

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 January of FY25, agricultural credit disbursement by all scheduled banks amounted to BDT 2,956.37 crore, which was 6.97 percent lower than BDT 3,177.96 crore disbursed in previous month and 4.55 percent higher compared to BDT 2,827.68 crore disbursed in January of FY24.
- Recovery of agricultural credit by all scheduled banks was BDT 2,660.09 crore in January of FY25, reflecting a 12.72 percent decline from BDT 3,047.76 crore recovered in December of FY25 and a 5.10 percent higher compared to BDT 2,531.05 crore recovered in January of FY24.
- At the end of January 2025, the outstanding balance (including interest) of agricultural credit for all scheduled banks stood at BDT 56,407.31 crore, reflecting a 1.39 percent increase from the BDT 55,634.92 crore outstanding at the end of January 2024.
- At the end of January 2025, overdue of agricultural credit for all scheduled banks reached to BDT 10,590.51 crore which was 17.26 percent higher from BDT 9,031.63 crore in January 2024. This increase in overdue loans is mainly due to the lower recovery of State-owned Commercial Banks (SCBs) and higher overdue loans of State-owned Commercial Banks (SCBs) and Private Commercial Banks (PCBs) in January 2025 as compared to January 2024.
- In January FY25, Grameen Bank and ten Large NGOs collectively disbursed BDT 18,019.55 crore as microcredit, reflecting a 9.21 percent increase compared to January FY24. They recovered BDT 17,065.55 crore, which was 0.44 percent lower than the same period in FY24. The outstanding microcredit balance for these organizations was BDT 119,772.95 crore, with overdue loans amounting to BDT 7,711.20 crore (representing 6.44 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 January of FY25, agricultural credit disbursement by all scheduled banks amounted to BDT 2,956.37 crore, which was 6.97 percent lower than BDT 3,177.96 crore disbursed in December of FY25 and 4.55 percent higher compared to BDT 2,827.68 crore disbursed in January 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
January	2956.37	2827.68	2660.09	2531.05
Total	19215.48	21153.85	21777.35	20310.59

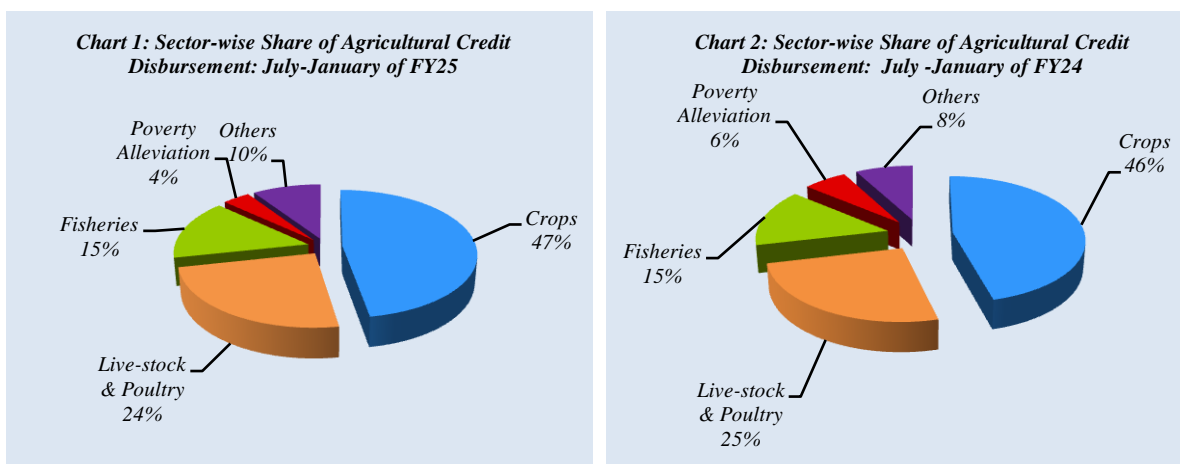
Source: Agricultural Credit Department, Bangladesh Bank.

