

Monthly Report on
Agriculture and Rural Finance¹



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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 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 February of FY25, agricultural credit disbursement by all scheduled banks amounted to BDT 2,910.50 crore, which was 1.55 percent lower than BDT 2,956.37 crore disbursed in the previous month and 14.73 percent higher compared to BDT 2,536.90 crore disbursed in February of FY24.
- Recovery of agricultural credit by all scheduled banks was BDT 2,646.36 crore in February of FY25, reflecting a 0.52 percent decline from BDT 2,660.09 crore recovered in January of FY25 and a 12.56 percent higher compared to BDT 2,351.12 crore recovered in February of FY24.
- At the end of February 2025, the outstanding balance (including interest) of agricultural credit for all scheduled banks stood at BDT 57,066.94 crore, reflecting a 2.16 percent increase from BDT 55,860.89 crore at the end of February 2024.
- At the end of February 2025, overdue of agricultural credit for all scheduled banks reached to BDT 10,234.61 crore which was 9.64 percent higher from BDT 9,334.39 crore in February 2024. This rise in overdue loans was primarily attributed to the lower recovery by Foreign Commercial Banks (FCBs) and increase in overdue loans of State-owned Commercial Banks (SCBs) and Private Commercial Banks (PCBs) in February 2025 compared to February 2024.
- In February FY25, Grameen Bank and ten Large NGOs collectively disbursed BDT 17,635.84 crore as microcredit, reflecting a 6.16 percent increase compared to February FY24. They recovered BDT 16,363.35 crore in February 2025, which was 1.06 percent lower than the same month of FY24. The outstanding microcredit balance for these organizations was BDT 121,688.59 crore, with overdue loans amounting to BDT 8,085.67 crore (representing 6.64 percent of the outstanding balance) at the end of February 2025.

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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 February of FY25, agricultural credit disbursement by all scheduled banks amounted to BDT 2,910.50 crore, which was 1.55 percent lower than BDT 2,956.37 crore disbursed in January of FY25 and 14.73 percent higher compared to BDT 2,536.90 crore disbursed in February of FY24 (Table 1).

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
January	2956.37	2827.68	2660.09	2531.05
February	2910.50	2536.90	2646.36	2351.12
Total	22125.98	23690.75	24423.71	22661.71

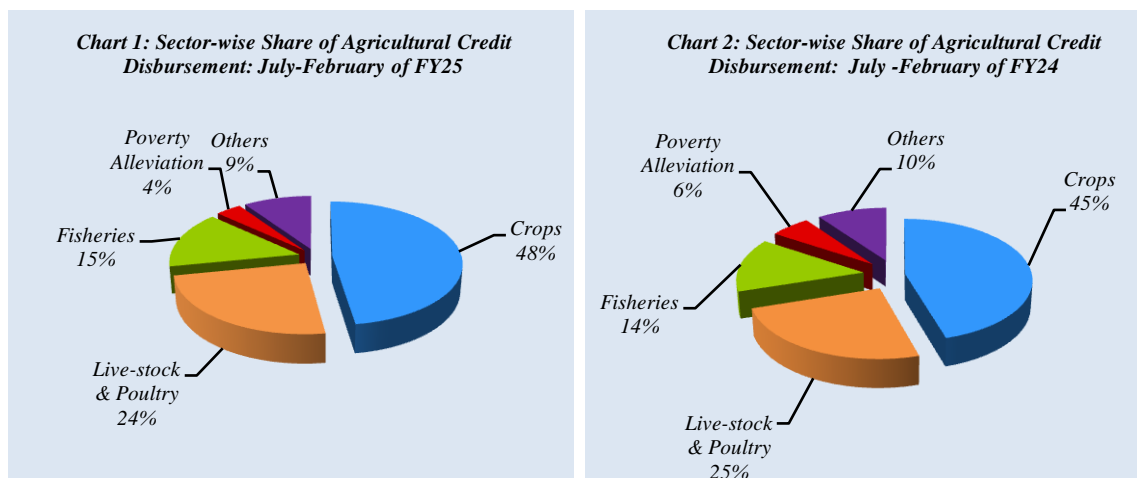
Source: Agricultural Credit Department, Bangladesh Bank.

In July-February of FY25, all scheduled banks disbursed BDT 22,125.98 crore, reflecting a 6.60 percent decrease from BDT 23,690.75 crore disbursed in the same period of FY24. The significant downturn is attributed to reduced disbursements by Private Commercial

Banks (16.71 percent) and State-Owned Commercial Banks (0.64 percent) in July-February of FY25 compared to the same period of FY24. The disbursement in State-Owned Specialized Banks and Foreign Commercial Banks increased by 12.85 percent and 4.93 percent in July-February of FY25 as compared to July-February of FY24 which has no significant impact in the overall decrease in disbursement.

