Monthly Report on

Agriculture and Rural Finance[1]

June 2026

Research Department
(Internal Economic Wing)
Bangladesh Bank

[1]This Report is prepared by Nazmun Nahar Mily, Director; Dr. Ripon Roy, Additional Director; Shah Md. Sumon, Joint Director; Md. Nabir Hossain, Deputy Director and Shakil Ahmed, Assistant Director from Research Department of Bangladesh Bank.

Comments and suggestions are welcome, and may be sent through E-mails (nazmun.mily@bb.org.bd; ripon.roy@bb.org.bd; sm.sumon@bb.org.bd; nabir.hossain@bb.org.bd; shakil.ahmed782@bb.org.bd)

Contents

Monthly Report on Agriculture and Rural Finance

Highlights

- In FY26, the agricultural credit disbursement target has been set at BDT 39,000 crore, representing a 2.63 percent increase from the target of BDT 38,000 crore in FY25 and a 4.48 percent rise over the actual disbursement of BDT 37,326.52 crore in FY25.

- In June 2026, all scheduled banks disbursed BDT 4,757.55 crore in agricultural credit, marking a 29.47 percent increase from BDT 3,674.70 crore disbursed in the previous month and 6.99 percent decline compared to BDT 5,114.94 crore disbursed in June 2025.

- Agricultural credit recovery by all scheduled banks was BDT 6,014.38 crore in June 2026, reflecting a 65.55 percent increase from BDT 3,633.04 crore recovered in May 2026 and a 45.50 percent rise compared to BDT 4,133.64 crore recovered in June 2025.

- At the end of June 2026, the outstanding balance (including interest) of agricultural credit for all scheduled banks stood at BDT 63,574.38 crore, reflecting a 5.55 percent increase from BDT 60,232.42 crore at the end of June 2025.

- At the end of June 2026, overdue of agricultural credit for all scheduled banks reached BDT 19,807.33 crore which was a 8.43 percent lower compared to BDT 21,629.76 crore in June 2025. The significant decrease in overdue loans have resulted from revised loan classification criteria effective from April 2025.

- In June 2026, Grameen Bank and ten Large NGOs collectively disbursed BDT 19,863.38 crore as microcredit, reflecting a 40.98 percent increase compared to June 2025. Recovered amount in June 2026 was BDT 19617.35 crore, which was 24.66 percent higher than the same month of 2025. The outstanding microcredit balance for these organizations was BDT 135,675.86 crore, with overdue loans amounting to BDT 8,321.78 crore (representing 6.13 percent of the outstanding balance) at the end of June 2026.

Monthly Report on Agriculture and Rural Finance

1. Agricultural Credit

1.1 Disbursement

The agricultural credit disbursement target has been set at BDT 39,000 crore for all scheduled banks in FY26, marking a 2.63 percent increase compared to the disbursement target of BDT 38,000 crore for the previous fiscal year. The target of agricultural credit disbursement comprises BDT 3,657.00 crore for state-owned commercial banks (SOCBs), BDT 10,223.00 crore for state-owned specialized banks (SOSBs), BDT 23,527.00 crore for private commercial banks (PCBs), and BDT 1,593.00 crore for foreign commercial banks (FCBs) for FY26.

In June 2026, agricultural credit disbursement by all scheduled banks amounted to BDT 4,757.55 crore, which was 29.47 percent higher than BDT 3,674.70 crore disbursed in the previous month and 6.99 percent lower compared to BDT 5,114.94 crore disbursed in June 2025 (Table 1).

Table 1: Agricultural Credit by Scheduled Banks

(BDT in Crore)

