overall, agricultural and microfinance credit activities in FY25 reflect mixed trends. While disbursements showed some monthly gains and recovery improved year-on-year, overall disbursement declined from the previous fiscal year, and rising overdue loans, in the microfinance sector, signal emerging repayment risks. These trends underscore the need for balanced lending efforts, strengthened recovery mechanisms, and enhanced credit monitoring to ensure sustainable rural financing.

## 5. Recent Measures by BB for Agriculture and Rural Finance

- According to ACD Circular No. 1, issued on 23 March 2025, CIB report must be evaluated before issuing or renewal of agricultural and rural credit (except MFI linkage). (circular link: [mar232025acd101.pdf](#))
- 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 \(bb.org.bd\)](#)).
- Through ACD Circular No. 01 issued on 29 August 2024, Agricultural and Rural Credit Policy and Program for FY25 was published (circular link: [aug292024acd01.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: [nov212023acd103.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: [mar212023acd102.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: [jan012023acd101.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)	
	FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23
July	1991.27	1664.77	2710.32	2045.8	52361.91	50757.43	8627.61	7500.15
August	3316.99	2172.53	2540.26	2077.33	53230.38	50235.4	8804.06	7945.27
September	3516.38	2747.07	2763.73	2953.24	54164.17	50246.25	8666.13	7803.71
October	3135.87	2884.97	2934.14	2703.95	54862.5	50468	8521.57	7693.51
November	3319.61	3308.34	3470	3090.79	54590.56	50206.69	8339.3	7387.28
December	3046.05	3892.42	3361.09	3558.65	55395.32	50997.35	8084.15	7212.15
January	2827.68	2014.22	2531.05	2016.74	55634.92	51225.71	9031.63	7301.45
February	2536.9	2382.19	2351.12	2539.03	55860.89	51234.84	9334.39	7119.82
March	2976.88	3056.02	2749.03	3234.52	56565.61	51277.37	10175.78	7066.54
April	3436.54	2807.06	3538.44	2668.16	56487.15	51659.19	9994.89	6949.3
May	3191.92	2368.21	3426.43	3212.52	56331.17	51063.85	9937.85	6668.79
June	3857.81	3532.09	3196.01	2909.36	58119.59	52704.45	9368.2	6541.39
<b>Total</b>	<b>37153.9</b>	<b>32829.89</b>	<b>35571.62</b>	<b>33010.09</b>	<b>58119.59</b>	<b>52704.45</b>	<b>9368.2</b>	<b>6541.39</b>
	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	2080.2	3316.99	2891.67	2540.26	55822.75	53230.38	11844.2	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
<b>Total</b>	<b>32211.58</b>	<b>33296.09</b>	<b>33890.86</b>	<b>32375.61</b>	<b>58320.80</b>	<b>56331.17</b>	<b>9851.40</b>	<b>9937.85</b>

Source: Agricultural Credit Department, Bangladesh Bank.