1.2 Sector-wise disbursement

In July-February of FY25, the sector-wise allocation of agricultural credit disbursement by all scheduled banks is depicted in Chart-1. In July-February of FY25, the crops sub-sector continued to dominate, claiming 48 percent of the total share which was 45 percent in July-February of FY24. Livestock & poultry sector decreased its share from 25 percent in July-February of FY24 to 24 percent in July-February of FY25. The fisheries sector held disbursement share of 15 percent in July-February of FY25 which was 14 percent in July-February of FY24. The share of poverty alleviation and other sector decreased from 6 percent and 10 percent in July-February of FY24 to 4 percent and 9 percent in July-February of FY25. These changes indicate a growing focus on crops and fisheries sectors, with a corresponding reduction in the emphasis on poverty alleviation and Livestock & poultry sectors.



Source: Agricultural Credit Department, Bangladesh Bank.

1.3 Recovery

Recovery of agricultural credit by all scheduled banks was BDT 2,646.36 crore in February of FY25, reflecting a 0.52 percent decline from BDT 2,660.09 crore recovered

in January of FY25 and a 12.56 percent increase compared to BDT 2,351.12 crore recovered in February of FY24 (Table 1). In July-February of FY25, the recovery of agricultural credit by all scheduled banks increased by 7.78 percent to BDT 24,423.71 crore compared to BDT 22,661.71 crore during the same period of FY24. This overall increase was primarily driven by the 14.45 percent rise in recoveries from Private Commercial Banks (PCBs) and 9.67 percent rise in recoveries from State-owned Specialized Banks (SOSBs). In contrast, State-Owned Commercial Banks (SOCBs) and Foreign Commercial Banks (FCBs) recorded a decline of 1.58 and 58.73 percent respectively in recovery. Despite the declines in recovery of the above mentioned two banks, the significant rise in Private Commercial Banks (PCBs) and State-owned Specialized Banks (SOSBs) outweighed the decreases, leading to the overall positive growth in agricultural credit recovery (Annexure).

1.4 Outstanding and Overdue

At the end of February 2025, the outstanding agricultural credit balance (including interest) for all scheduled banks was BDT 57,066.94 crore, a slight increase of 2.16 percent from BDT 55,860.89 crore at the end of February 2024. The overdue agricultural credit rose significantly by 9.64 percent to BDT 10,234.61 crore at the end of February 2025 as compared to February 2024. This increase was driven by increases in overdue amounts for Private Commercial Banks (21.66 percent), State-Owned Commercial Banks (13.73 percent), and State-Owned Specialized Banks (2.93 percent). Notably, Foreign Commercial Banks maintained a zero overdue position at the end of both February 2025 and February 2024. In February of FY25, overdue loans accounted for 17.93 percent of the outstanding agricultural credit balance, up from 16.71 percent in February of FY24. This higher overdue in February 2025 compared to February 2024 highlights a large 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. In February of FY25, disbursement stood at BDT 130.37 crore which was 61.45 percent higher than BDT 80.75 crore in February 2024 and recovery stood at BDT 115.27 crore which was 7.01 percent lower as compared to BDT 123.96

crore in February 2024 (Table 2). During July-February of FY25, BRDB disbursed BDT 916.40 crore and recovered BDT 823.93 crore, representing decreases of 8.20 percent and 9.18 percent, respectively, compared to the same period of FY24.

Table 2: Agricultural Credit by BRDB and BSBL

(BDT in Crore)

	Target of FY25	February'25		February'24	
		Disbursement	Recovery	Disbursement	Recovery
BRDB	1523.18	130.37	115.27	80.75	123.96
BSBL	25.00	0.00	0.06	0.00	0.08
Total	1548.18	130.37	115.33	80.75	124.04
(Percent)	(3.91)	(4.29)	(4.18)	(3.08)	(5.01)

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. BSBL recovered BDT 0.06 crore in February of FY25, which was 25.0 percent lower compared to the recovery of BDT 0.08 crore in February of FY24 (Table-2). In July-February of FY25, BSBL refrained from disbursing funds and exercised caution due to the high overdue. BSBL recovered BDT 1.22 crore in July-February of FY25 which was 28.42 percent higher as compared to the recovery of BDT 0.95 crore in July-February of FY24.

2. Refinance Facility

Facility from Bangladesh Bank under Government Guarantee

To promote agricultural development and to 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-February of FY25, BKB and RAKUB did not apply for any short-term agricultural refinance facility. Out of BDT 1,000 crore sanctioned in FY 2023-24 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. BKB did not repayment any amount in February 2025. However, RAKUB paid BDT 1.56 crore as interest payment to BB of the short-term refinance credit in February 2025. The outstanding balance of refinance credit for BKB and RAKUB was BDT 2,120.23 crore as of February 2025 which was 15.30 percent lower compared to than that of BDT 2,503.37 crore as of February 2024.

