Monthly Report on

Agriculture and Rural Finance[1]

October 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 FY25.

- In October 2025, all scheduled banks disbursed BDT 3,438.30 crore in agricultural credit, marking a 6.15 percent decrease from BDT 3,663.44 crore in the previous month and a 17.22 percent increase compared to BDT 2,933.18 crore disbursed in October of FY25.

- Agricultural credit recovery by all scheduled banks reached BDT 3,446.85 crore in October 2025, decreased by 22.90 percent from BDT 4,470.81 crore in the previous month and 10.74 percent higher than BDT 3,112.45 crore recovered in October 2024.

- At the end of October 2025, the outstanding balance (including interest) of agricultural credit for all scheduled banks stood at BDT 59,880.74 crore, reflecting an 8.71 percent increase from BDT 55,084.42 crore at the end of October 2024.

- At the end of October 2025, overdue of agricultural credit for all scheduled banks reached to BDT 22,435.43 crore which was 88.03 percent increase compared to BDT 11,931.74 crore in October 2024. This increase in overdue loans was primarily attributed to rise in overdue of State-owned Specialized Banks (SOSBs) and Private Commercial Banks (PCBs).

- In October FY26, Grameen Bank and ten Large NGOs collectively disbursed BDT 18,050.10 crore as microcredit, reflecting a 12.21 percent increase compared to October FY25. They recovered BDT 16,388.76 crore in October 2025, which was 2.28 percent higher than the same month of 2024. The outstanding microcredit balance for these organizations was BDT 124,646.99 crore, with overdue loans amounting to BDT 8,565.25 crore (representing 6.87 percent of the outstanding balance) at the end of October 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 October 2025, agricultural credit disbursement by all scheduled banks amounted to BDT 3,438.30 crore, which was 6.15 percent lower and 17.22 percent higher compared to BDT 3,663.44 crore disbursed in the previous month and BDT 2,933.18 crore disbursed in October 2024 respectively (Table 1).

Table 1: Agricultural Credit by Scheduled Banks

(BDT in Crore)

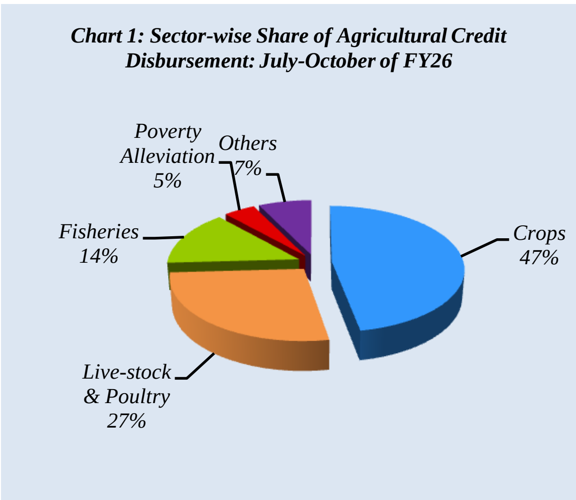
Month	Disbursement		Recovery	
	FY25	**FY24**	**FY25**	**FY24**
July-June	37326.52	37153.90	38024.50	35571.62
	FY26	**FY25**	**FY26**	**FY25**
July	2154.03	1790.71	2953.62	2553.79
August	2672.00	2080.20	3119.96	2891.67
September	3663.44	2587.27	4470.81	3764.51
October	3438.30	2933.18	3446.85	3112.45
Total	**11927.77**	**9391.36**	**13991.24**	**12322.42**

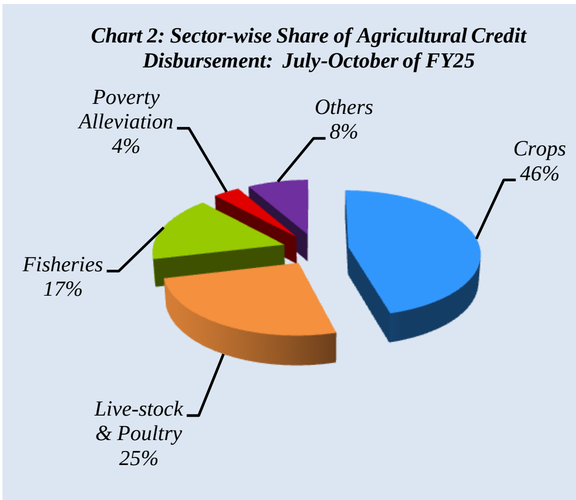
Source: Agricultural Credit Department, Bangladesh Bank.

In July-October of FY26, all scheduled banks disbursed BDT 11,927.77 crore, reflecting a 27.01 percent increase from BDT 9,391.36 crore disbursed in the same period of FY25. The significant rise is attributed to increased disbursements by Foreign Commercial Banks (FCBs), State-Owned Specialized Banks (SOSBs), State-Owned Commercial Banks (SOCBs), and Private Commercial Banks (PCBs) in July-October of FY26 compared to the same period of FY25.

