

Monthly Report on
Agriculture and Rural Finance¹



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Research Department
(Internal Economic Wing)
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Contents

Highlights.....	1
1. Agricultural Credit	2
1.1 Disbursement.....	2
1.2 Sector-wise disbursement	3
1.3 Recovery.....	3
1.4 Outstanding and Overdue	4
1.5 Bangladesh Rural Development Board (BRDB).....	4
1.6 Bangladesh Samabaya Bank Limited (BSBL)	5
2. Refinance Facility	5
3. Rural Finance	6
3.1 Palli Karma-Sahayak Foundation.....	6
3.2 Microcredit Operations by Grameen Bank and Ten Large NGOs	7
4. Conclusion.....	8
5. Recent Measures by BB for Agriculture and Rural Finance:	9
Tables	
Table 1: Agricultural Credit by Scheduled Banks.....	2
Table 2: Agricultural Credit by BRDB and BSBL.....	5
Table 3: Rural Credit by PKSF	6
Table 4: Microcredit Operation by NGOs in November 2024.....	7
Charts	
Chart 1: Sector-wise Share of Agricultural Credit Disbursement: July-November of FY25.....	3
Chart 2:Sector-wise Share of Agricultural Credit Disbursement: July-November of FY24.....	3
Annexure	
Annexure-1: Monthly Position of Agricultural Credit Performance by Scheduled Banks.....	10

Monthly Report on Agriculture and Rural Finance

Highlights:

- The agricultural credit disbursement target for FY25 has been set at BDT 38,000 crore, marking an 8.57 percent increase from the FY24 target of BDT 35,000 crore and a 2.28 percent rise over the actual disbursement of BDT 37,153.9 crore in FY24.
- In July-November FY25, agricultural credit disbursement by all scheduled banks amounted to BDT 13,081.15 crore, reflecting a 14.39 percent decrease from BDT 15,280.12 crore disbursed in the same period of FY24.
- The total recovery of agricultural credit by all scheduled banks reached BDT 16,069.50 crore in July-November FY25, marking an 11.45 percent increase from BDT 14,418.45 crore recovered in the same period of FY24.
- At the end of November FY25, the outstanding balance (including interest) of agricultural credit for all scheduled banks stood at BDT 54,809.59 crore, reflecting a 0.40 percent increase from the BDT 54,590.56 crore outstanding at the end of November FY24.
- At the end of November 2024, overdue of agricultural credit for all scheduled banks reached to BDT 11,667.11 crore which is 39.91 percent higher from BDT 8339.30 crore in November 2023. This increase in overdue loans is not exceptional compared to the previous months because of the lower recovery of the overdue loans compared to loans with regular repayments. The increase in overdue in State Owned Commercial Banks (SOCBs) is particularly high as their recovery decreased in July-November 2024 compared to the same period of 2023.
- In November FY25, Grameen Bank and ten Large NGOs collectively disbursed BDT 17,746.13 crore as microcredit, reflecting a 1.94 percent increase compared to November FY24. They recovered BDT 16,158.23 crore, which is 4.72 percent lower than the same period in FY24. The outstanding microcredit balance for these organizations was BDT 115,739.28 crore, with overdue loans amounting to BDT 7,843.17 crore (representing 6.78 percent of the outstanding balance).

Monthly Report on Agriculture and Rural Finance

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 July-November FY25, all scheduled banks disbursed BDT 13,081.15 crore as agricultural credit which was 14.39 percent lower than the disbursement of BDT 15,280.12 crore during the same period in FY24. The significant downturn is attributed to reduced disbursements by Foreign Commercial Banks (75.64 percent), Private Commercial Banks (21.30 percent), and State-Owned Commercial Banks (8.19 percent) in July-November FY25 compared to the same period in FY24. Although the disbursement SOSB increased by 12.83 percent in July-November FY25 as compared to July-November FY24 which has no significant impact in the overall decrease in disbursement.

Table 1: Agricultural Credit by Scheduled Banks

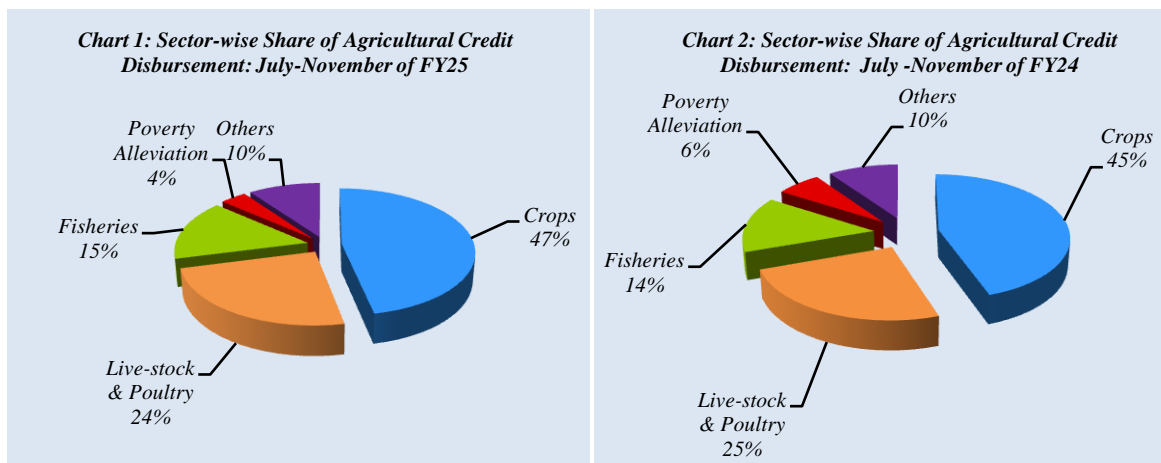
(BDT in Crore)

