

Monthly Report On
Government Domestic Borrowing¹



January, 2024

Research Department
Money and Banking Wing
Bangladesh Bank

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Highlights of Government Domestic Borrowing, January 2024

- **Government Domestic Borrowing** has initially been targeted at Tk. 155,395.0 crore in the national budget for FY24. Of which:
 - **Borrowing from the banking system** was targeted at Tk. 132,395.0 crore.
 - **Borrowing from domestic non-banking sources** was targeted at Tk. 23,000.0 crore (including Tk. 18,000.0 crore through net sales of National Savings Schemes).
- Government net borrowing from the **banking system** stood at Tk. **6208.7** crore during July-January of FY24 whereas, it was Tk. 39000.4 crore (33.8 percent of the target of the national budget) during July-January of FY23.
- Government net borrowing from the **non-banking sources** increased by Tk. **8701.3** crore (37.8 percent of the target of the national budget) during July-January of FY24, which was Tk. 3716.6 crore (14.9 percent of the target of the national budget) during July-January of FY23.
- Therefore, government **total net domestic borrowing** (both from banking system and from non-banking sources) stood at Tk. 14910.0 crore during July-January of FY24, which was Tk. 42717.0 crore (30.4 percent of the target of the national budget) during July-January of FY23.
- Net repayment of the national savings schemes stood at Tk. 7350.3 crore during July-January of FY24, against the targeted net sales of Tk. 18,000.0 crore. On the other hand, net repayment was Tk. 3069.4 crore during the same period a year ahead.

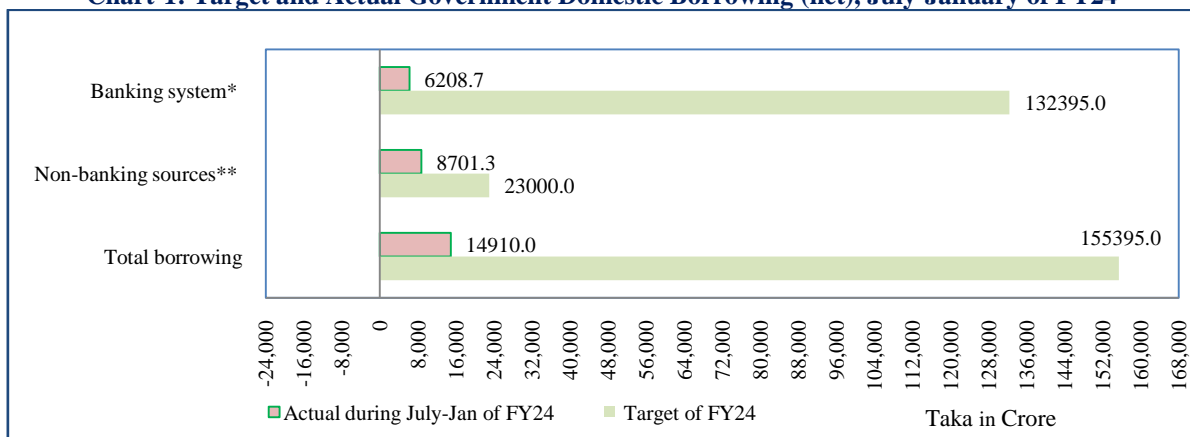
Government Domestic Borrowing, January 2024

Government borrows to finance the budget mainly from two domestic sources: banking system and non-banking domestic sources. Government borrowing from the banking system consists of borrowing from Bangladesh Bank and scheduled banks. From banking system, government borrows mainly through ways and means, advances, overdraft, and issuance of treasury bills (T-bills) and bonds (T-bonds). However, balances of government deposits and other funds are net out from the banking system borrowing. On the other hand, government borrowing from non-banking domestic sources includes savings instruments introduced by the Directorate of National Savings (NSD) and government T-bills and T-bonds held by non-bank financial institutions, insurance companies, individual investors, etc.