1.2 Sector-wise disbursement

During July-October of FY26, share of agricultural credit disbursement in crops, poverty alleviation, and livestock & poultry increased by 46 percent, 4 percent, and 25 percent to 47 percent, 5 percent, and 28 percent respectively compared to same period of FY25. In contrast, the share of agricultural credit disbursement in fisheries and other sectors decreased by 14 percent and 7 percent from 17 percent and 8 percent respectively compared to July-October of FY25. During July-October of FY26, the composition of agricultural credit disbursement shifted notably. The sector-wise agricultural credit shows a clear shift toward crops, poverty alleviation, and livestock & poultry, reflecting stronger policy or demand emphasis on these areas. Meanwhile, the reduced shares for fisheries and other sectors indicate a relatively lower prioritization and enhanced capacity in these sectors during the period.





Source: Agricultural Credit Department, Bangladesh Bank.

1.3 Recovery

Recovery of agricultural credit by all scheduled banks was BDT 3,446.85 crore in October FY26, reflecting a 22.90 percent decrease from BDT 4,470.81 crore recovered in September FY26 and a 10.74 percent increase compared to BDT 3,112.45 crore recovered in October FY25. In July-October of FY26, the recovery of agricultural credit by all scheduled banks increased by 13.54 percent to BDT 13,991.24 crore compared to BDT 12,322.42 crore during the same period of FY25 (Table 1). This increase was primarily driven by the 74.06 percent rise in recoveries from Foreign Commercial Banks (FCBs), 60.40 percent rise in recoveries by State-Owned Commercial Banks (SOCBs), and 35.85 percent rise in recoveries by State-owned Specialized Banks (SOSBs). In contrast, Private Commercial Banks (PCBs) recorded a decline of 4.68 percent in recovery in July-October 2025 (Annexure).

1.4 Outstanding and Overdue

At the end of October 2025, the outstanding balance of agricultural credit (including interest) for all scheduled banks was BDT 59,880.74 crore, an increase of 8.71 percent from BDT 55,084.42 crore at the end of October 2024. The overdue agricultural credit increased by 88.03 percent to BDT 22,435.43 crore at the end of October 2025 as compared to BDT 11,931.74 crore at the end of October 2024. This increase was mainly driven by the rise in overdue of State-owned Specialized Banks (SOSBs) and Private Commercial Banks (PCBs). The overdue of State-owned Commercial Banks (SOCBs) decreased by 11.71 percent at the end of October 2025 compared to October 2024. However, this decrease was not significant enough to offset the overall increase caused by the significant rise of overdue by State-owned Specialized Banks (SOSBs) and Private Commercial Banks (PCBs). The loan classification criteria effective from April 2025 also attributed to this significant rise in overdue in October 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 1,486.10 crore for FY26. In October of FY26, agricultural credit disbursement was BDT 107.09 crore, decreased 21.40 percent from BDT 136.25 crore in October 2024, while recovery rose by 5.53 percent to BDT 102.69 crore in October of FY26 from BDT 97.31 crore in October of FY25 (Table 2). During July-October of FY26, BRDB disbursed BDT 408.18 crore and recovered BDT 415.12 crore, representing a 1.83 percent decrease and 14.36 percent increase, respectively, compared to the same period of FY25.

Table 2: Agricultural Credit by BRDB and BSBL

(BDT in Crore)

	Target of FY26	October'25		October'24	
		Disbursement	Recovery	Disbursement	Recovery
BRDB	1486.10	107.09	102.69	136.25	97.31
BSBL	25.00	0.60	0.05	0.00	0.08
Total	**1511.10**	**107.69**	**102.74**	**136.25**	**97.39**
(Percent)	(3.73)	(3.04)	(2.89)	(4.44)	(3.03)

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. The agricultural credit disbursement of BSBL in October was BDT 0.60 crore. BSBL recovered BDT 0.05 crore in October of FY26 which was BDT 0.08 crore in October of FY25 (Table-2). The agricultural credit disbursement of BSBL during July-October 2025 was BDT 0.08 crore since BSBL refrained from disbursing funds till September of FY26, and exercised caution due to the high overdue. BSBL recovered BDT 0.93 crore in July-October of FY26 which was BDT 0.28 crore in July-October of FY25.

2. Refinance Facility

Facility from Bangladesh Bank under Government Guarantee

During July-October of FY26, no funds have been sanctioned for short-term agricultural refinance facility in favor of BKB and RAKUB from Bangladesh Bank. RAKUB paid BDT 1.72 crore as interest payment to BB of the short-term refinance credit in October 2025. The outstanding balance of refinance credit for BKB and RAKUB was BDT 2,021.42 crore as of October 2025 which was 9.52 percent lower compared to BDT 2,234.14 crore as of October 2024.

