

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 previous year's 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.
- All scheduled banks disbursed BDT 37,326.52 crore in agricultural credit in FY25 which was 98.23 percent of disbursement target of BDT 38,000 crore in FY25 and 0.46 percent higher than the disbursement of BDT 37,153.90 crore in FY24. In June of FY25 all schedule banks disbursed BDT 5,114.94 crore marking 32.59 percent increase compared to BDT 3,857.81 crore in June of FY24.
- In FY25 all schedule banks recovered BDT 38,024.50 crore which was 6.90 percent higher than the recovery of BDT 35,571.62 crore in FY24. Agricultural credit recovery by all scheduled banks reached BDT 4,133.64 crore in June 2025, increased 33.99 percent from BDT 3,085.05 crore in the previous month and 29.34 percent higher than BDT 3,196.01 crore recovered in June of FY24.
- At the end of FY25, the outstanding balance (including interest) of agricultural credit for all scheduled banks stood at BDT 60,232.42 crore, reflecting a 3.64 percent increase from BDT 58,119.59 crore at the end of FY24.
- Overdue of agricultural credit of all scheduled banks stood at BDT 21,629.76 crore at the end of FY25 which was 130.88 percent higher compared to BDT 9,368.20 crore at the end of FY24. This increase in overdue loans was primarily attributed to the higher overdue of State-owned Specialized Banks (SOSBs) and Private Commercial Banks (PCBs) in June 2025 compared to June 2024.
- In June of FY25, Grameen Bank and ten Large NGOs collectively disbursed BDT 14,089.26 crore as microcredit, reflecting a 4.19 percent increase compared to June of FY24. They recovered BDT 15,736.34 crore in June 2025, which was 1.92 percent higher than the same month of FY24. The outstanding microcredit balance for these organizations was BDT 120,998.85 crore, with overdue loans amounting to BDT 7,816.74 crore (representing 6.46 percent of the outstanding balance) at the end of June 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 FY25, agricultural credit disbursement by all scheduled banks recorded at BDT 37,326.52 crore which was 98.23 percent of disbursement target of BDT 38,000 crore in FY25 and 0.46 percent higher than the disbursement of BDT 37,153.90 crore in FY24. In June of FY25 all schedule banks disbursed BDT 5,114.94 crore marking 24.40 percent and 32.59 percent increase compared to BDT 4,111.79 crore in previous month and BDT 3,857.81 crore in June of FY24 respectively (Table 1).

Table 1: Agricultural Credit by Scheduled Banks

(BDT in Crore)

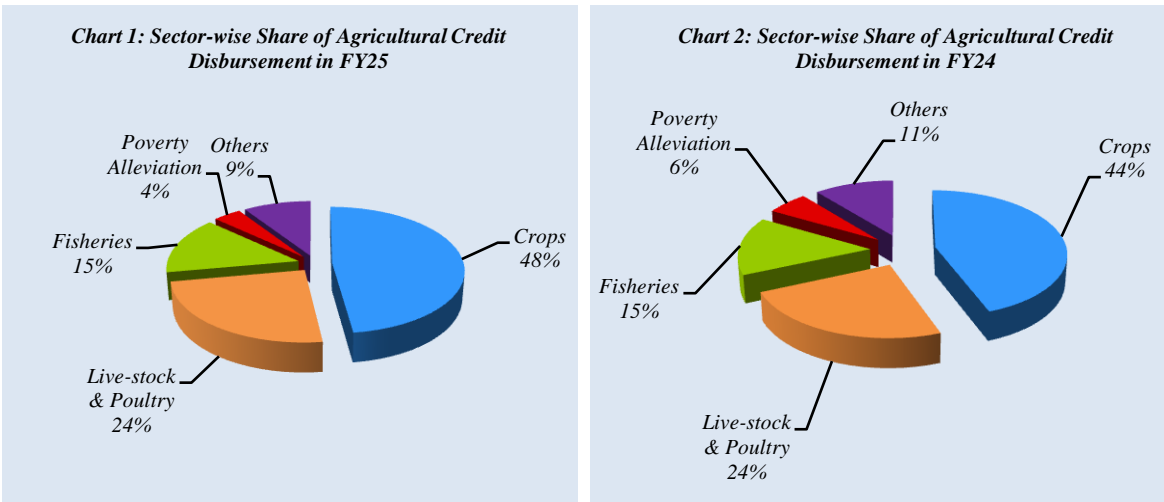
Month	Disbursement		Recovery	
	FY24	FY23	FY24	FY23
July-June	37153.9	32829.89	35571.62	33010.09
	FY25	FY24	FY25	FY24
July	1790.71	1991.27	2553.79	2710.32
August	2080.20	3316.99	2891.67	2540.26
September	2587.27	3516.38	3764.51	2763.73
October	2933.18	3135.87	3112.45	2934.14
November	3689.79	3319.61	3747.08	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
March	2734.58	2976.88	3019.60	2749.03
April	3239.23	3436.54	3362.50	3538.44
May	4111.79	3191.92	3085.05	3426.43
June	5114.94	3857.81	4133.64	3196.01
Total	37326.52	37153.90	38024.50	35571.62

Source: Agricultural Credit Department, Bangladesh Bank.

