

Monthly Report on
Agriculture and Rural Finance¹



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Research Department
(Internal Economic Wing)
Bangladesh Bank

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Highlights

- The agricultural credit disbursement target for FY25 has been set at BDT 38,000 crore, reflecting an 8.57 percent increase from the FY24 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 December of FY25, agricultural credit disbursement by all scheduled banks amounted to BDT 3,177.96 crore, which was 13.87 percent lower than BDT 3,689.79 crore disbursed in November of FY25 and 4.33 percent higher compared to BDT 3,046.05 crore disbursed in December of FY24.
- Recovery of agricultural credit by all scheduled banks was BDT 3,047.76 crore in December of FY25, reflecting an 18.66 percent decline from BDT 3,747.08 crore recovered in November of FY25 and a 9.32 percent decrease compared to BDT 3,361.09 crore recovered in December of FY24.
- At the end of December FY25, the outstanding balance (including interest) of agricultural credit for all scheduled banks stood at BDT 56,018.85 crore, reflecting a 1.13 percent increase from the BDT 55,395.32 crore outstanding at the end of December FY24.
- At the end of December 2024, overdue of agricultural credit for all scheduled banks reached to BDT 11,600.25 crore which was 43.49 percent higher from BDT 8084.15 crore in December 2023. This increase in overdue loans is not exceptional compared to the previous months because of the lower recovery of the overdue loans compared to loans with regular repayments.
- In December FY25, Grameen Bank and ten Large NGOs collectively disbursed BDT 19,024.01 crore as microcredit, reflecting an 8.91 percent increase compared to December FY24. They recovered BDT 17,590.27 crore, which was 3.70 percent higher than the same period in FY24. The outstanding microcredit balance for these organizations was BDT 117,972.52 crore, with overdue loans amounting to BDT 7424.43 crore (representing 6.29 percent of the outstanding balance).

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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 December of FY25, agricultural credit disbursement by all scheduled banks amounted to BDT 3,177.96 crore, which was 13.87 percent lower than BDT 3,689.79 crore disbursed in November of FY25 and 4.33 percent higher compared to BDT 3,046.05 crore disbursed in December of FY24.

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
Total	16259.11	18326.17	19117.26	17779.54

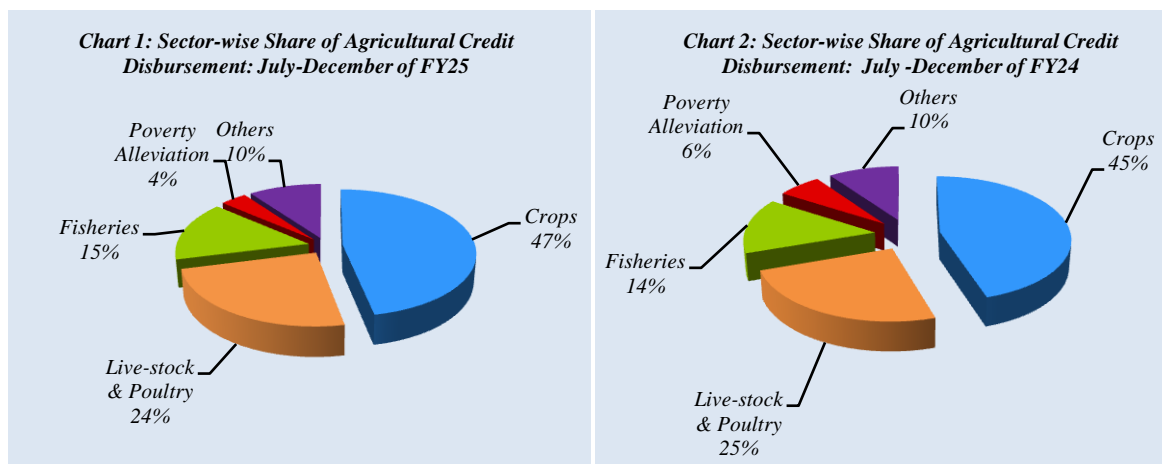
Source: Agricultural Credit Department, Bangladesh Bank.

In July-December FY25, all scheduled banks disbursed BDT 16,259.11 crore, reflecting an 11.28 percent decrease from BDT 18,326.17 crore disbursed in the same period of FY24. The significant downturn is attributed to reduced disbursements by Foreign Commercial Banks (67.16 percent), Private Commercial Banks (18.92

percent), and State-Owned Specialized Banks (7.58 percent) in July-December FY25 compared to the same period in FY24. The disbursement in State-Owned Commercial Banks increased by 58.86 percent in July-December FY25 as compared to July-December FY24 which has no significant impact in the overall decrease in disbursement.

1.2 Sector-wise disbursement

In July-December FY25, the sector-wise allocation of agricultural credit disbursement by all scheduled banks is depicted in Chart-1. In July-December 2024, the crops sub-sector continued to dominate, claiming 47 percent of the total share which was 45 percent in July-December 2023. Livestock and poultry sector decreased its share from 25 percent in July-December 2023 to 24 percent in July-December 2024. The fisheries sector also saw an increase, rising from 14 percent in July-December 2023 to 15 percent in July-December 2024. On the other hand, the share of poverty alleviation decreased from 6 percent in July-December FY24 to 4 percent in July-December FY25, while the disbursement in others category remained around 10 percent in July-December FY24 and the same period of previous fiscal year. These changes indicate a growing focus on crops and fisheries, with a corresponding reduction in the emphasis on poverty alleviation sector.



