

Monthly Report on

Agriculture and Rural Finance¹



September 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 September 2025, all scheduled banks disbursed BDT 3,663.44 crore in agricultural credit, marking a 37.10 percent increase from BDT 2,672.00 crore in the previous month and a 41.59 percent increase compared to BDT 2,587.27 crore disbursed in September FY25.
- Agricultural credit recovery by all scheduled banks reached BDT 4,470.81 crore in September 2025, increased by 43.30 percent from BDT 3,119.96 crore in the previous month and 18.76 percent higher than BDT 3,764.51 crore recovered in September FY25.
- At the end of September 2025, the outstanding balance (including interest) of agricultural credit for all scheduled banks stood at BDT 59,500.11 crore, reflecting an 8.32 percent increase from BDT 54,927.745 crore at the end of September 2024.
- At the end of September 2025, overdue of agricultural credit for all scheduled banks reached to BDT 22,120.06 crore which was 88.19 percent increase compared to BDT 11,754.32 crore in September 2024. This increase in overdue loans was primarily attributed to rise in overdue of State-owned Specialized Banks (SOSBs), Private Commercial Banks (PCBs), and State-owned Commercial Banks (SOCBs).
- In September FY26, Grameen Bank and ten Large NGOs collectively disbursed BDT 18,464.25 crore as microcredit, reflecting a 20.56 percent increase compared to September FY25. They recovered BDT 16,968.11 crore in September 2025, which was 16.06 percent higher than the same month of FY25. The outstanding microcredit balance for these organizations was BDT 123,005.69 crore, with overdue loans amounting to BDT 8,382.90 crore (representing 6.82 percent of the outstanding balance) at the end of September 2025.

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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 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 September 2025, agricultural credit disbursement by all scheduled banks amounted to BDT 3,663.44 crore, which was 37.10 percent and 41.59 percent higher compared to BDT 2,672.00 crore disbursed in the previous month and BDT 2,587.27 crore disbursed in September 2024 respectively (Table 1).

Table 1: Agricultural Credit by Scheduled Banks

(BDT in Crore)

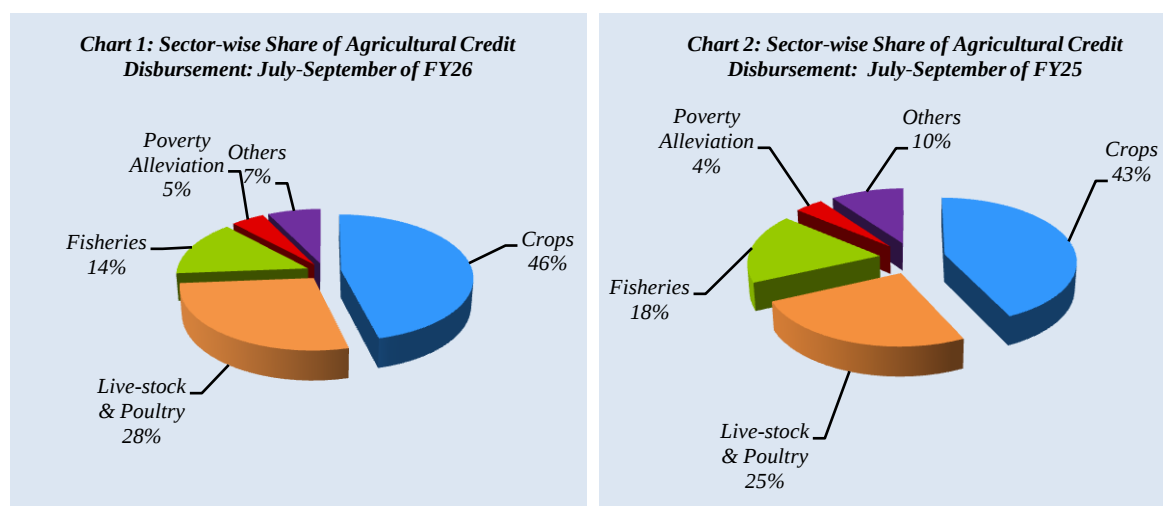
Month	Disbursement		Recovery	
	FY25	FY24	FY25	FY24
July-June	37326.52	37153.90	38024.50	35571.62
	FY26	FY25	FY26	FY25
July	2154.03	1790.71	2953.62	2553.79
August	2672.00	2080.20	3119.96	2891.67
September	3663.44	2587.27	4470.81	3764.51
Total	8489.47	6458.18	10544.39	9209.97

Source: Agricultural Credit Department, Bangladesh Bank.