This significant increase is attributed to higher disbursements by Foreign Commercial Banks (FCBs), Private Commercial Banks (PCBs), and State-Owned Specialized Banks (SOSBs) in June of FY25 compared to the same month of FY24. Additionally, the overall increase of disbursement in FY25 compared to FY24 is also due to the higher disbursement of Foreign Commercial Banks (FCBs) and State-Owned Specialized Banks (SOSBs).

1.2 Sector-wise disbursement

In FY25, scheduled banks significantly increased their focus on crop-based agricultural credit comprising 48 percent of total disbursement which was 44 percent in FY24. Credit to livestock & poultry and fisheries remained unchanged at 15 percent in FY25 compared to FY24. In contrast, allocations for poverty alleviation and other sectors declined to 4 percent and 9 percent in FY25, down from 6 percent and 11 percent in FY24 respectively. These shifts reflect a strategic reallocation of resources toward more productive and food security-driven sub-sectors, particularly crops. This focus may enhance agricultural output and resilience, laying a foundation for future expansion of support to poverty alleviation and other sectors.



Source: Agricultural Credit Department, Bangladesh Bank.

1.3 Recovery

In FY25, recovery of agricultural credit by all scheduled banks was BDT 38,024.50 crore which was 6.90 percent higher than the recovery of BDT 35,571.62 crore in FY24. Recovery of agricultural credit by all scheduled banks was BDT 4,133.64 crore in June of FY25 marking significant increase of 33.99 percent and 29.34 percent compared to the recovery of BDT 3,085.05 crore in May of FY25 and BDT 3,196.01 crore in June of FY24. This overall increase in the recovery of agricultural credit in FY25 was primarily driven by the 11.22 percent rise in recoveries from Private Commercial Banks (PCBs), 8.05 percent rise in recoveries from State-owned Specialized Banks (SOSBs), and 0.54 percent increase in recoveries of State-owned Commercial Banks (SOCBs) (Annexure).

1.4 Outstanding and Overdue

At the end of FY25, the outstanding balance of agricultural credit (including interest) for all scheduled banks was BDT 60,232.42 crore, which was 3.64 percent higher from BDT 58,119.59 crore at the end FY24. This increase in outstanding was driven by the rise in outstanding balance of Foreign Commercial Banks (FCBs), State-owned Commercial Banks (SOCBs), and State-owned Specialized Banks (SOSBs). The overdue agricultural credit increased by 130.88 percent to BDT 21,629.76 crore at the end of FY25 as

compared to BDT 9,368.20 crore at the end of FY24. This increase was mainly driven by the rise in overdue of State-owned Specialized Banks (SOSBs) and Private Commercial Banks (PCBs). The loan classification criteria effective from April 2025 also attributed to this significant rise in overdue in June 2025. The rise in overdue loans signals growing concerns over credit recovery and requirement for stronger oversight and risk management to address the credit recovery challenges in 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 June of FY25, agricultural credit disbursement was BDT 178.53 crore, decreased by 14.16 percent from BDT 207.97 crore in June 2024, while recovery decreased by 3.72 percent to BDT 149.60 crore in June of FY25 from BDT 155.38 crore in June of FY24 (Table 2). In FY25, BRDB disbursed BDT 1,427.74 crore and recovered BDT 1,276.57 crore, representing a decreases of 8.47 percent and 7.50 percent, respectively, compared to FY24.

Table 2: Agricultural Credit by BRDB and BSBL

(BDT in Crore)					
	Target of FY25	June'25		June'24	
		Disbursement	Recovery	Disbursement	Recovery
BRDB	1523.18	178.53	149.60	207.97	155.38
BSBL	25.00	0.00	0.23	0.17	0.34
Total (Percent)	1548.18 (3.91)	178.53 (3.37)	149.83 (3.50)	208.14 (5.12)	155.72 (4.65)

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 1.68 crore in FY25, which was 5.00 percent higher compared to the recovery of BDT 1.60 crore in FY24 (Table-2). In FY25, BSBL refrained from disbursing funds and exercised caution due to the high overdue. BSBL recovered BDT 0.23 crore in June of FY25 which was 32.35 percent lower as compared to the recovery of BDT 0.34 crore in June of FY24.

2. Refinance Facility

Facility from Bangladesh Bank under Government Guarantee

In FY25, BKB and RAKUB did not apply for any short-term agricultural refinance facility. Out of BDT 1,000 crore sanctioned in FY24 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. In June of FY25, BKB and RAKUB paid BDT 82.32 crore and BDT 24.93 crore respectively for 16th

installment of interest-free blocked account. RAKUB also paid BDT 1.67 crore as interest payment to BB of the short-term refinance credit in June 2025. The outstanding balance of refinance credit for BKB and RAKUB was BDT 2,006.20 crore as of June 2025 which was 25.47 percent lower compared to BDT 2,727.25 crore as of June 2024.