In July-January of FY25, all scheduled banks disbursed BDT 19,215.48 crore, reflecting a 9.16 percent decrease from BDT 21,153.85 crore disbursed in the same period of FY24. The significant downturn is attributed to reduced disbursements by Private Commercial Banks (18.86 percent), Foreign Commercial Banks (8.97

percent), and State-Owned Commercial Banks (3.61 percent) in July-January of FY25 compared to the same period of FY24. The disbursement in State-Owned Specialized Banks increased by 10.64 percent in July-January of FY25 as compared to July-January of FY24 which has no significant impact in the overall decrease in disbursement.

1.2 Sector-wise disbursement

In July-January of FY25, the sector-wise allocation of agricultural credit disbursement by all scheduled banks is depicted in Chart-1. In July-January of FY25, the crops sub-sector continued to dominate, claiming 47 percent of the total share which was 46 percent in July-January of FY24. Livestock and poultry sector decreased its share from 25 percent in July-January of FY24 to 24 percent in July-January of FY25. The fisheries sector held disbursement share of 15 percent which was same as that of July-January of FY24. The share of poverty alleviation decreased from 6 percent in July-January of FY24 to 4 percent in July-January of FY25, while the disbursement in others category increased to 10 percent in July-January of FY25 as compared to 8 percent in the same period of previous fiscal year. These changes indicate a growing focus on crops and other sectors, 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 2,660.09 crore in January of FY25, reflecting a 12.72 percent decline from BDT 3,047.76 crore recovered in December of FY25 and a 5.10 percent increase compared to BDT 2,531.05 crore recovered in January of FY24. In July-January of FY25, the recovery of agricultural credit by all scheduled banks increased by 7.22 percent to BDT 21,777.35 crore compared to BDT 20,310.59 crore during the same period of FY24. This overall increase was primarily driven by the 14.27 percent rise in recoveries from Private Commercial Banks (PCBs) and 6.18 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 2.96 and 52.95 percent respectively in recovery. Despite the declines in State-Owned Commercial Banks (SOCBs) and Foreign Commercial Banks (FCBs), 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 January 2025, the outstanding agricultural credit balance (including interest) for all scheduled banks was BDT 56,407.31 crore, a slight increase of 1.39 percent from BDT 55,634.92 crore at the end of January 2024. The overdue agricultural credit rose significantly by 17.26 percent to BDT 10,590.51 crore, driven by increases in overdue amounts for Private Commercial Banks (32.63 percent), State-Owned Commercial Banks (25.73 percent), and State-Owned Specialized Banks (6.21 percent). Notably, Foreign Commercial Banks maintained a zero overdue position at the end of both January 2025 and January 2024. In January of FY25, overdue loans accounted for 18.78 percent of the outstanding agricultural credit balance, up from 16.23 percent in January of FY24. Despite the overdue loans has been lower in January 2025 than December 2024, it was higher compared to January 2024 which 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. During July-January of FY25, BRDB disbursed BDT 786.03 crore and recovered BDT 708.66 crore, representing decreases of 14.33 percent and 9.53 percent, respectively, compared to the same period of FY24. In January of FY25, disbursement stood at BDT 122.92 crore and recovery stood at BDT 120.89 crore (Table 2).

Table 2: Agricultural Credit by BRDB and BSBL

(BDT in Crore)

	Target of FY25	January'25		January'24	
		Disbursement	Recovery	Disbursement	Recovery
BRDB	1523.18	122.92	120.89	30.66	38.15
BSBL	25.00	0.00	0.44	0.00	0.11
Total	1548.18	122.92	121.33	30.66	38.26
(Percent)	(3.91)	(3.99)	(4.36)	(1.07)	(1.49)

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-January of FY25, BSBL refrained from disbursing funds and exercised caution due to the high overdue. However, BSBL recovered BDT 1.16 crore in July-January of FY25 which was 33.33 percent higher as compared to the recovery of BDT 0.87 crore in July-January of FY24. BSBL recovered BDT 0.44 crore in January of FY25, which was three times higher compared to the recovery of BDT 0.11 crore in January of 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-January of FY25, BKB and RAKUB did not apply for any short-term agricultural refinance facility. However, RAKUB paid BDT 1.72 crore as interest payment to BB of the short-term refinance credit in January 2025. The outstanding balance of refinance credit for BKB and RAKUB was BDT 2,121.78 crore as of January 2025.