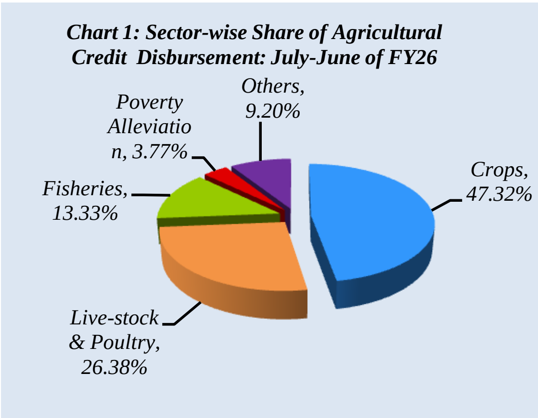
Month	Disbursement		Recovery	
	FY25	**FY24**	**FY25**	**FY24**
July-June	37326.52	37153.90	38024.50	35571.62
	FY26	**FY25**	**FY26**	**FY25**
July	2154.03	1790.71	2953.62	2553.79
August	2672.00	2080.20	3119.96	2891.67
September	3663.44	2587.27	4470.81	3764.51
October	3438.30	2933.18	3446.85	3112.45
November	4164.90	3689.79	3826.97	3747.08
December	4915.49	3177.96	3956.21	3047.76
January	3351.26	2956.37	3146.02	2660.09
February	3120.32	2910.50	2847.36	2646.36
March	3119.37	2734.58	3900.50	3019.60
April	3802.80	3239.23	4311.21	3362.50
May	3674.70	4111.79	3633.04	3085.05
June	4757.55	5114.94	6014.38	4133.64
Total	**42834.16**	**37326.52**	**45626.93**	**38024.50**

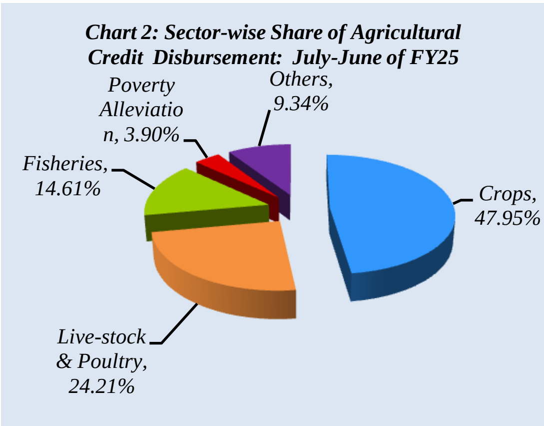
Source: Agricultural Credit Department-1, Bangladesh Bank.

In July-June of FY26, all scheduled banks disbursed BDT 42,834.16 crore, reflecting a 14.76 percent increase from BDT 37,326.52 crore disbursed in the same period of FY25. The significant rise was primarily driven by higher disbursements across all bank groups, with PCBs contributing the largest share, followed by SOSBs and SOCBs.

1.2 Sector-wise disbursement

During July-June of FY26, share of agricultural credit disbursement in crops remained almost same compared to the same period of FY25, whereas the share of fisheries reduced by 1.3 percentage point. In contrast, the share of livestock & poultry showed increase of 2.2 percentage point in July-June of FY26 compared to FY25. The share of agricultural credit disbursement in poverty alleviation and other sectors were 4 percent and 9 percent respectively during July-June of FY26, remaining unchanged like as the same period of FY25. During July-June of FY26, composition of agricultural credit disbursement shifted modestly toward livestock & poultry sector. Overall, the data reflects a gradual reorientation of agricultural credit towards core production activities.





Source: Agricultural Credit Department-1, Bangladesh Bank.

1.3 Recovery

Recovery of agricultural credit by all scheduled banks was BDT 6,014.38 crore in June 2026, reflecting a 65.55 percent increase from BDT 3,633.04 crore recovered in May 2026 and a 45.50 percent increase compared to BDT 4,133.64 crore recovered in June 2025. In July-June of FY26, the recovery of agricultural credit by all scheduled banks increased by 19.99 percent to BDT 45,626.93 crore compared to BDT 38,024.50 crore during the same period of FY25 (Table-1 and Annexure-1). This increase was primarily driven by the 120.31 percent rise in recoveries from FCBs, 43.77 percent rise in recoveries by SOCBs, and 17.35 percent rise in recoveries by SOSBs in July-June of FY26. In absolute terms, PCBs and SOSBs remained the major contributors.

1.4 Outstanding and Overdue

At the end of June 2026, the outstanding balance of agricultural credit (including interest) for all scheduled banks was BDT 63,574.38 crore, an increase of 5.55 percent from BDT 60232.42 crore at the end of June 2025. The overdue of agricultural credit decreased by 8.43 percent to BDT 19,807.33 crore at the end of June 2026 as compared to BDT 21629.76 crore at the end of June 2025 (Annexure-1). The decline in overdue agricultural credit signals an improvement in loan recovery and repayment performance, particularly among SOSBs and SOCBs. However, the still-high level of overdue credit indicates the need for continued recovery efforts and close monitoring of agricultural credit risk.