1. Government Domestic Borrowing Target for FY24

As per national budget, the target of total domestic borrowing has been set at Tk. 155,395.0 crore for FY24, of which Tk. 132,395.0 crore has been set to borrow from banking system and Tk. 23,000.0 crore from non-banking domestic sources. However, domestic borrowing (net) stood at Tk. 14910.0 crore during July-January of FY24 (Chart-1).

Chart-1: Target and Actual Government Domestic Borrowing (net), July-January of FY24



*Notes: *=Banking system includes Bangladesh Bank and Scheduled banks,*

***= domestic non-banking sources include national savings schemes and T-bills & Bonds held by other than banks.*

Sources: Debt Management Department, Statistics Department, Bangladesh Bank; Directorate of National Savings; and Ministry of Finance (MoF).

2. Borrowing from Banking System

During July-January of FY24, government borrowing (net) from banking system stood at Tk. 6208.7 crore, which was Tk. 39000.4 crore (33.8 percent of the target of the national budget) during July-January of FY23.

3. Borrowing from Non-banking sources

During July-January of FY24, government borrowed Tk. 16051.6 crore from different institutions and individuals other than banks by issuance of T-bills and T-bonds. However,

government repaid Tk. 7350.3 crore (net) to national savings schemes following higher maturity that exceeded the amount of total issuances. Accordingly, borrowing (net) from the non-banking domestic sources stood at Tk. 8701.3 crore (37.8 percent of the target of the national budget) during the period under review.

4. Total Domestic Borrowing

From domestic sources, government borrowing stood at Tk. 14910.0 crore (net) during July-January of FY24. Source and instrument-wise outstanding and flow of net government domestic borrowings are shown in Table-1 and Chart-2 respectively.

Table 1: Source-wise Outstanding and Flow of net Government Domestic Borrowings

(Taka in Crore)

Sources	FY24		FY23		% Changes [@] (Jan'24 over June'23 [#])	% Changes [@] (Jan'23 over June'22 ^{##})
	Outstanding at end Jan'24	July-Jan of FY24	Outstanding at end Jan'23	July-Jan of FY23		
Banks [*]	392521.8	6208.7	305522.8	39000.4	1.6	14.6
Non-banking sources ^{**} R	430011.1	8701.3	417494.7	3716.6	2.1	0.9
Total	822532.8	14910.0	723017.4	42717.0	1.8	6.3

Notes: ^{*}=Banks includes Bangladesh Bank and scheduled banks, ^{**}=Domestic non-banking sources include net sale of savings instruments and T-bills & T-bonds held by non-bank financial institutions (NBFIs), insurance companies, individuals etc.,

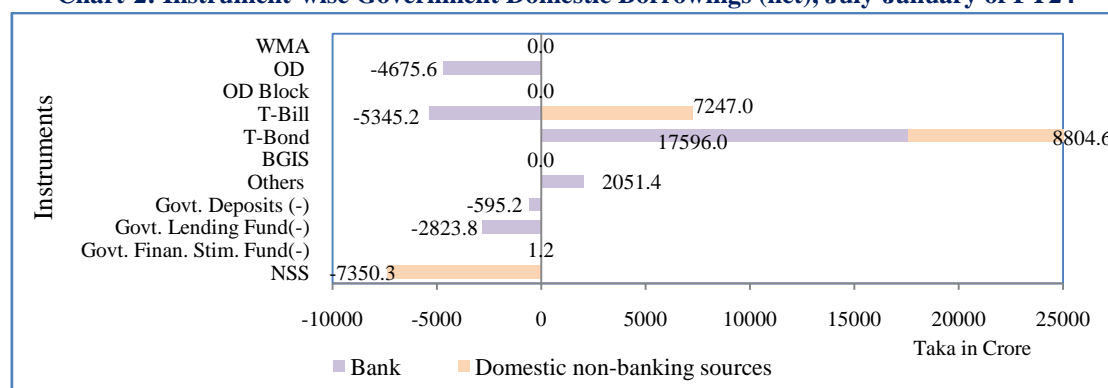
^R=Revised data, [@]= percentage change has been calculated based on Outstanding data,

[#]= In June 2023, outstanding net government domestic borrowing was Tk. 807622.8 crore,

^{##}= In June 2022, outstanding net government domestic borrowing was Tk. 680300.4 crore,

Sources: Debt Management Department, Statistics Department, Bangladesh Bank; and Directorate of National Savings.

