

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 May 2026, all scheduled banks disbursed BDT 3,674.70 crore in agricultural credit, marking a 3.37 percent decrease from BDT 3,802.80 crore disbursed in the previous month and 10.63 percent lower compared to BDT 4,111.79 crore disbursed in May 2025.
- Agricultural credit recovery by all scheduled banks was BDT 3,633.04 crore in May 2026, reflecting a 15.73 percent decrease from BDT 4,311.21 crore recovered in April 2026 and a 17.76 percent increase compared to BDT 3,085.05 crore recovered in May 2025.
- At the end of May 2026, the outstanding balance (including interest) of agricultural credit for all scheduled banks stood at BDT 63,851.64 crore, reflecting a 9.48 percent increase from BDT 58,320.80 crore at the end of May 2025.
- At the end of May 2026, overdue of agricultural credit for all scheduled banks reached BDT 23,103.06 crore which was a 134.52 percent increase compared to BDT 9,851.40 crore in May 2025. This significant increase in overdue loans may have resulted from revised loan classification criteria effective from April 2025.
- In May 2026, Grameen Bank and ten Large NGOs collectively disbursed BDT 18,146.25 crore as microcredit, reflecting a 0.56 percent increase compared to May 2025. They recovered BDT 16,402.69 crore in May 2026, which was 3.67 percent higher than the same month of 2025. The outstanding microcredit balance for these organizations was BDT 135,445.96 crore, with overdue loans amounting to BDT 8,978.04 crore (representing 6.63 percent of the outstanding balance) at the end of May 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 May 2026, agricultural credit disbursement by all scheduled banks amounted to BDT 3,674.70 crore, which was 3.37 percent lower than BDT 3,802.80 crore disbursed in the previous month and 10.63 percent lower compared to BDT 4,111.79 crore disbursed in May 2025 (Table 1).

Table 1: Agricultural Credit by Scheduled Banks

(BDT in Crore)

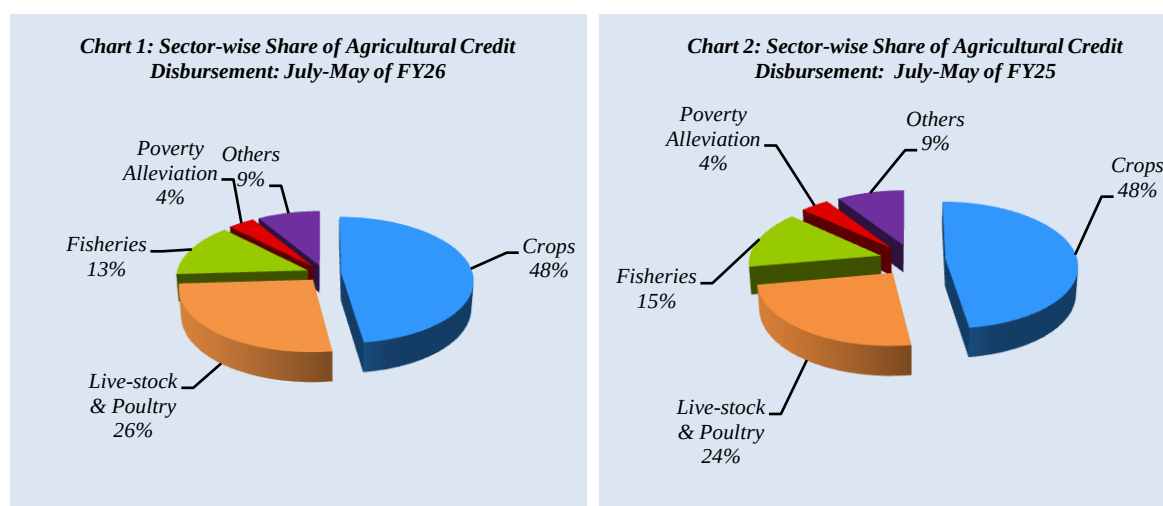
Month	Disbursement		Recovery	
	FY25	FY24	FY25	FY24
July-June	37326.52	37153.90	38024.50	35571.62
	FY26	FY25	FY26	FY25
July	2154.03	1790.71	2953.62	2553.79
August	2672.00	2080.20	3119.96	2891.67
September	3663.44	2587.27	4470.81	3764.51
October	3438.30	2933.18	3446.85	3112.45
November	4164.90	3689.79	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
March	3119.37	2734.58	3900.50	3019.60
April	3802.80	3239.23	4311.21	3362.50
May	3674.70	4111.79	3633.04	3085.05
Total	38076.61	32211.58	39612.55	33890.86

Source: Agricultural Credit Department, Bangladesh Bank.