3. Rural Finance

3.1 Palli Karma-Sahayak Foundation

In January 2025, Palli Karma-Sahayak Foundation (PKSF) disbursed BDT 582.18 crore to 285 partner organizations (POs) and recovered BDT 429.29 crore. These figures represent a 33.24 percent decrease in disbursement and a 19.93 percent increase in recovery compared to January 2024. In July-January of FY25, total disbursement of Palli Karma-Sahayak Foundation (PKSF) was BDT 4,756.88 crore which was 22.27 percent higher as compared to the disbursement amount of BDT 3,890.57 crore in July-January of FY24. The recovery amount was BDT 3,629.99 crore in July-January of FY25 which was 12.10 percent higher as compared to the recovery of BDT 3,238.19 crore in the same period of FY24 (Table-3).

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
Total	4756.88	3890.57	3629.99	3238.19

Source: Palli Karma-Sahayak Foundation (PKSF).

At the end of January 2025, the outstanding balance of PKSf's loan program amounted to BDT 12,947.54 crore, with an overdue balance of BDT 150.83 crore. The outstanding balance increased by 17.08 percent in January 2025 compared to January 2024. Meanwhile, the overdue balance decreased by 14.50 percent in January 2025, compared to the same month of the previous fiscal year.

3.2 Microcredit Operations by Grameen Bank and Ten Large NGOs²

In January 2025, Grameen Bank and ten prominent NGOs disbursed BDT 18,019.55 crore for microfinance programs aimed at fostering productive rural activities, marking an increase of 9.21 percent compared to January 2024. Approximately 35.02 million members accessed this loan facility through a total of 13,560 branches operated by the top 11 Microfinance Institutions (MFIs). Notably, Grameen Bank, BRAC, and ASA collectively accounted for 73.93 percent of the total microcredit disbursed in January 2025.

Table 4: Microcredit Operation by NGOs in January 2025

(BDT in Crore)

NGOs	Disbursement	Recovery	Outstanding	Overdue
Grameen Bank	2395.41	2355.48	16431.57	475.55
BRAC	6722.43	6469.23	42536.42	2015.84
ASA	4204.12	4315.41	29503.67	3133.36
Proshika	200.36	215.23	1625.65	149.59
BURO Bangladesh	1552.00	1246.00	10408.00	623.00
TMSS	969.57	831.90	6177.99	390.61
RDRS Bangladesh	233.28	205.40	1537.27	183.27
CARITAS Bangladesh	76.65	73.89	527.02	105.34
Jagorani Chakra Foundation(JCF)	613.45	462.88	4870.96	248.90
Society for Social Service (SSS)	800.88	657.04	4254.87	302.03
Shakti Foundation	251.40	233.09	1899.53	83.71
Total	18019.55	17065.55	119772.95	7711.20

Source: Grameen Bank and respective NGOs.

The recovery efforts of these MFIs in January of FY25 amounted to BDT 17,065.55 crore, reflecting a 0.44 percent decrease from January of FY24. As on January 2025,

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

the outstanding balance of these MFIs stood at BDT 119,772.95 crore, marking a 5.26 percent rise compared to January 2024. Additionally, the overdue amount for MFIs remained at BDT 7,711.20 crore as on January 2025, representing a 43.03 percent increase as compared to the overdue amount of January 2024 (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 July-January of FY25, agricultural credit recovery has shown positive growth, the decline in disbursement indicates challenges in meeting the targets for FY25. At the end of January 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. A shift towards crops and other sectors 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 \(bb.org.bd\)](#)).

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
Total	19215.48	21153.85	21777.35	20310.59	56407.31	55634.92	10590.51	9031.63

Source: Agricultural Credit Department, Bangladesh Bank.