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
Total	13081.15	15280.12	16069.50	14418.45

Source: Agricultural Credit Department, Bangladesh Bank.

1.2 Sector-wise disbursement

In July-November FY25, the sector-wise allocation of agricultural credit disbursement by all scheduled banks is depicted in Chart-1. In July-November 2024, the crops sub-sector continued to dominate, claiming 47 percent of the total share which was 45 percent in July-November 2023. Livestock and poultry sector decreased its share from 25 percent in July-November 2023 to 24 percent in July-November 2024. The fisheries sector also saw an increase, rising from 14 percent in July-November 2023 to 15 percent in July-November 2024. On the other hand, the share of poverty alleviation decreased from 6 percent in July-November FY24 to 4 percent in July-November FY25, while the disbursement in others category remained around 10 percent in July-November FY24 and the same period of previous fiscal year. These changes indicate a growing focus on crops and fisheries, with a corresponding reduction in the emphasis on poverty alleviation sector.



Source: Agricultural Credit Department, Bangladesh Bank.

1.3 Recovery

In July-November 2024, the recovery of agricultural credit by all scheduled banks increased by 11.45 percent to BDT 16,069.50 crore compared to BDT 14,418.45 crore during the same period of 2023. This overall increase was primarily driven by the 22.53 percent rise in recoveries from Private Commercial Banks (PCBs), which grew from BDT 7,758.40 crore to BDT 9,506.14 crore, contributing the largest share of total recovery. Additionally, State-Owned Specialized Banks (SOSBs) recorded 7.50 percent increase, from BDT 4,764.31 crore to BDT 5,121.66 crore. In contrast, State-

Owned Commercial Banks (SOCBs) saw a decline of 7.83 percent, with recoveries decreasing from BDT 1,166.22 crore to BDT 1,074.93 crore, and Foreign Commercial Banks (FCBs) experienced a sharp decline of 49.72 percent, from BDT 729.52 crore to BDT 366.77 crore. Despite the declines in State-Owned Commercial Banks (SOCBs) and Foreign Commercial Banks (FCBs), the significant rise in Private Commercial Banks (PCBs) and moderate growth in State-Owned Specialized Banks (SOSBs) outweighed these decreases, leading to the overall positive growth in agricultural credit recovery (Annexure).

1.4 Outstanding and Overdue

At the end of November 2024, the outstanding agricultural credit balance (including interest) for all scheduled banks was BDT 54,809.59 crore, a slight increase of 0.40 percent from BDT 54,590.56 crore in November 2023. The overdue agricultural credit rose significantly by 39.91 percent to BDT 11,667.11 crore, driven by increases in overdue amounts for State-Owned Commercial Banks (73.20 percent), Private Commercial Banks (17.60 percent), and Specialized Banks (14.34 percent). Notably, Foreign Commercial Banks maintained a zero overdue position in both November 2024 and November 2023. In November FY25, overdue loans accounted for 21.29 percent of the outstanding agricultural credit balance, up from 15.28 percent in November FY24. This trend highlights a rising 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-November FY25, BRDB disbursed BDT 538.69 crore and recovered BDT 473.57 crore, representing decreases of 26.57 percent and 22.18 percent, respectively, compared to the same period in FY24. In November FY25, disbursement stood at BDT 122.88 crore and recovery at BDT 110.59 crore, reflecting declines of 21.44 percent and 22.86 percent, respectively, from November FY24 (Table 2).

Table 2: Agricultural Credit by BRDB and BSBL

	Target of FY25	(BDT in Crore)			
		November'24		November'23	
		Disbursement	Recovery	Disbursement	Recovery
BRDB	1523.18	122.88	110.59	156.42	145.24
BSBL	25.00	0.00	0.15	0.00	0.09
Total (Percent)	1548.18 (3.91)	122.88 (3.22)	110.74 (2.87)	156.42 (4.50)	145.33 (4.22)

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-November FY25; BSBL refrained from disbursing funds and exercised caution due to the high overdue amount. However, BSBL recovered BDT 0.43 crore in July-November FY25 which was 27.12 percent lower as compared to the recovery of BDT 0.59 crore in July-November FY24. BSBL recovered BDT 0.15 crore in November FY25, which was 66.67 percent higher compared to the recovery of BDT 0.09 crore in November 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 November 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-November FY25, BKB and RAKUB did not apply for any short-term agricultural refinance facility. However, RAKUB paid BDT 1.67 crore as interest payment to BB of the short-term refinance credit in November 2024. The outstanding

balance of refinance credit for BKB and RAKUB was BDT 2,232.47 crore as of November 2024.