1.5 Bangladesh Rural Development Board (BRDB)

The Bangladesh Rural Development Board (BRDB) has a disbursement target of BDT 1,486.10 crore for FY26. In June 2026, agricultural credit disbursement by BRDB was BDT 158.12 crore, decreased by 11.43 percent from BDT 178.53 crore in June 2025, while recovery increased by 0.75 percent to BDT 150.72 crore in June 2026 from BDT 149.60 crore in June 2025 (Table 2). During July-June of FY26, BRDB disbursed BDT 1,334.22 crore and recovered BDT 1,311.23 crore, representing a 6.55 percent decrease and 2.72 percent increase respectively compared to July-June of FY25.

Table 2: Agricultural Credit by BRDB and BSBL

(BDT in Crore)

	Target of FY26	June FY26		June FY25	
		Disbursement	**Recovery**	**Disbursement**	**Recovery**
BRDB	1486.10	158.12	150.72	178.53	149.60

BSBL	25.00	0.15	0.37	0.00	0.23
Total (Percent)	**1511.10** (3.73)	**158.27** (3.22)	**151.09** (2.45)	**178.53** (3.37)	**149.83** (3.50)

Source: Agricultural Credit Department-1, 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 FY26. The agricultural credit disbursement of BSBL in June 2026 was BDT 0.15 crore but at the same time it recovered BDT 0.37 crore, compared to 0.23 crore in June 2025 (Table-2). The agricultural credit disbursement of BSBL stood BDT 0.85 crore, and recovery was BDT 1.88 crore during July-June of FY26.

2. Refinance Facility

Facility from Bangladesh Bank under Government Guarantee

During July-June of FY26, no funds have been sanctioned for short-term agricultural refinance facility in favor of BKB and RAKUB from Bangladesh Bank. However, 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 for continuation of agricultural credit disbursement and smoothing socio-economic activities. RAKUB paid BDT 1.67 crore as interest payment to Bangladesh Bank of the short-term refinance credit in June of FY26. The outstanding balance of refinance credit for BKB and RAKUB combined was BDT 1,792.64 crore as of June 2026 which was 10.65 percent lower compared to BDT 2,006.20 crore as of June 2025.

3. Rural Finance

3.1 Palli Karma-Sahayak Foundation

In June 2026, Palli Karma-Sahayak Foundation (PKSF) disbursed BDT 2426.68 crore to 289 partner organizations (POs) and recovered BDT 905.79 crore. These figures represent 407.44 percent increase in disbursement and 8.50 percent decrease in recovery compared to June 2025 (Table-3).

Table 3: Rural Credit by PKSF

(BDT in Crore)

Month	Disbursement		Recovery	
	FY25	**FY24**	**FY25**	**FY24**
July-June	9357.74	7553.11	7073.29	6139.10
	FY26	**FY25**	**FY26**	**FY25**
July	51.00	32.00	444.74	439.56
August	575.96	433.32	634.73	475.77
September	854.45	1050.27	814.67	693.45
October	666.59	709.52	509.28	432.03
November	1160.48	1013.99	657.11	467.01
December	1248.90	935.60	903.75	692.88
January	626.86	582.18	426.92	429.29
February	734.45	697.03	703.05	489.49
March	908.84	836.87	829.34	784.58
April	1024.96	455.34	534.23	586.95
May	750.77	2133.40	815.49	592.39
June	2426.68	478.22	905.79	989.89
Total	**11029.94**	**9357.74**	**8179.10**	**7073.29**

Source: Palli Karma-Sahayak Foundation (PKSF).

In July-June of FY26, total disbursement of Palli Karma-Sahayak Foundation (PKSF) was BDT 11,029.94 crore which was 17.87 percent higher as compared to the disbursed amount of BDT 9357.74 crore in July-June of FY25. The recovery amount was BDT 8,179.10 crore in July-June of FY26 which was 15.63 percent higher as compared to the recovery of BDT 7,073.29 crore in the same period of FY25.

At the end of June 2026, the outstanding balance of PKSF's loan program amounted to BDT 16,955.93 crore, with an overdue balance of BDT 102.70 crore. Overdue as percentage of outstanding balance under PKSF loan program was only 0.61 percent, indicating an effective credit management.

Microcredit Operations by Grameen Bank and Ten Large NGOs[2]

In June 2026, Grameen Bank and ten prominent NGOs disbursed BDT 19,863.38 crore for microfinance programs aimed at fostering productive rural activities, which was 40.98 percent higher as compared to the disbursed amount of June 2025.