In July-September of FY26, all scheduled banks disbursed BDT 8,489.47 crore, reflecting a 31.45 percent increase from BDT 6,458.18 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-September of FY26 compared to the same period of FY25.

1.2 Sector-wise disbursement

During July-September of FY26, share of agricultural credit disbursement in crops, poverty alleviation, and livestock & poultry increased from 43 percent, 4 percent, and 25 percent to 46 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 to 14 percent and 7 percent from 18 percent and 10 percent respectively compared to July-September of FY25. During July-September 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 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 4,470.81 crore in September FY26, reflecting a 43.30 percent increase from BDT 3,119.96 crore recovered in August FY26 and an 18.76 percent increase compared to BDT 3,764.51 crore recovered in September FY25. In July-September of FY26, the recovery of agricultural credit by all scheduled banks increased by 14.49 percent to BDT 10,544.39 crore compared to BDT 9,209.97 crore during the same period of FY25 (Table 1). This overall increase was primarily driven by the 65.20 percent rise in

recoveries from State-Owned Commercial Banks (SOCBs), 54.18 percent rise in recoveries from State-owned Specialized Banks (SOSBs), and 53.89 percent rise in recoveries from Foreign Commercial Banks (FCBs). In contrast, Private Commercial Banks (PCBs) recorded a decline of 8.46 percent in recovery (Annexure).

1.4 Outstanding and Overdue

At the end of September 2025, the outstanding balance of agricultural credit (including interest) for all scheduled banks was BDT 59,500.11 crore, an increase of 8.32 percent from BDT 54,927.74 crore at the end of September 2024. The overdue agricultural credit increased by 88.19 percent to BDT 22,120.06 crore at the end of September 2025 as compared to BDT 11,754.32 crore at the end of September 2024. This increase was mainly driven by the rise in overdue of State-owned Specialized Banks (SOSBs), Private Commercial Banks (PCBs), and State-owned Commercial Banks (SOCBs). The loan classification criteria effective from April 2025 also attributed to this significant rise in overdue in September 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 September of FY26, agricultural credit disbursement was BDT 105.45 crore, decreased by 9.52 percent from BDT 116.54 crore in September 2024, while recovery rose by 21.84 percent to BDT 107.40 crore in September of FY26 from BDT 88.15 crore in September of FY25 (Table 2). During July-September of FY26, BRDB disbursed BDT 301.09 crore and recovered BDT 312.43 crore, representing a increases of 7.70 percent and 17.60 percent, respectively, compared to the same period of FY25.

Table 2: Agricultural Credit by BRDB and BSBL

(BDT in Crore)

	Target of FY26	September'25		September'24	
		Disbursement	Recovery	Disbursement	Recovery
BRDB	1486.10	105.45	107.40	116.54	88.15
BSBL	25.00	0.00	0.71	0.00	0.07
Total	1511.10	105.45	108.11	116.54	88.22
(Percent)	(3.73)	(2.80)	(2.36)	(4.31)	(2.29)

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 recovered BDT 0.71 crore in September of FY26 which was BDT 0.07 crore in September of FY25 (Table-2). In July-September of FY26, BSBL refrained from disbursing funds and exercised caution due to the high overdue. BSBL recovered BDT 0.88 crore in July-September of FY26 which was BDT 0.20 crore in July-September of FY25.

2. Refinance Facility

Facility from Bangladesh Bank under Government Guarantee

During July-September of FY26, no funds have been sanctioned for short-term agricultural refinance facility in favor of BKB and RAKUB from Bangladesh Bank. 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 24th October, 2025 subject to repayment of BDT 500 crore. RAKUB paid BDT 1.67 crore as interest payment to BB of the short-term refinance credit in September 2025. The outstanding balance of refinance credit for BKB and RAKUB was BDT 2,002.04 crore as of September 2025 which was 35.71 percent lower compared to BDT 2,717.03 crore as of September 2024.