3. Rural Finance

3.1 Palli Karma-Sahayak Foundation

In October 2025, Palli Karma-Sahayak Foundation (PKSF) disbursed BDT 666.59 crore to 289 partner organizations (POs) and recovered BDT 509.28 crore. These figures represent a 6.05 percent decrease in disbursement and a 17.88 percent increase in recovery compared to October 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
September	854.45	1050.27	814.67	693.45
October	666.59	709.52	509.28	432.03
Total	**2148.00**	**2225.11**	**2403.42**	**2040.81**

Source: Palli Karma-Sahayak Foundation (PKSF).

In July-October of FY26, total disbursement of Palli Karma-Sahayak Foundation (PKSF) was BDT 2,148.00 crore which was 3.47 percent lower as compared to the disbursed amount of BDT 2,225.11 crore in July-October of FY25. The recovery amount was BDT 2,403.42 crore in July-October of FY26 which was 17.77 percent higher as compared to the recovery of BDT 2,040.81 crore in the same period of FY25.

At the end of October 2025, the outstanding balance of PKSF’s loan program amounted to BDT 13,849.67 crore, with an overdue balance of BDT 103.75 crore. The outstanding balance increased by 15.37 percent at the end of October 2025 compared to BDT 12004.96 crore at the end of October 2024. Meanwhile, the overdue balance decreased by 39.49 percent at the end of October 2025, compared to BDT 171.34 crore at the end of the same month of previous fiscal year.

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

In October 2025, Grameen Bank and ten prominent NGOs disbursed BDT 18,050.10 crore for microfinance programs aimed at fostering productive rural activities, which was 12.21 percent higher as compared to the disbursed amount of October 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 October 2025

(BDT in Crore)

NGOs	(Without Interest)			
	Disbursement	**Recovery**	**Outstanding**	**Overdue**
Grameen Bank	2374.58	2217.88	16997.37	626.24
BRAC	6697.51	6222.70	43874.31	2250.67
ASA	3832.25	3640.79	27553.52	3408.19
Proshika	206.79	188.01	1730.03	227.30
BURO Bangladesh	1812.88	1434.39	12417.79	402.85
TMSS	1028.25	891.59	6877.76	564.90
RDRS Bangladesh	235.08	212.57	1627.56	186.13
CARITAS Bangladesh	67.18	70.75	537.04	109.35
Jagorani Chakra Foundation(JCF)	670.47	565.55	5853.89	297.93
Society for Social Service (SSS)	858.79	713.29	5291.53	375.65
Shakti Foundation	266.32	231.23	1886.18	116.05
Total	**18050.10**	**16388.76**	**124646.99**	**8565.25**

Source: Grameen Bank and respective NGOs.

Approximately 37.42 million members accessed this loan facility through a total of 14,144 branches operated by the top 11 Microfinance Institutions (MFIs). Notably, Grameen Bank, BRAC, and ASA collectively accounted for 71.49 percent of the total microcredit disbursed in October 2025.

The recovery efforts of these MFIs in October of FY26 amounted to BDT 16,388.76 crore, reflecting a 2.28 percent increase from BDT 16,023.47 crore in October of FY25. As on October 2025, the outstanding balance of these MFIs stood at BDT 124,646.99 crore, marking a 12.26 percent rise compared to October 2024. Additionally, the overdue amount for MFIs remained at BDT 8,565.25 crore as on October 2025, representing a 15.40 percent increase as compared to the overdue amount of BDT 7,422.01 crore in October 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

Agricultural and rural finance developments during July-October FY26 indicate a notable expansion in credit disbursement across major banking groups, accompanied by a reallocation of financing toward crops, poverty alleviation, and livestock & poultry activities. Although overall recovery performance strengthened, the substantial increase in overdue loans, particularly among State-Owned Specialized Banks (SOSBs) and Private Commercial Banks (PCBs), reflects emerging repayment pressures, further accentuated by the implementation of the revised loan classification framework. PKSF and leading MFIs recorded higher recoveries and sustained program outreach. While MFIs experienced a rise in overdue loans attributable to borrower difficulties arising from adverse weather-induced crop losses and elevated living costs. Overall, despite the continued strengthening of credit flows, the rise in overdue balance underscores the need for enhanced monitoring, prudent risk management, and targeted support measures to safeguard credit control and ensure the stability of agricultural and rural financing.

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)).
- 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 implement 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)).

- 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
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
Total	**11927.77**	**9391.36**	**13991.24**	**12322.42**	59880.74	55084.42	22435.43	11931.74

Source: Agricultural Credit Department, Bangladesh Bank.