In July-May of FY26, all scheduled banks disbursed BDT 38,076.61 crore, reflecting a 18.21 percent increase from BDT 32,211.58 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-May of FY26, share of agricultural credit disbursement in crops was 48 percent, remaining unchanged like as the same period of FY25. The share of livestock & poultry increased to 26 percent in July-May of FY26 compared to 24 percent in same period of FY25. In contrast, the share of agricultural credit disbursement in fisheries decreased to 13 percent in July-May of FY26 compared to 15 percent in the same period of FY25. The share of agricultural credit disbursement in poverty alleviation and other sectors were 4 percent and 9 percent respectively during July-May of FY26, remaining unchanged like as the same period of FY25. During July-May of FY26, composition of agricultural credit disbursement shifted modestly toward livestock & poultry sector. Overall, the data reflects 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 3,633.04 crore in May 2026, reflecting a 15.73 percent decrease from BDT 4,311.21 crore recovered in April 2026 and a 17.76 percent increase compared to BDT 3,085.05 crore recovered in May 2025. In July-May of FY26, the recovery of agricultural credit by all scheduled banks increased by 16.88 percent to BDT 39,612.55 crore compared to BDT 33,890.86 crore during the same period of FY25 (Table 1 and Annexure-2). This increase was primarily driven by the 128.66 percent rise in recoveries from Foreign Commercial Banks (FCBs), 27.94 percent rise in recoveries by State-Owned Commercial Banks (SOCBs), and 15.79 percent rise in recoveries by State-owned Specialized Banks (SOSBs) in July-May of FY26. Private Commercial Banks (PCBs) also recorded an increase of 11.62 percent in recovery during July-May of 2026. In absolute terms, PCBs and SOSBs remained the major contributors.

1.4 Outstanding and Overdue

At the end of May 2026, the outstanding balance of agricultural credit (including interest) for all scheduled banks was BDT 63,851.64 crore, an increase of 9.48 percent from BDT 58,320.80 crore at the end of May 2025. The overdue of agricultural credit increased by 134.52 percent to BDT 23,103.06 crore at the end of May 2026 as compared to BDT 9,851.40 crore at the end of May 2025 (Annexure-2). This sharp increase was mainly driven by the rise in overdue balance of State-owned Specialized Banks (SOSBs), State-owned Commercial Banks (SOCBs) and Private Commercial Banks (PCBs). Loan classification criteria effective from April 2025, which may be contributed to this significant rise in overdue loans. The rise in overdue loans signals 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 May 2026, agricultural credit disbursement by BRDB was BDT 99.66 crore, decreased by 18.62 percent from BDT 122.46 crore in May 2025, while recovery decreased by 13.70 percent to BDT 96.84 crore in May 2026 from

BDT 112.21 crore in May 2025 (Table 2). During July-May of FY26, BRDB disbursed BDT 1,176.10 crore and recovered BDT 1,160.51 crore, representing a 5.85 percent decrease and 2.98 percent increase respectively compared to July-May of FY25.

Table 2: Agricultural Credit by BRDB and BSBL

(BDT in Crore)

	Target of FY26	May FY26		May FY25	
		Disbursement	Recovery	Disbursement	Recovery
BRDB	1486.10	99.66	96.84	122.46	112.21
BSBL	25.00	0.00	0.04	0.00	0.11
Total	1511.10	99.66	96.88	122.46	112.32
(Percent)	(3.73)	(2.64)	(2.60)	(2.89)	(3.51)

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 May 2026 but at the same time it recovered BDT 0.04 crore, compared to 0.11 crore in May 2025 (Table-2). The agricultural credit disbursement of BSBL during July-May of FY26 was BDT 0.70 crore and no disbursement happened in the same period of FY25. Recovery was BDT 1.51 crore during July-May of FY26, which was BDT 1.45 crore in July-May of FY25.

2. Refinance Facility

Facility from Bangladesh Bank under Government Guarantee

During July-May 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

May of FY26. The outstanding balance of refinance credit for BKB and RAKUB combined was BDT 1,901.56 crore as of May 2026 which was 10.09 percent lower compared to BDT 2,115.11 crore as of May 2025.

3. Rural Finance

3.1 Palli Karma-Sahayak Foundation

In May 2026, Palli Karma-Sahayak Foundation (PKSF) disbursed BDT 750.77 crore to 289 partner organizations (POs) and recovered BDT 815.49 crore. These figures represent 64.81 percent decrease in disbursement and 37.66 percent increase in recovery compared to May 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
March	908.84	836.87	829.34	784.58
April	1024.96	455.34	534.23	586.95
May	750.77	2133.40	815.49	592.39
Total	8603.26	8879.52	7273.31	6083.40

Source: Palli Karma-Sahayak Foundation (PKSF).