3. Rural Finance

3.1 Palli Karma-Sahayak Foundation

In November 2024, Palli Karma-Sahayak Foundation (PKSF) disbursed BDT 1013.99 crore to 285 partner organizations (POs) and recovered BDT 467.01 crore. These figures represent a 32.53 percent increase in disbursement and a 19.19 percent increase in recovery compared to November 2023. In July-November FY25, total disbursement of Palli Karma-Sahayak Foundation (PKSF) was BDT 3239.10 crore which was 27.63 percent higher as compared to the disbursement amount of BDT 2537.96 crore in July-November FY24. The recovery amount was BDT 2507.82 crore in July-November FY25 which was 11.11 percent higher as compared to the recovery of BDT 2257.07 crore in the same period of FY24. At the end of November 2024, the outstanding balance of PKSF's loan program amounted to BDT 12551.94 crore, with an overdue balance of BDT 159.10 crore. The outstanding balance increased by 17.45 percent in November 2024 compared to November 2023. Meanwhile, the overdue balance decreased by 12.41 percent in November 2024, compared to the same month of previous fiscal year (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
Total	3239.10	2537.96	2507.82	2257.07

Source: Palli Karma-Sahayak Foundation (PKSF).

3.2 Microcredit Operations by Grameen Bank and Ten Large NGOs²

In November 2024, Grameen Bank and ten prominent NGOs disbursed BDT 17,746.13 crore for microfinance programs aimed at fostering productive rural activities, marking an increase of 1.94 percent compared to November 2023. Approximately 34.92 million members accessed this loan facility through a total of 13,514 branches operated by the top 11 Microfinance Institutions (MFIs). Notably, Grameen Bank, BRAC, and ASA collectively accounted for 75.90 percent of the total microcredit disbursed in November 2024.

Table 4: Microcredit Operation by NGOs in November 2024

(BDT in Crore)

NGOs	Disbursement	Recovery	Outstanding	Overdue
Grameen Bank	2136.45	2137.01	16245.21	443.30
BRAC	6872.30	6215.52	40146.00	2214.56
ASA	4460.47	4162.91	29262.95	3045.24
Proshika	199.53	206.66	1619.11	121.40
BURO Bangladesh	1398.89	1176.34	10002.15	575.44
TMSS	899.37	778.89	6111.47	531.34
RDRS Bangladesh	212.03	191.94	1495.64	188.44
CARITAS Bangladesh	74.36	70.83	518.56	99.64
Jagorani Chakra Foundation(JCF)	559.98	428.32	4562.68	237.86
Society for Social Service (SSS)	656.46	562.41	3962.46	282.00
Shakti Foundation	276.28	227.41	1813.05	103.95
Total	17746.13	16158.23	115739.28	7843.17

Source: Grameen Bank and respective NGOs.

The recovery efforts of these MFIs in November FY25 amounted to BDT 16,158.23 crore, reflecting a 4.72 percent decrease from November FY24. As on November 2024, the outstanding balance of these MFIs stood at BDT 115,739.28 crore, marking a 1.17 percent rise compared to November 2023. Additionally, the overdue amount for MFIs remained at BDT 7,843.17 crore as on November 2024, representing a 52.11 percent increase as compared to the overdue amount of November 2023 (Table-4). This significant rise in overdue balances is primarily due to the decreased loan

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

recovery in November, which 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.

4. Conclusion

While agricultural credit recovery has shown positive growth, the overall disbursement trend indicates challenges in meeting the targets for FY25. Credit recovery improved overall, but the sharp rise in overdue loans, particularly in State-Owned Commercial Banks (SOCBs), highlights challenges in repayment. The microcredit sector, while expanding in terms of disbursements, faces similar challenges with overdue loans, signaling the need for more effective loan recovery measures. A shift towards crops and fisheries is noticeable, but the reduced emphasis on poverty alleviation programs signals the need for a balanced approach.

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 BDT 20 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 \(bb.org.bd\)](#)).

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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)	
	FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23
July	1991.27	1664.77	2710.32	2045.80	52361.91	50757.43	8627.61	7500.15
August	3316.99	2172.53	2540.26	2077.33	53230.38	50235.40	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	54862.50	50468.00	8521.57	7693.51
November	3319.61	3308.34	3470.00	3090.79	54590.56	50206.69	8339.30	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	2536.90	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	6949.30
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	9368.20	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	2080.20	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	54862.50	11931.74	8521.57
November	3689.79	3319.61	3747.08	3470.00	54809.59	54590.56	11667.11	8339.30
Total	13081.15	15280.12	16069.50	14418.45	54809.59	54590.56	11667.11	8339.30

Source: Agricultural Credit Department, Bangladesh Bank.