3. Rural Finance

3.1 Palli Karma-Sahayak Foundation

In September 2025, Palli Karma-Sahayak Foundation (PKSF) disbursed BDT 854.45 crore to 289 partner organizations (POs) and recovered BDT 814.67 crore. These figures represent an 18.65 percent decrease in disbursement and a 17.48 percent increase in recovery compared to September 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
Total	1481.41	1515.59	1894.14	1608.78

Source: Palli Karma-Sahayak Foundation (PKSF).

In July-September of FY26, total disbursement of Palli Karma-Sahayak Foundation (PKSF) was BDT 1,481.41 crore which was 2.26 percent lower as compared to the disbursed amount of BDT 1,515.59 crore in July-September of FY25. The recovery amount was BDT 1,894.14 crore in July-September of FY26 which was 17.74 percent higher as compared to the recovery of BDT 1,608.78 crore in the same period of FY25.

At the end of September 2025, the outstanding balance of PKSF's loan program amounted to BDT 13,692.36 crore, with an overdue balance of BDT 108.23 crore. The outstanding balance increased by 16.76 percent in September 2025 compared to September 2024. Meanwhile, the overdue balance decreased by 40.49 percent in September 2025, compared to the same month of the previous fiscal year.

3.2 Microcredit Operations by Grameen Bank and Ten Large NGOs²

In September 2025, Grameen Bank and ten prominent NGOs disbursed BDT 18,464.25 crore for microfinance programs aimed at fostering productive rural

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

activities, which was 20.56 percent higher as compared to the disbursement amount of September 2024.

Table 4: Microcredit Operation by NGOs in September 2025

(BDT in Crore)

NGOs	(Without Interest)			
	Disbursement	Recovery	Outstanding	Overdue
Grameen Bank	2521.45	2425.80	16840.67	620.64
BRAC	6857.45	6296.71	43399.50	2180.38
ASA	3974.11	3898.15	27362.11	3368.18
Proshika	203.54	191.16	1731.25	223.61
BURO Bangladesh	1770.59	1446.64	12039.31	394.27
TMSS	1036.79	912.87	6741.10	534.13
RDRS Bangladesh	238.32	217.46	1605.05	184.09
CARITAS Bangladesh	77.84	74.39	540.61	107.59
Jagorani Chakra Foundation(JCF)	660.23	559.18	5748.98	293.73
Society for Social Service (SSS)	872.11	713.80	5146.04	370.06
Shakti Foundation	251.82	231.95	1851.09	106.23
Total	18464.25	16968.11	123005.69	8382.90

Source: Grameen Bank and respective NGOs.

Approximately 37.11 million members accessed this loan facility through a total of 14,053 branches operated by the top 11 Microfinance Institutions (MFIs). Notably, Grameen Bank, BRAC, and ASA collectively accounted for 72.32 percent of the total microcredit disbursed in September 2025.

The recovery efforts of these MFIs in September FY26 amounted to BDT 16,968.11 crore, reflecting a 16.06 percent increase from BDT 14,619.70 crore in September of FY25. As on September 2025, the outstanding balance of these MFIs stood at BDT 123,005.69 crore, marking an 11.60 percent rise compared to September 2024. Additionally, the overdue amount for MFIs remained at BDT 8,382.90 crore as on September 2025, representing a 19.81 percent increase as compared to the overdue amount of BDT 6,997.01 crore in September 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

Overall, agricultural and rural finance activities indicate strong credit expansion but it's difficult to maintain the credit quality. Agricultural credit disbursement grew robustly across all banking groups, supported by higher allocations to crops, poverty alleviation, and livestock & poultry, though recovery performance varied. The agricultural credit recovery shows strong improvements for State-Owned Commercial Banks (SOCBs), State-Owned Specialized Banks (SOSBs), and Foreign Commercial Banks (FCBs), while Private Commercial Banks (PCBs) exhibit a notable decline in recovery performance. Rising overdue agricultural loans, driven partly by revised loan classification standards, signal increasing credit risk and the need for strengthened monitoring and recovery mechanisms. Although MFIs experienced higher overdue balances due to borrower's hardships associated with floods and rising living costs, PKSF and major microfinance institutions demonstrated strong recovery growth and expanding outreach.

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: [aug282025acd102.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: [aug282025acd102.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 \(bb.org.bd\)](#)).
- 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: [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
Total	8489.47	6458.18	10544.39	9209.97	59500.11	54927.74	22120.06	11754.32

Source: Agricultural Credit Department, Bangladesh Bank.