Source: Agricultural Credit Department, Bangladesh Bank.

1.3 Recovery

Recovery of agricultural credit by all scheduled banks was BDT 3,047.76 crore in December of FY25, reflecting an 18.66 percent decline from BDT 3,747.08 crore recovered in November of FY25 and a 9.32 percent decrease compared to BDT 3,361.09 crore recovered in December of FY24. In July-December 2024, the recovery of agricultural credit by all scheduled banks increased by 7.52 percent to BDT 19,117.26 crore compared to BDT 17,779.54 crore during the same period of 2023. This overall increase was primarily driven by the 56.08 percent rise in recoveries from State-owned Commercial Banks and 16.18 percent rise in recoveries from Private Commercial Banks (PCBs). In contrast, State-Owned Specialized Banks (SOSBs) and Foreign Commercial Banks (FCBs) recorded a decline of 10.14 and 50.34 percent respectively in recovery. Despite the declines in State-Owned Specialized Banks (SOSBs) and Foreign Commercial Banks (FCBs), the significant rise in State-owned Commercial Banks (SOCBs) and Private Commercial Banks (PCBs) outweighed the decreases, leading to the overall positive growth in agricultural credit recovery (Annexure).

1.4 Outstanding and Overdue

At the end of December 2024, the outstanding agricultural credit balance (including interest) for all scheduled banks was BDT 56,018.85 crore, a slight increase of 1.13 percent from BDT 55,395.32 crore in December 2023. The overdue agricultural credit rose significantly by 43.49 percent to BDT 11,600.25 crore, driven by increases in overdue amounts for State-Owned Commercial Banks (63.13 percent), Private Commercial Banks (30.53 percent), and State-Owned Specialized Banks (28.51 percent). Notably, Foreign Commercial Banks maintained a zero overdue position in both December 2024 and December 2023. In December FY25, overdue loans accounted for 20.71 percent of the outstanding agricultural credit balance, up from 14.59 percent in December FY24. This trend highlights a rising share of unpaid agricultural credit, underscoring challenges in credit recovery efforts within 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. During July-December FY25, BRDB disbursed BDT 663.11 crore and recovered BDT 587.77 crore, representing decreases of 25.23 percent and 21.12 percent, respectively, compared to the same period in FY24. In December FY25, disbursement stood at BDT 124.42 crore reflecting a decline of 18.78 percent and recovery stood at BDT 114.20 crore reflecting a decline of 16.40 percent, from December FY24 (Table 2).

Table 2: Agricultural Credit by BRDB and BSBL

(BDT in Crore)

	Target of FY25	December'24		December'23	
		Disbursement	Recovery	Disbursement	Recovery
BRDB	1523.18	124.42	114.20	153.19	136.61
BSBL	25.00	0.00	0.29	0.00	0.17
Total (Percent)	1548.18 (3.91)	124.42 (3.77%)	114.49 (3.62%)	153.19 (4.79%)	136.78 (3.91%)

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. In July-December FY25; BSBL refrained from disbursing funds and exercised caution due to the high overdue. However, BSBL recovered BDT 0.72 crore in July-December FY25 which was 5.26 percent lower as compared to the recovery of BDT 0.76 crore in July-December FY24. BSBL recovered BDT 0.29 crore in December FY25, which was 70.59 percent higher compared to the recovery of BDT 0.17 crore in December FY24 (Table-2).

2. Refinance Facility

Facility from Bangladesh Bank under Government Guarantee

To promote agricultural development and ensure food security, Bangladesh Bank (BB) provides consistent support to Bangladesh Krishi Bank (BKB) and Rajshahi Krishi Unnayan Bank (RAKUB) through a BDT 5000 crore short-term agricultural

refinance facility backed by government guarantee. According to the circular of Agricultural Credit Department (ACD), BB on 17 December 2022, participating banks receive a refinance facility under this scheme at an interest rate of 0.50 percent from BB, while farmers benefit from a maximum rate of 4.00 percent (simple interest).

In July-December FY25, BKB and RAKUB did not apply for any short-term agricultural refinance facility. However, BKB and RAKUB paid BDT 82.32 crore and 24.93 crore respectively as principal amount and RAKUB paid BDT 1.72 crore as interest payment to BB of the short-term refinance credit in December 2024. The outstanding balance of refinance credit for BKB and RAKUB was BDT 2,123.50 crore as of December 2024.