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

Table 4: Microcredit Operation by NGOs in June 2026

(BDT in Crore)

NGOs	(Without Interest)			
	Disbursement	**Recovery**	**Outstanding**	**Overdue**
Grameen Bank	2514.89	2313.78	18252.79	724.89
BRAC	7578.51	7098.61	49285.94	2187.37
ASA	3855.14	4304.98	27362.51	3175.31
Proshika	224.90	200.93	1721.32	285.34
BURO Bangladesh	2071.27	2144.66	14144.15	387.90
TMSS	1110.33	1094.80	7539.50	532.58
RDRS Bangladesh	291.57	280.70	1795.40	155.37
CARITAS Bangladesh	85.16	85.41	584.13	109.99
Jagorani Chakra Foundation(JCF)	844.46	686.66	6786.44	322.86
Society for Social Service (SSS)	1007.69	1092.25	6183.40	385.26
Shakti Foundation	279.46	314.58	2020.28	54.92
Total	**19863.38**	**19617.35**	**135675.86**	**8321.78**

Source: Grameen Bank and respective NGOs.

Approximately 38 million members accessed this loan facility through a total of 14,539 branches operated nation-wide by the top 11 Microfinance Institutions (MFIs). Notably, Grameen Bank, BRAC, and ASA collectively accounted for 70.22 percent of the 11 MFIs of total microcredit disbursement in June 2026 (Table-4).

The recovery efforts of these MFIs in June 2026 amounted to BDT 19,617.35 crore, reflecting a 24.66 percent increase compared to June 2025. As on June 2026, the outstanding balance of 11 selected MFIs stood at BDT 135,675.86 crore, marking an 12.13 percent rise compared to June 2025. Additionally, the overdue amount for MFIs remained at BDT 8,321.78 crore as on June 2026, representing a 6.46 percent increase as compared to June 2025. The rise in overdue balances is mainly due to borrower's repayment difficulties caused by crop losses from natural disasters and rising living costs.

4. Conclusion

Agricultural and rural finance activities in July-June of FY26 present a mixed scenario. Credit disbursement by scheduled banks and major MFIs increased in July-June of FY26 compared to the same period of FY25. Crops and livestock & poultry have the largest shares of agricultural credit, which indicates a strong focus on core agricultural products. Recovery growth across the banks and major MFIs suggests enhanced collection efficiency and institutional resilience. However, the increase in overdue of agricultural credit raises concerns regarding asset quality, partly influenced by revised loan classification criteria. Therefore, the ongoing condition underscores the need for strengthening credit supervision, improving risk mitigation mechanisms, and ensuring targeted support to vulnerable borrowers to maintain financial stability and inclusive rural growth.

Necessary Measures by BB for Agriculture and Rural Finance

- As per BRPD-1 circular letter no. 17 issued on 13 May 2026, when a loan or installments of a loan becomes fully or partially overdue, the maximum penal interest that can 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-1l17.pdf)
- As per BRPD-1 Circular Letter No. 06 issued on 22 February 2026, Bangladesh Bank extended the deadline to 30 June 2026 for raw jute exporters to get the benefit of rescheduling their classified loans with a 2% down payment. (circular link: feb222026brpd-1l06.pdf)
- As per BRPD Circular Letter No. 29 issued on 21 December 2025, banks are allowed maintain provision at the rate of 0.50% against all unclassified (Standard and SMA) Short Term Agricultural Credits till 31 December 2026. (circular link: brpd/dec212025brpdl29e.pdf)
- As per ACD Circular Letter No. 02 issued on 28 August 2025, the deadline for disbursing loans at customer level by the banks under refinance scheme of BDT 1000 crore aimed at increasing wheat and maize production has been extended up to 30 June 2027(circular link: acd/aug282025acdl02.pdf).
- Through BRPD Circular No. 15 issued on 27 November 2024 and effective from 01 April 2025, Expected Credit Loss (ECL) methodology-based provisioning system was implemented to manage credit risk more effectively (circular link: brpd/nov272024brpd15e.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)	
	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	54862.5	11931.74	8521.57
November	3689.79	3319.61	3747.08	3470.0	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**
	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	2080.20	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**

Source: Agricultural Credit Department-1, Bangladesh Bank.