

Monthly Report on **Agriculture and Rural Finance**



July 2026

Research Department
(Internal Economic Wing)
Bangladesh Bank

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Highlights —July 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 July FY27, schedule banks disbursed BDT 2,658.31 crore representing a 44.12 percent decrease from BDT 4,757.55 crore disbursed in June FY26, and 23.41 percent rise compared to BDT 2,154.03 crore disbursed in July FY26.
- Credit recovery by scheduled banks was BDT 3,520.96 crore in July FY27, reflecting a 41.46 percent reduction from recovery BDT 6,014.38 crore in June FY26 and a 19.21 percent increase compared to recovery BDT 2,953.62 crore in July FY26.
- As of end of July FY27, the outstanding balance (including interest) of agricultural credit for scheduled banks stood at BDT 62,866.97 crore, reflecting a 5.71 percent increase compared to July FY26 end balance of BDT 59,470.95 crore.
- Overdue of agricultural credit of scheduled banks stood at BDT 22,367.73 crore at the end of July FY27, which was 6.04 percent lower than July FY26 end overdue of BDT 23,806.61 crore.
- In July 2026, Grameen Bank and ten Large NGOs jointly disbursed BDT 18,563.78 crore as microcredit, showing a 11.72 percent rise compared to July 2025. Recovery in July 2026 increased by 10.96 percent to BDT 18,621.95 crore with compared to July 2025. The outstanding microcredit balance for these institutions stood BDT 13,5615.92 crore, with overdue loans BDT 8,496.39 crore (6.27 percent of outstanding) at the end of July 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 2,575.00 crore for foreign commercial banks (FCBs) for FY27.

In July FY27, agricultural credit disbursement by the scheduled banks was recorded BDT 2,658.31 crore, that was 44.12 percent lower than the disbursement of BDT 4,757.55 crore in previous month and 23.41 percent higher compared to disbursement of BDT 2,154.03 crore in the same month of FY26 (Table 1).

Table 1: Agricultural Credit by Scheduled Banks

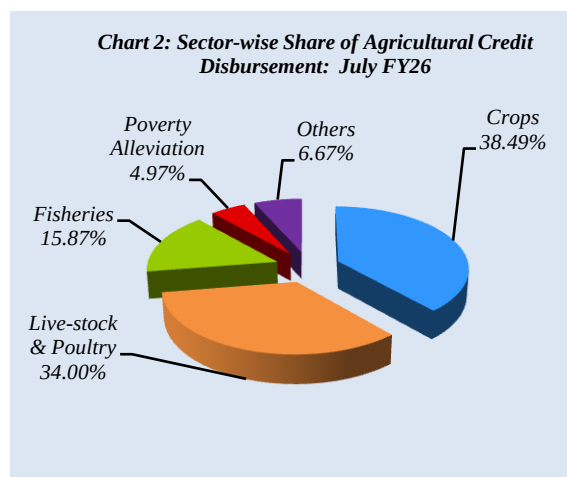
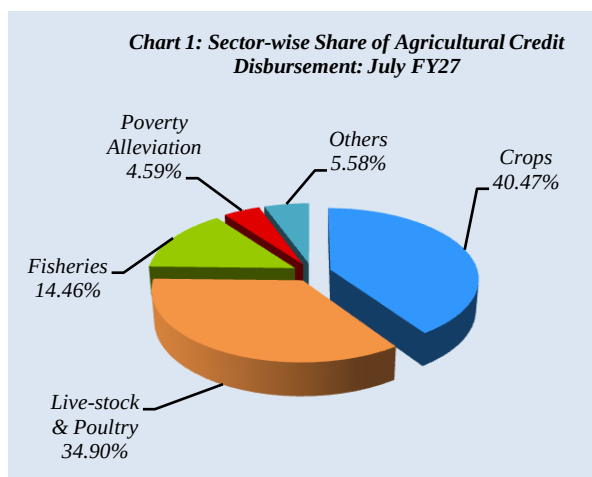
(BDT in Crore)

Month	Disbursement		Recovery	
	FY26	FY25	FY26	FY25
June	4757.55	5114.94	6014.38	4133.64
July-June	42834.16	37326.52	45626.93	38024.50
	FY27	FY26	FY27	FY26
July	2658.31	2154.03	3520.96	2953.62
Total	2658.31	2154.03	3520.96	2953.62

Source: Agricultural Credit Department-1, Bangladesh Bank.