3. Rural Finance

3.1 Palli Karma-Sahayak Foundation

In December 2024, Palli Karma-Sahayak Foundation (PKSF) disbursed BDT 935.60 crore to 285 partner organizations (POs) and recovered BDT 692.88 crore. These figures represent a 94.69 percent increase in disbursement and an 11.19 percent increase in recovery compared to December 2023. In July-December FY25, total disbursement of Palli Karma-Sahayak Foundation (PKSF) was BDT 4174.70 crore which was 38.30 percent higher as compared to the disbursement amount of BDT 3018.52 crore in July-December FY24. The recovery amount was BDT 3200.70 crore in July-December FY25 which was 11.13 percent higher as compared to the recovery of BDT 2880.23 crore in the same period of FY24.

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
	FY25	FY24	FY25	FY24
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
Total	4174.70	3018.52	3200.70	2880.23

Source: Palli Karma-Sahayak Foundation (PKSF).

At the end of December 2024, the outstanding balance of PKSF’s loan program amounted to BDT 12794.66 crore, with an overdue balance of BDT 148.35 crore. The outstanding balance increased by 21.33 percent in December 2024 compared to December 2023. Meanwhile, the overdue balance decreased by 18.82 percent in December 2024, compared to the same month of the previous fiscal year (Table-3).

3.2 Microcredit Operations by Grameen Bank and Ten Large NGOs²

In December 2024, Grameen Bank and ten prominent NGOs disbursed BDT 19,024.01 crore for microfinance programs aimed at fostering productive rural activities, marking an increase of 8.91 percent compared to December 2023. Approximately 34.89 million members accessed this loan facility through a total of 13,540 branches operated by the top 11 Microfinance Institutions (MFIs). Notably, Grameen Bank, BRAC, and ASA collectively accounted for 75.83 percent of the total microcredit disbursed in December 2024.

Table 4: Microcredit Operation by NGOs in December 2024

(BDT in Crore)

NGOs	Disbursement	Recovery	Outstanding	Overdue
Grameen Bank	2344.85	2198.45	16391.64	471.29
BRAC	7320.27	6789.53	41468.55	1926.38
ASA	4760.61	4408.70	29614.96	3010.92
Proshika	200.98	209.62	1612.77	139.86
BURO Bangladesh	1441.64	1347.01	10102.06	573.51
TMSS	959.38	1030.52	6040.31	370.48
RDRS Bangladesh	227.49	213.75	1509.39	180.72
CARITAS Bangladesh	76.50	70.80	524.26	102.01
Jagorani Chakra Foundation(JCF)	592.49	438.83	4716.33	243.22
Society for Social Service (SSS)	819.60	671.02	4111.03	292.06
Shakti Foundation	280.20	212.04	1881.22	113.98
Total	19024.01	17590.27	117972.52	7424.43

Source: Grameen Bank and respective NGOs.

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 December FY25 amounted to BDT 17,590.27 crore, reflecting a 3.70 percent increase from December FY24. As on December 2024, the outstanding balance of these MFIs stood at BDT 117,972.52 crore, marking a 1.95 percent rise compared to December 2023. Additionally, the overdue amount for MFIs remained at BDT 7,424.43 crore as on December 2024, representing a 43.44 percent increase as compared to the overdue amount of December 2023 (Table-4). The significant rise in overdue balances can be attributed to borrowers' erratic behavior and inability to pay because of crop damage in some regions caused by natural calamities like floods and financial difficulties due to the rising cost of living for increased price level. Moreover, the growth rate of overdue loans is generally higher because of their lower recovery rate compared to loans with regular repayments.

4. Conclusion

In FY25, agricultural credit recovery has shown positive growth, the decline in disbursement indicates challenges in meeting the targets for FY25. The sharp rise in overdue loans, particularly in State-Owned Commercial Banks (SOCBs), highlights challenges in repayment. The microcredit sector, while expanding in terms of disbursements, faces similar challenges with overdue loans, highlighting the need for more effective loan recovery measures. A shift towards crops and fisheries is noticeable, but the reduced emphasis on poverty alleviation programs signals the need for a balanced approach.

5. Recent Measures by BB for Agriculture and Rural Finance

- As per BRPD Circular No. 15 issued on 27 November 2024, Bangladesh Bank plans to implement Expected Credit Loss (ECL) based provisioning system for banks in accordance with International Financial Reporting Standards (IFRS) by 2027 circular link: [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: [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 \(bb.org.bd\)](#)).

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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)	
	FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23
July	1991.27	1664.77	2710.32	2045.80	52361.91	50757.43	8627.61	7500.15
August	3316.99	2172.53	2540.26	2077.33	53230.38	50235.40	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	54862.50	50468.00	8521.57	7693.51
November	3319.61	3308.34	3470.00	3090.79	54590.56	50206.69	8339.30	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	2536.90	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	6949.30
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	9368.20	6541.39
Total	37153.90	32829.89	35571.62	33010.09	58119.59	52704.45	9368.20	6541.39
	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	54862.50	11931.74	8521.57
November	3689.79	3319.61	3747.08	3470.00	54809.59	54590.56	11667.11	8339.30
December	3177.96	3046.05	3047.76	3361.09	56018.85	55395.32	11600.25	8084.15
Total	16259.11	18326.17	19117.26	17779.54	56018.85	55395.32	11600.25	8084.15

Source: Agricultural Credit Department, Bangladesh Bank.