Monthly Report on

Agriculture and Rural Finance[1]

August 2026

Research Department
(Internal Economic Wing)
Bangladesh Bank

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Highlights —August 2026

- The agricultural credit disbursement target has been set at BDT 60,000 crore, for all scheduled banks in FY27, marking a 53.85 percent increase from the target of BDT 39,000 crore in FY26 and a 40.08 percent rise over the actual disbursement of BDT 42,834.16 crore.

- In August FY27, scheduled banks disbursed agricultural credit of BDT 4,199.64 crore, representing a 57.98 percent increase from BDT 2,658.31 crore in July FY27 and a 57.17 percent increase compared to BDT 2,672.00 crore disbursed in August FY26.

- Agricultural credit recovery by scheduled banks was BDT 3,898.59 crore in August FY27, increased by 10.73 percent from BDT 3,520.96 crore in July FY27, and the same was 24.96 percent higher than BDT 3,119.96 crore recovered in August FY26.

- As of end August FY27, the outstanding balance (including interest) of agricultural credit for scheduled banks stood at BDT 63,620.27 crore, reflecting a 6.85 percent increase compare to August FY6 end balance of BDT 59,541.84 crore.

- Overdue of agricultural credit of scheduled banks stood at BDT 21,938.69 crore at the end of August FY27, which was 4.48 percent lower than August FY26 end overdue of BDT 22,968.31 crore.

- In August 2026, Grameen Bank and ten Large NGOs jointly disbursed BDT 18,281.78 crore as microcredit, showing a 10.34 percent rise compared to August 2025. Recovery in August 2026 increased by 12.10 percent to BDT 17,941.33 crore with compared to August 2025. The outstanding microcredit balance for these institutions stood BDT 135,957.67 crore, with overdue loans BDT 8,695.93 crore (overdue as % of outstanding was 6.40 percent) at the end of August 2026.

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1. Agricultural Credit

1.1 Disbursement

The agricultural credit disbursement target has been set at BDT 60,000 crore for all scheduled banks in FY27, marking a 53.85 percent increase compared to the disbursement target of BDT 39,000 crore in FY26. The target of agricultural credit disbursement comprises of BDT 6,941.00 crore for state-owned commercial banks (SCBs), BDT 13,554.00 crore for state-owned specialized banks (SBs), BDT 36,930.00 crore for private commercial banks (PCBs), and BDT 2575.00 crore for foreign commercial banks (FCBs) for FY27.

In August FY27, agricultural credit disbursement by scheduled banks amounted to BDT 4,199.64 crore, which was 57.98 percent higher than the disbursement of BDT 2,658.31 crore in the previous month and 57.17 percent higher compared to disbursement of BDT 2,672.00 crore in the same month of FY26 (Table 1).

Table 1: Agricultural Credit by Scheduled Banks

(BDT in Crore)

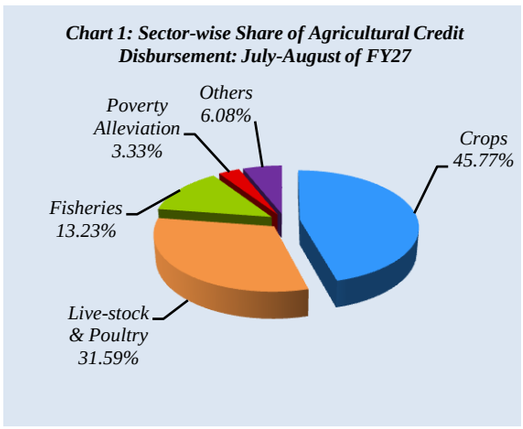
Month	Disbursement		Recovery	
	FY27	**FY26**	**FY27**	**FY26**
July	2658.31	2154.03	3520.96	2953.62
August	4199.64	2672.00	3898.59	3119.96
Total	**6857.95**	**4826.03**	**7419.55**	**6073.58**

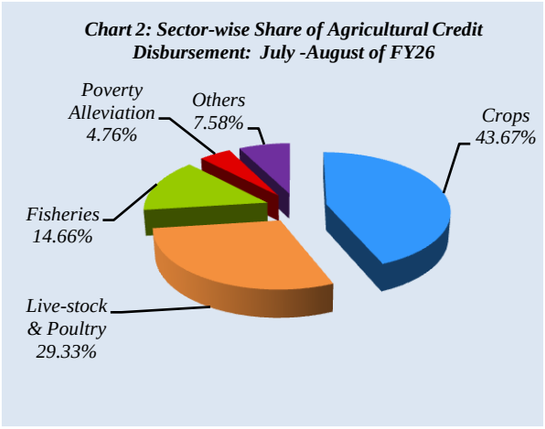
Source: Agricultural Credit Department-1, Bangladesh Bank.

During the period July-August of FY27, the scheduled banks disbursed BDT 6,857.95 crore, reflecting a 42.10 percent increase from BDT 4,826.03 crore disbursed in the same period of FY26. The upward turn in the reporting period is attributed to increased disbursements by FCBs and PCBs mainly.