1.2 Sector-wise disbursement

In July FY27, share of agricultural credit disbursement in crops and livestock & poultry showed increase of 1.98 and 0.9 percentage points respectively compared to July FY26. In contrast, disbursement shares in fisheries and poverty alleviation, declined by 1.41 and 0.38 percentage points in July FY27 compared to corresponding month of FY26. Mentionable, increased crops disbursement in July reveals a primary cropping cycles including the *Aman* rice cultivation and preparations for early winter crop. In addition, increased focus on livestock & poultry signals a diversification of rural, livestock-based livelihood activities.



Source: Agricultural Credit Department-1, Bangladesh Bank.

1.3 Recovery

Recovery of agricultural credit by scheduled banks was BDT 3,520.96 crore in July FY27 reflecting a 41.46 percent decrease from recovery BDT 6,014.38 crore in June FY26 and a 19.21 percent increase compared to recovery BDT 2,953.62 crore in July FY26 (Table 1 and Annexure 1). Year on year increase in credit recovery was mainly driven by higher recoveries by FCBs and PCBs.

1.4 Outstanding and Overdue

As of end of July FY27, the outstanding balance (including interest) of agricultural credit for scheduled banks stood at BDT 62,866.97 crore, reflecting a 5.71 percent increase compared to end July FY26 balance of BDT 59,470.95 crore. However, FCBs loan outstanding decreased to BDT 724.97 at the end of July FY27. The overdue of agricultural credit of scheduled banks stood at BDT 22,367.73 crore at the end of July FY27, which was 6.04 percent lower than end July overdue of BDT 23,806.61 crore in FY26. The reduction in overdue was primarily stemming from smaller overdue position of SBs and PCBs, 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 1506.65 crore for FY27. In July FY27, disbursement was BDT 115.12 crore, increased by 21.10 percent compared to July FY26, while recovery grew by 20.67 percent to BDT 125.61 crore in July FY27 compared to July FY26 (Table 2).

Table 2: Agricultural Credit by BRDB and BSBL

(BDT in Crore)

	Target of FY27	July 2026		July 2025	
		Disbursement	Recovery	Disbursement	Recovery
BRDB	1506.65	115.12	125.61	95.06	104.09
BSBL	25.00	0.00	0.05	0.00	0.07
Total	1531.65	115.12	125.66	95.06	104.16
(Percent)	(2.49)	(4.15)	(3.45)	(4.23)	(3.41)

Source: Agricultural Credit Department, Bangladesh Bank.

Note: figure in the parenthesis shows percentage 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 0.05 crore of the previous debt, BSBL didn't disburse any funds in July FY27, implying a cautious lending amid high overdue position.

2. Refinance Facility**Facility from Bangladesh Bank under Government Guarantee**

In July FY27, no funds were sanctioned for short-term agri-refinance facility in favor of BKB and RAKUB. Mentionable, approved refinancing facility was BDT 1,000 crore for a period of 01 year at the prevailing bank rate (4 percent) in favor of RAKUB based on 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 July FY27, Palli Karma-Sahayak Foundation (PKSF) disbursed BDT 30.00 crore and recovered BDT 624.87 crore. The figures show a 41.18 percent fall in disbursement and a 40.50 percent rise in recovery compared to July FY26 (Table 3).

Table 3: Rural Credit by PKSF

(BDT in Crore)

Month	Disbursement		Recovery	
	FY26	FY25	FY26	FY25
July-June	11029.94	9357.74	8179.10	7073.29
	FY27	FY26	FY27	FY26
July	30.00	51.00	624.87	444.74
Total	30.00	51.00	624.87	444.74

Source: Palli Karma-Sahayak Foundation (PKSF).

As of end July 2026, PKSf's loan outstanding stood BDT 16,361.05 crore, along with an overdue balance of BDT 109.73 crore. Overdue as percentage of outstanding was only 0.68 percent implying an effective credit management of PKSf.