In July-May of FY26, total disbursement of Palli Karma-Sahayak Foundation (PKSF) was BDT 8,603.26 crore which was 3.11 percent lower as compared to the disbursed amount of BDT 8,879.52 crore in July-May of FY25. The recovery amount was BDT 7,273.31 crore in July-May of FY26 which was 19.56 percent higher as compared to the recovery of BDT 6,083.40 crore in the same period of FY25.

At the end of May 2026, the outstanding balance of PKSf's loan program amounted to BDT 15,435.04 crore, with an overdue balance of BDT 146.56 crore. The outstanding balance increased by 5.60 percent at the end of May 2026 compared to BDT 14,616.77 crore at the end of May 2025. Meanwhile, the overdue balance increased by 26.30 percent at the end of May 2026, compared to BDT 116.04 crore at the end of the same month of previous fiscal year (Annexure-3).

3.2 Microcredit Operations by Grameen Bank and Ten Large NGOs²

In May 2026, Grameen Bank and ten prominent NGOs disbursed BDT 18,146.25 crore for microfinance programs aimed at fostering productive rural activities, which was 0.56 percent higher as compared to the disbursed amount of May 2025.

Table 4: Microcredit Operation by NGOs in May 2026

(BDT in Crore)

NGOs	(Without Interest)			
	Disbursement	Recovery	Outstanding	Overdue
Grameen Bank	2120.34	1757.93	18047.41	708.34
BRAC	7385.07	6620.25	48806.05	2413.30
ASA	3398.70	3315.47	27812.29	3456.10
Proshika	171.00	174.24	1717.79	283.29
BURO Bangladesh	1731.56	1614.56	14217.55	457.61
TMSS	1016.33	924.67	7523.96	514.69
RDRS Bangladesh	250.12	211.85	1784.53	180.36
CARITAS Bangladesh	73.76	64.12	584.38	112.51
Jagorani Chakra Foundation(JCF)	781.97	639.74	6628.64	328.81
Society for Social Service (SSS)	940.69	841.26	6267.96	404.01
Shakti Foundation	276.70	238.60	2055.40	119.03
Total	18146.25	16402.69	135445.96	8978.04

Source: Grameen Bank and respective NGOs.

Approximately 37.93 million members accessed this loan facility through a total of 14,512 branches operated by the top 11 Microfinance Institutions (MFIs). Notably, Grameen Bank, BRAC, and ASA collectively accounted for 71.11 percent of the total microcredit disbursed in May 2026.

²Grameen 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 2026 amounted to BDT 16,402.69 crore, reflecting a 3.67 percent increase from BDT 15,821.52 crore in May 2025. As on May 2026, the outstanding balance of these MFIs stood at BDT 135,445.96 crore, marking an 10.46 percent rise compared to May 2025. Additionally, the overdue amount for MFIs remained at BDT 8,978.04 crore as on May 2026, representing a 4.28 percent increase as compared to the overdue amount of BDT 8,609.52 crore in May 2025 (Table-4). The 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 in July-May of FY26 present a mixed scenario. Credit disbursement by scheduled banks and major MFIs increased in July-May of FY26 compared to the same period of FY25. Crops and livestock & poultry have the largest shares of agricultural credit, which indicates a strong focus on core agricultural products. Recovery growth across the banks 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. Therefore, the 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.

Necessary Measures by BB for Agriculture and Rural Finance

- As per BRPD-1 circular letter no. 17 issued on 13 May 2026, when a loan or installments of a loan becomes fully or partially overdue, the maximum penal interest that can be applied on such loans was revised from 0.5 percent to 1.5 percent of the full amount of a demand/continuous loan and overdue installments of a term loan. (circular link: [may132026brpd-1117.pdf](#))
- 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-1106.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: [brpd/dec212025brpd129e.pdf](#))
- 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: [acd/aug282025acdl02.pdf](#)).
- 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: [brpd/nov272024brpd15e.pdf](#)).
- Through BRPD Circular No. 39 issued on 01 September 2024, loan repayment/ adjustment of borrowers affected by recent floods was facilitated (circular link: [brpd/sep012024brpd139.pdf](#)).

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	3470.0	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
March	3119.37	2734.58	3900.50	3019.60	63630.10	56965.12	22731.38	10096.93
April	3802.80	3239.23	4311.21	3362.50	63247.46	57153.48	22284.95	9992.80
May	3674.70	4111.79	3633.04	3085.05	63851.64	58320.80	23103.06	9851.40
Total	38076.61	32211.58	39612.55	33890.86	63851.64	58320.80	23103.06	9851.40

Source: Agricultural Credit Department, Bangladesh Bank.