1.2 Sector-wise disbursement

During July-August FY27, share of agricultural credit disbursement in livestock & poultry and crops showed increase of 2.26 and 2.10 percentage points, respectively compared to July-August period of FY26. In contrast, disbursement shares in fisheries declined by 1.43 percentage point in the comparison of the same periods.





Source: Agricultural Credit Department-1, Bangladesh Bank.

Mentionable, increased focus on livestock & poultry signals a diversified rural livestock-based livelihood, and higher crops disbursement aligns with the early winter crop preparation and the *Aman* cultivation.

1.3 Recovery

Recovery of agricultural credit by scheduled banks was BDT 3,898.59 crore in August FY27, reflecting a 10.73 percent increased from BDT 3,520.96 crore recovered in July FY27 and a 24.96 percent increased compared to BDT 3,119.96 crore recovered in August FY26. During July-August of FY27, the recovery of agricultural credit increased by 22.16 percent to BDT 7,419.55 crore compared to BDT 6,073.58 crore during the same period of FY26 (Table 1). This overall increase was primarily driven by higher recoveries from PCBs followed by SCBs.

1.4 Outstanding and Overdue

At the end of August FY27, the outstanding balance of agricultural credit (including interest) for the scheduled banks was BDT 63,620.27 crore, marking 6.85 percent increase compared to end August FY26 outstanding balance of BDT 59,541.84 crore. The overdue agricultural credit declined by 4.48 percent to BDT 21,938.69 crore at the end of August FY27 as compared to BDT 22,968.31 crore at the end of August FY26. The reduction was mainly driven by 9.67 percent overdue decline from SBs, implying improved loan recovery and repayment performance.

1.5 Bangladesh Rural Development Board (BRDB)

The Bangladesh Rural Development Board (BRDB) has a disbursement target of BDT 1,506.65 crore for FY27. In August of FY27, agricultural credit disbursement was BDT 92.79 crore, decreased by 7.75 percent from BDT 100.58 crore in August FY26, while recovery decline by 2.71 percent to BDT 98.20 crore (Table 2).

Table 2: Agricultural Credit by BRDB and BSBL

(BDT in Crore)

	Target of FY27	August'26		August'25	
		Disbursement	Recovery	Disbursement	Recovery
BRDB	1506.65	92.79	98.20	100.58	100.94
BSBL	25.00	0.00	0.06	0.00	0.10
Total	**1531.65**	**92.79**	**98.26**	**100.58**	**101.04**
(Percent)	(2.49)	(2.16)	(2.46)	(3.63)	(3.14)

Source: Agricultural Credit Department-1, 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 FY27. With recovery BDT 0.06 crore of the previous debt, BSBL didn't disburse any funds in August FY27, implying a cautious lending amid high overdue position.

2. Refinance Facility

Facility from Bangladesh Bank under Government Guarantee

In July FY27[2], no funds were sanctioned for short-term agri-refinance facility in favor of BKB and RAKUB. Mentionable, approved refinancing facility for RAKUB was BDT 1,000 crore for a period of 01 year at the prevailing bank rate (4 percent) on the basis of State guarantee. RAKUB paid BDT 1.72 crore as interest payment of the short-term refinance credit in July FY27. Outstanding with BKB and RAKUB, declined by 10.73 percent to BDT 1,790.92 crore at the end of July 2026 compared the position of end July 2025.

3. Rural Finance

3.1 Palli Karma-Sahayak Foundation

In August FY27, Palli Karma-Sahayak Foundation (PKSF) disbursed BDT 728.96 crore and recovered BDT 813.37 crore. The figures represent a 26.56 percent increase in disbursement and a 28.14 percent increase in recovery compared to August FY26 (Table 3).

Table 3: Rural Credit by PKSF

(BDT in Crore)

Month	Disbursement		Recovery	
	FY27	FY26	FY27	FY26
July	30.00	51.00	624.87	444.74
August	728.96	575.96	813.37	634.73
Total	**758.96**	**626.96**	**1438.24**	**1079.47**

Source: Palli Karma-Sahayak Foundation (PKSF).

[2] Data up to July FY27 is available.

During July-August of FY27, total disbursement of PKSF was BDT 758.96 crore which was 21.05 percent higher as compared to the disbursed amount of July-August of FY26. The recovery amount grew by 33.24 percent to BDT 1,438.24 crore in July-August of FY27 as compared to the recovery in the same period of FY26. As of end August FY27, the outstanding balance of PKSF's loan program amounted to BDT 16,276.64 crore, with an overdue of BDT 111.53 crore.

3.2 Microcredit Operations by Grameen Bank and Ten Large NGOs[3]

In August 2026, Grameen Bank and leading ten NGOs disbursed BDT 18,281.78 crore for microfinance programs intended to support productive rural livelihoods, which was 10.34 percent higher as compare to the disbursement in August 2025.