Chart-2: Instrument-wise Government Domestic Borrowings (net), July-January of FY24



Notes: WMA=Ways and Means Advances, OD=Overdraft, BGIS=Bangladesh Govt. Investment Sukuk (Ijarah Sukuk), NSS=National Savings Schemes, Others include government currency liabilities, advances to food & other ministries, advances to auto & semi autonomous bodies etc.

Sources: Debt Management Department, Statistics Department, Bangladesh Bank; Directorate of National Savings.

5. Government Islamic Securities

i) Bangladesh Government Islamic Investment Bond (BGIIB)²

To smooth Islamic Shariah-based liquidity management, Bangladesh Government Islamic Investment Bond (BGIIB) was introduced in 2004. During July-January of FY24, investments

² BGIIB is a pool of funds formed by the Islamic banks and individuals where government provides guarantee against this fund.

to BGIIB fund by Islamic banks³ increased to Tk. 2424.0 crore, and amount borrowed from that fund also raised to Tk. 3350.0 crore. Thus, Islamic banks' net balances of BGIIB fund reduced by Tk. 926.0 crore during the period of July-January, FY24.

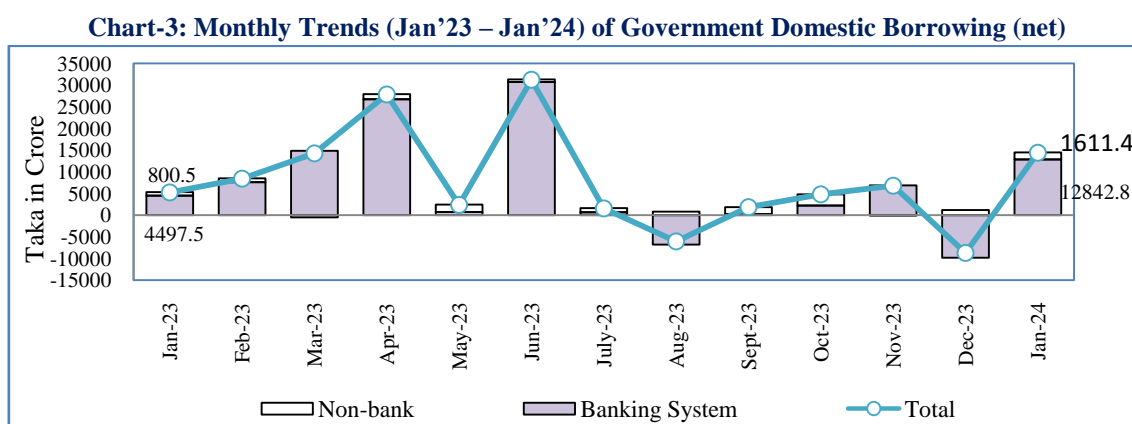
ii) Bangladesh Government Investment Sukuk (BGIS) Bond

Enhancing Shariah-based development financing, Bangladesh Government Investment *Sukuk* (BGIS) Bond was introduced in December 2020. So far, government issued three *Sukuk* (BGIS) bonds under *Ijarah* and *Istisna'a* mode. The outstanding amount of *Sukuk* (BGIS) remained unchanged at Tk. 18,000.0 crore as of end January, 2024.

6. Monthly Movements of Domestic Borrowing (January, 2024)

From the banking system, government borrowed and repaid Tk. 15892.0 crore and Tk. 3049.2 crore respectively in January 2024; as a result borrowing (net) stood at Tk. 12842.8 crore. Whereas, government borrowed and repaid Tk. 16015.9 crore and Tk. 11518.4 crore separately from the same source in January 2023; consequently, borrowing (net) was Tk. 4497.5 crore (Chart-3).