3. Rural Finance

3.1 Palli Karma-Sahayak Foundation

In February 2025, Palli Karma-Sahayak Foundation (PKSF) disbursed BDT 697.03 crore to 285 partner organizations (POs) and recovered BDT 489.49 crore. These figures represent a 27.46 percent decrease in disbursement and a 31.32 percent increase in recovery compared to February 2024 (Table-3). In July-February of FY25, total disbursement of Palli Karma-Sahayak Foundation (PKSF) was BDT 5453.91 crore which was 12.42 percent higher as compared to the disbursement amount of BDT 4,851.51 crore in July-February of FY24. The recovery amount was BDT 4,119.48 crore in July-February of FY25 which was 14.08 percent higher as compared to the recovery of BDT 3,610.94 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
January	582.18	872.05	429.29	357.96
February	697.03	960.94	489.49	372.75
Total	5453.91	4851.51	4119.48	3610.94

Source: Palli Karma-Sahayak Foundation (PKSF).

At the end of February 2025, the outstanding balance of PKSF's loan program amounted to BDT 13,155.09 crore, with an overdue balance of BDT 172.91 crore. The outstanding

balance increased by 12.95 percent in February 2025 compared to February 2024. Meanwhile, the overdue balance decreased by 2.28 percent in February 2025, compared to the same month of the previous fiscal year.

3.2 Microcredit Operations by Grameen Bank and Ten Large NGOs²

In February 2025, Grameen Bank and ten prominent NGOs disbursed BDT 17,635.84 crore for microfinance programs aimed at fostering productive rural activities, marking an increase of 6.16 percent compared to February 2024.

Table 4: Microcredit Operation by NGOs in February 2025

(BDT in Crore)

NGOs	Disbursement	Recovery	Outstanding	Overdue
Grameen Bank	2212.55	2153.23	16490.88	511.59
BRAC	6663.83	6409.34	43543.13	2120.65
ASA	4284.61	4039.53	29748.79	3236.58
Proshika	191.93	198.97	1642.42	160.99
BURO Bangladesh	1499.00	1211.00	10695.00	676.00
TMSS	945.75	803.36	6320.38	409.35
RDRS Bangladesh	211.55	198.87	1549.94	186.00
CARITAS Bangladesh	71.76	66.92	531.85	107.36
Jagorani Chakra Foundation(JCF)	595.51	463.63	4870.96	255.19
Society for Social Service (SSS)	713.88	600.47	4368.28	309.41
Shakti Foundation	245.47	218.03	1926.96	112.55
Total	17635.84	16363.35	121688.59	8085.67

Source: Grameen Bank and respective NGOs.

Approximately 35.30 million members accessed this loan facility through a total of 13,592 branches operated by the top 11 Microfinance Institutions (MFIs). Notably, Grameen Bank, BRAC, and ASA collectively accounted for 74.63 percent of the total microcredit disbursed in February 2025.

The recovery efforts of these MFIs in February of FY25 amounted to BDT 16,363.35 crore, reflecting a 1.06 percent increase from February of FY24. As on February 2025, the outstanding balance of these MFIs stood at BDT 121,688.59 crore, marking a 3.43 percent rise compared to February 2024. Additionally, the overdue amount for MFIs remained at BDT 8,085.67 crore as on February 2025, representing a 45.82 percent increase as compared to the overdue amount of BDT 5544.87 crore in February 2024

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

(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

Agricultural credit disbursement in February of FY25 showed notable growth compared to the previous year but experienced a slight decline from the previous month, while recovery followed a similar trend, reflecting overall positive momentum with minor short-term fluctuations. At the end of February 2025, the sharp rise in overdue loans, particularly in Private Commercial Banks (PCBs) and 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. The sector-wise disbursement reflects shifting priorities in agricultural credit allocation, but the reduced funding for poverty alleviation and the livestock & poultry sectors raises concerns about its potential impact.

5. Recent Measures by BB for Agriculture and Rural Finance

- According to ACD Circular No. 1, issued on 23 March 2025, CIB report must be evaluated before issuing or renewal of agricultural and rural credit (except MFI linkage). (circular link: [mar232025acd101.pdf](#))
- 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 \(bb.org.bd\)](#)).
- 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 \(bb.org.bd\)](#)).

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)	
	FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23
July	1991.27	1664.77	2710.32	2045.8	52361.91	50757.43	8627.61	7500.15
August	3316.99	2172.53	2540.26	2077.33	53230.38	50235.4	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	54862.5	50468	8521.57	7693.51
November	3319.61	3308.34	3470	3090.79	54590.56	50206.69	8339.3	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	2536.9	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	6949.3
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	9368.2	6541.39
Total	37153.9	32829.89	35571.62	33010.09	58119.59	52704.45	9368.2	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	2080.2	3316.99	2891.67	2540.26	55822.75	53230.38	11844.2	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
Total	22125.98	23690.75	24423.71	22661.71	57066.94	55860.89	10234.61	9334.39

Source: Agricultural Credit Department, Bangladesh Bank.