Table 4: Microcredit Operation by NGOs in August 2026

(BDT in Crore)

NGOs	(Without Interest)			
	Disbursement	**Recovery**	**Outstanding**	**Overdue**
Grameen Bank	2553.49	2370.77	18623.51	730.20
BRAC	6540.58	6864.35	48648.94	2309.38
ASA	3544.99	3606.44	26923.43	3273.46
Proshika	217.50	198.63	1756.72	317.82
BURO Bangladesh	1815.34	1743.68	14349.74	408.40
TMSS	1135.14	1021.13	7729.17	571.36
RDRS Bangladesh	277.75	246.46	1847.31	166.06
CARITAS Bangladesh	77.64	77.41	582.26	113.86
Jagorani Chakra Foundation(JCF)	864.40	704.58	7078.62	331.24
Society for Social Service (SSS)	985.29	846.08	6388.76	402.86
Shakti Foundation	269.66	261.80	2029.21	71.29
Total	**18281.78**	**17941.33**	**135957.67**	**8695.93**

Source: Grameen Bank and respective NGOs.

Approximately 38 million members accessed the facility through a total of 14,611 branches operated by the top 11 Microfinance Institutions (MFIs). Notably, Grameen Bank, BRAC, and ASA had 69.13 percent jointly contribution to the total disbursement in August 2026.

Recovery by 11 MFIs in August 2026 was BDT 17,941.33 crore, reflecting a 12.10 percent increase compared to August of 2025. Outstanding balance of 11 MFIs as of end August 2026 stood at BDT 135,957.67 crore, along with an overdue amount of BDT 8,695.93 crore (Table 4). As percentage of outstanding, overdue was 6.40 percent, indicating possibilities for a notable portion of borrowers experiencing repayment

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

difficulties, or temporary cash-flow constraints by dints of seasonal fluctuations in rural earnings, or rising operating costs.

Conclusion

In August FY27, the agricultural and rural credit sector showed overall positive developments. Agricultural credit disbursement and recovery increased compared with August FY26, supported by stronger performances from PCBs and SCBs. Sectoral disbursement prioritized crops and livestock & poultry, indicating presence of a primary cropping cycle including *Aman* rice cultivation and early winter crop preparations, and a diversified rural, livestock-based livelihood. The outstanding balance of agricultural credit increased, but overdue positions reduced, primarily driven by higher overdue decline from SBs.

In addition, BRDB continued agricultural lending, while Bangladesh Bank provided sufficient refinance facility to RAKUB to support agricultural credit. In rural finance, PKSF maintained its lending operations with stronger recovery, whereas Grameen Bank and major NGOs continued to expand microcredit activities. Despite the positive developments, the rise in microcredit overdue calls for continued monitoring, recovery efforts considering borrowers challenges, prudent lending and credit risk management.

Recent Measures for Agriculture and Rural Finance

- With a view to increase agricultural production and employment generation, recently Bangladesh Bank (BB) has a refinance scheme of BDT 10,000 crore for Agriculture and Rural sector formed. Banks will get refinance facility at reduced rate 3 percent instead of initial 4 percent under BDT 10,000 crore refinance scheme for agricultural and rural sector to increase agricultural production and employment generation. The lending rate for farmers/customer level including *Shariah*-based financing, has capped at 7 percent simple interest. A penal interest of 2 percent, shall be applied for any misuse of funds or charging above 7 percent. (circular link: https://www.bb.org.bd/en/index.php/mediaroom/circular)
- Recently Bangladesh Bank has formed a refinance scheme of BDT 3,000 crore with the aim of creating a agriculture-based special economic zone in the northern region of the country. The refinance rate for banks was revised to 3 percent, while customer can be charged maximum 7 percent (*Shariah*-approved profit not exceeding 7 percent). Banks that misuse the funds or charge more than 7 percent will face an extra 2 percent one-time penalty.

  (circular link: https://www.bb.org.bd/en/index.php/mediaroom/circular)
- With a view to further strengthen the agricultural credit distribution and production in global and regional context, recently BB has formulated annual Agricultural and Rural Credit Policy and Programs. For scheduled banks, disbursement target was set BDT 60,000 crore, marking 4 percent of their net loans and advances. Of the target, credit allocation was 55 percent crops, 20 percent live-stock & poultry, 13 percent fisheries, 2 percent irrigation and agriculture-equipment, and 10 percent other activities. Banks need to disburse at least 50 percent of their credit target through own networks, while they may also use linkages with microfinance institutions (MFIs) to distribute agricultural loans.

  (circular link: https://www.bb.org.bd/en/index.php/mediaroom/circular)

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)	
	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
June	4757.55	5114.94	6014.38	4133.64	63574.38	60232.42	19807.33	21629.76
Total	**42834.16**	**37326.52**	**45626.93**	**38024.50**	**63574.38**	**60232.42**	**19807.33**	**21629.76**
	FY27	**FY26**	**FY27**	**FY26**	**FY27**	**FY26**	**FY27**	**FY26**
July	2658.31	2154.03	3520.96	2953.62	62866.97	59470.95	22367.73	23806.61
August	4199.64	2672.00	3898.59	3119.96	63620.27	59541.84	21938.69	22968.31
Total	**6857.95**	**4826.03**	**7419.55**	**6073.58**	**63620.27**	**59541.84**	**21938.69**	**22968.31**

Source: Agricultural Credit Department-1, Bangladesh Bank.