On the other hand, from non-banking sources government borrowed and repaid Tk. 10862.4 crore and Tk. 9251.0 crore respectively in January 2024; as a consequence, borrowing (net) stood at Tk. 1611.4 crore. While from the same source in January 2023, government borrowed and repaid Tk. 9048.0 crore and Tk. 8247.5 crorerespectively ; as a result (net) borrowing was Tk. 800.5 crore (Chart-3).



Sources: Debt Management Department and Statistics Department, Bangladesh Bank; Directorate of National Savings.

7. Concluding Remarks

Government domestic borrowing from the banking system slightly increased during July-January of FY24 compared to the borrowing of the preceding year, caused by higher repayments of previous debt to the banking system. On the other hand, non-bank borrowing (net) followed slower growth during the same period of FY24 owing to the reduction in net sales of National Savings Certificates (NSCs).

³ Including Islamic branches and windows of conventional banks.

Table I : Government Domestic Borrowing from the Banking System during July-January, FY24

Annex-1
Revised

(Taka in crore)

Sl. No.	Particulars	Issue and Maturity date	Objectives	Outstanding as on 30 June 23	Outstanding as on 31 December 23	Outstanding as on 31 January 24	Changes	
							Jan'24	July-Jan, FY24
1	2	3	4	5	6	7	8=(7-6)	9=(7-5)
A. Bangladesh Bank								
1.	Ways and Means Advances		To increase Government cash balance	8000.0	8000.00	8000.00	0.0	0.0
2.	Overdraft			9801.9	4091.80	5126.30	1034.5	-4675.6
3.	Overdraft Block			0.0	0.00	0.00	0.0	0.0
4.	Devolvement			131333.5	102832.9	102267.3	-565.5	-29066.2
	a) Treasury Bills			50499.0	12249.6	11684.1	-565.5	-38814.9
	b) Treasury Bonds			80834.6	90583.3	90583.3	0.0	9748.7
5.	Government Currency Liabilities			2026.3	2026.3	2026.2	-0.1	-0.1
6.	Advances to Govt. against RFI from IMF			6516.1	8058.0	8058.0	0.0	1541.9
7.	Advances to Autonomous and Semi-autonomous Bodies			0.0	0.0	0.0	0.0	0.0
8.	Accrued Interest			2507.7	2620.0	2200.0	-420.0	-307.7
9.	Government Deposits ^{6/} (-)			-38.0	-32.4	-34.6	-2.2	3.4
10.	Balances of GIBB Fund in BB (-)			-1164.2	-784.4	-517.5	266.9	646.7
11.	Govt. Lending Fund(-)			-10209.9	-13446.6	-12971.6	475.0	-2761.7
A.	Total : (1 +...+ 11)			148773.4	113365.6	114154.1	788.6	-34619.3
B. Scheduled Banks (SBS)								
1. Government Treasury Bills								
	i) Treasury Bills (Less than 1 year)		To increase Government cash balance	71831.2	107127.4	105300.9	-1826.5	33469.7
2. Bangladesh Govt. Treasury Bonds (BGTB)								
	i) 2-years Bangladesh Govt. Treasury Bonds			229729.5	225504.8	229002.8	3498.0	-726.8
	ii) 3-years(FRTB) Bangladesh Govt. Treasury Bonds		To increase long-term investment of different Banks, NBFIs and employees GF of different companies	29269.1	24096.39	25291.11	1194.7	-3978.0
	iii) 5-years Bangladesh Govt. Treasury Bonds			0.0	0.0	0.0	0.0	0.0
	iv) 10-years Bangladesh Govt. Treasury Bonds			62034.7	61339.98	62378.21	1038.2	343.6
	v) 15-years Bangladesh Govt. Treasury Bonds			64394.0	64887.95	65614.06	726.1	1220.0