3.2 Microcredit Operations by Grameen Bank and Ten Large NGOs²

In July 2026, Grameen Bank and leading ten NGOs disbursed BDT 18,563.78 crore for microfinance programs intended to support productive rural livelihoods, which was 11.72 percent higher compare to the disbursement in July 2025.

Table 4: Microcredit Operation by NGOs in July 2026

(BDT in Crore)

NGOs	(Without Interest)			
	Disbursement	Recovery	Outstanding	Overdue
Grameen Bank	2649.60	2461.05	18440.79	727.55
BRAC	6664.16	6977.39	48972.71	2241.68
ASA	3516.06	3893.82	26984.74	3230.41
Proshika	216.49	199.96	1737.85	288.07
BURO Bangladesh	1973.31	1839.30	14276.91	399.10
TMSS	1119.28	1043.62	7615.16	551.68
RDRS Bangladesh	271.97	251.35	1816.02	161.00
CARITAS Bangladesh	77.89	79.99	582.03	112.27
Jagorani Chakra Foundation(JCF)	829.85	697.50	6918.81	326.90
Society for Social Service (SSS)	991.75	925.60	6249.55	394.02
Shakti Foundation	253.42	252.36	2021.35	63.71
Total	18563.78	18621.95	135615.92	8496.39

Source: Grameen Bank and respective NGOs.

Nearly 38 million members accessed the facility through a total of 14,561 branches operated by the top 11 Microfinance Institutions (MFIs). Mentionable, Grameen Bank, BRAC, and ASA, had 69.11 percent joint contribution to the total disbursement in July 2026 (Table 4).

Recovery of 11 MFIs was BDT 18,621.95 crore in July 2026, marking a 10.96 percent increase compared to July 2025. Outstanding balance of 11 MFIs as of end July 2026, reached at BDT 135,615.92 crore, along with an overdue amount of BDT 8,496.39 crore. As percentage of outstanding, overdue was 6.27 percent, indicating possibilities for a notable

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

portion of borrowers experiencing repayment difficulties, or temporary cash-flow constraints by dint of seasonal fluctuations in rural earnings, or rising operating costs.

4. Conclusion

In July FY27, the agricultural and rural credit sector showed overall positive developments. Agricultural credit disbursement and recovery increased compared with July FY26, although they declined while comparing the previous month. 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 slightly reduced, primarily stemming from smaller overdue position of SBs and PCBs, attributed to higher base effect from the April 2025 loan classification change.

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 by Bangladesh Bank for Agriculture and Rural Finance

- As per ACD-1 Circular Letter No. 02 issued on 06 July 2026, A BDT 3,000 crore refinance fund has been established from the surplus liquidity of scheduled banks under Bangladesh Bank's management to strengthen the agricultural value chain in the northern region, covering production, preservation, marketing, processing, and export, while creating employment opportunities. The tenure of the fund is 3 years from the date of issuance of the circular.
(circular link: <https://www.bb.org.bd/mediaroom/circulars/acd/jul062026acd-102.pdf>)
- As per ACD-1 Circular Letter No. 02 issued on 01 July 2026, Bangladesh Bank has formed the Bangladesh Bank Agricultural Development Fund (BBADCF) for scheduled banks under its Annual Agricultural and Rural Credit Policy and Programme, in order to achieve one hundred percent of the annual agricultural and rural credit disbursement target.
(circular link: <https://www.bb.org.bd/mediaroom/circulars/acd/jul012026acd-1102.pdf>)
- As per BRPD-1 circular letter no. 17 issued on 13 May 2026, while a loan/installments of a loan becoming fully or partially overdue, the maximum penal interest could be applied on such loans was revised from 1.5 percent to 0.5 percent of the full amount of a demand/continuous loan and overdue installments of a term loan (circular link: [may132026brpd-1117.pdf](https://www.bb.org.bd/mediaroom/circulars/brpd/may132026brpd-1117.pdf))

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	2080.2	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
Total	2658.31	2154.03	3520.96	2953.62	62866.97	59470.95	22367.73	23806.61

Source: Agricultural Credit Department-1, Bangladesh Bank.