3. Rural Finance

3.1 Palli Karma-Sahayak Foundation

In June 2025, Palli Karma-Sahayak Foundation (PKSF) disbursed BDT 478.22 crore to 289 partner organizations (POs) and recovered BDT 989.89 crore. These figures represent a 62.34 percent decrease in disbursement and an 8.28 percent increase in recovery compared to June 2024 (Table-3). In FY25, total disbursement of Palli Karma-Sahayak Foundation (PKSF) was BDT 9,357.74 crore which was 23.89 percent higher as compared to the disbursed amount of BDT 7,553.11 crore in FY24. The recovery amount was BDT 7,073.29 crore in FY25 which was 15.22 percent higher as compared to the recovery of BDT 6,139.10 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
March	836.87	530.23	784.58	769.18
April	455.34	197.00	586.95	421.43
May	2133.40	704.42	592.39	423.31
June	478.22	1269.95	989.89	914.24
Total	9357.74	7553.11	7073.29	6139.10

Source: Palli Karma-Sahayak Foundation (PKSF).

At the end of June 2025, the outstanding balance of PKSF’s loan program amounted to BDT 14,105.10 crore, with an overdue balance of BDT 95.86 crore. The outstanding balance increased by 19.33 percent in June 2025 compared to June 2024. Meanwhile, the overdue balance decreased by 41.21 percent in June 2025, compared to the same month of the previous fiscal year.

3.2 Microcredit Operations by Grameen Bank and Ten Large NGOs²

In June 2025, Grameen Bank and ten prominent NGOs disbursed BDT 14,089.26 crore for microfinance programs aimed at fostering productive rural activities, which was 4.19 percent higher as compared to the disbursement amount of June 2024.

Table 4: Microcredit Operation by NGOs in June 2025

NGOs	(Without Interest)			
	Disbursement	Recovery	Outstanding	Overdue
Grameen Bank	1766.42	1723.20	16799.83	598.25
BRAC	5494.95	6282.66	42992.56	1977.45
ASA	2994.78	3343.06	27357.49	3249.36
Proshika	167.02	161.16	1718.74	186.73
BURO Bangladesh	1331.11	1372.28	11461.67	367.65
TMSS	748.88	908.64	6445.00	454.76
RDRS Bangladesh	194.39	211.39	1562.81	177.19
CARITAS Bangladesh	57.97	62.80	542.12	101.57
Jagorani Chakra Foundation(JCF)	573.39	506.47	5475.37	278.37
Society for Social Service (SSS)	563.93	883.81	4744.08	348.18
Shakti Foundation	196.42	280.86	1899.20	77.22
Total	14089.26	15736.34	120998.85	7816.74

Source: Grameen Bank and respective NGOs.

Approximately 36.22 million members accessed this loan facility through a total of 13,940 branches operated by the top 11 Microfinance Institutions (MFIs). Notably, Grameen Bank, BRAC, and ASA collectively accounted for 72.79 percent of the total microcredit disbursed in June 2025.

The recovery efforts of these MFIs in June of FY25 amounted to BDT 15,736.34 crore, reflecting a 1.92 percent increase from BDT 15,439.74 crore in June of FY24. As on June 2025, the outstanding balance of these MFIs stood at BDT 120,998.85 crore, marking a 6.65 percent rise compared to June 2024. Additionally, the overdue amount for MFIs remained at BDT 7,816.74 crore as on June 2025, representing a 35.27 percent increase as compared to the overdue amount of BDT 5,778.81 crore in June 2024 (Table-4). The significant rise in overdue balances is mainly due to erratic borrower behavior and payment difficulties caused by crop losses from floods and rising living costs. Additionally, overdue loans grow faster due to their lower recovery rates compared to regularly repaid loans.

4. Conclusion

The agricultural credit sector in FY25 showed notable progress in terms of disbursement and recovery, with overall disbursements nearly meeting the enhanced annual target and recovery figures surpassing those of FY24. However, the sharp rise in overdue loans,

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

particularly from State-owned Specialized Banks and Private Commercial Banks, is a cause for concern and calls for strengthened credit monitoring and risk management. While microcredit institutions like Grameen Bank and large NGOs continued to show steady performance, the sector's long-term sustainability will depend on strengthening repayment practices while ensuring that farmers continue to have reliable access to credit.

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	9368.20	6541.39
Total	37153.90	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
March	2734.58	2976.88	3019.60	2749.03	56965.12	56565.61	10096.93	10175.78
April	3239.23	3436.54	3362.50	3538.44	57153.48	56487.15	9992.80	9994.89
May	4111.79	3191.92	3085.05	3426.43	58320.80	56331.17	9851.40	9937.85
June	5114.94	3857.81	4133.64	3196.01	60232.42	58119.59	21629.76	9368.20
Total	37326.52	37153.90	38024.50	35571.62	60232.42	58119.59	21629.76	9368.20

Source: Agricultural Credit Department, Bangladesh Bank.