	vi) 20-years Bangladesh Govt. Treasury Bonds			38119.8	38243.26	38391.05	147.8	271.2
	Others Treasury Bonds			35911.9	36937.19	37328.32	391.1	1416.4
3.	a) 1 Year and above but less than 5 years (Specialized Bonds)			4648.7	2713.6	13222.8	10509.2	8574.1
	i) 3-years interest free SPTB BKB-20223	Issued 29 Nov-2022 and maturity date 29 Nov-2025	To repay the loan of Cold Storage	4.2	4.2	4.2	0.0	0.0
	b) 5 Years and above (Specialized Bonds)			4644.5	2709.3	13218.5	10509.2	8574.1
	i) 11-years to 13-years BJMC Treasury Bond bearing 5.0 percent interest	Issued 23 Oct-2011 and maturity date 23 October 2020, 22 & 2024	To repay the loan of BJMC	716.8	716.8	716.8	0.0	0.0
	ii) 10-years SPTB-2023 bearing 7.0 percent interest ^{1/}	Issued 29 June-2013 and maturity date 29 June-2023		1935.1	0.0	0.0	0.0	-1935.1
	iii) 07-years Hanif Flyover SPTB-2026 bearing 5.0 percent interest	Issued 30 Sep-2019 and maturity date 30 Sep-2026	To repay the loan of Hanif Flyover	1438.5	1438.5	1438.5	0.0	0.0
	iv) 07-years interest free Hanif Flyover SPTB-2026	Issued 30 Sep-2019 and maturity date 30 Sep-2026		554.0	554.0	554.0	0.0	0.0
	v) 8Y BGSPB-IFIC, 9Y BGSPB-SONALI at policy rate ^{2/}	Issued 01 Jan-2024 and maturity date 01 Jan-2032, 01 Jan-2033		0.0	0.0	3016.3	3016.3	3016.3
	vi) 9Y BGSPB-JANATA at policy rate ^{2/}	Issued 01 Jan-2024 and maturity date 01 Jan-2033	Funds to be used to clear dues to fertiliser importers	0.0	0.0	1896.7	1896.7	1896.7
	vii) 10Y-Islami Bank (Interest Free) ^{2/}	Issued 17 Jan-2024 and maturity date 07 Jan-2034		0.0	0.0	2482.2	2482.2	2482.2
	viii) 10Y BGSPB-City, 10Y BGSPB-Pubali at policy rate ^{2/}	Issued 24 Jan-2024 and maturity date 24 Jan-2034		0.0	0.0	2063.5	2063.5	2063.5
	ix) 10Y BGSPB-Eastern at policy rate ^{2/}	Issued 29 Jan-2024 and maturity date 29 Jan-2034		0.0	0.0	1050.5	1050.5	1050.5
4.	Bangladesh Govt. Investment Sukuk (BGIS) ^{3/}			17793.7	17793.7	17793.7	0.0	0.0
	05 Years Bangladesh Govt. Investment Sukuk (Ijarah Sukuk)	Issued 29 Dec-2020, 06 June-2021 and maturity date 29 Dec-2026	To fund project 'Safe Water Supply to the Whole Country'					
		Issued 30 Dec-2021 and maturity date 30 Dec-2026	For definite assets of 'Need Based Infrastructure Development of Government Divisions'	17793.67	17793.67	17793.67	0.0	0.0
		Issued 20 Apr-2022 and maturity date 20 Apr-2027	To develop 'Important Rural Infrastructure Development Project on Priority Basis-3 (IRIDP-3)'					
5. Sub-Total : (1+2+3+4)				324003.1	353139.5	365320.1	12180.6	41317.0
6.	Prize Bond			28.6	27.1	14.50	-12.6	-14.1
7.	Other Securities of Govt.			5.7	6.10	6.20	0.1	0.5
8.	Advances to Food Ministry			1211.40	929.60	1037.90	108.3	-173.5
9.	Advances to Other Ministries			828.00	577.00	570.30	-6.7	-257.7
10.	Advances to Auto./Semi-Autonomous Bodies			13446.60	17200.10	15320.00	-1880.1	1873.4
11.	Accrued Interest			3255.40	3247.70	2923.40	-324.3	-332.0
12.	Deposits of Ministries and Departments (-)			-35647.10	-38625.90	-36211.50	2414.4	-564.4
13.	Deposits of Auto./Semi-Autonomous Bodies (-)			-67703.80	-67704.90	-67738.00	-33.1	-34.2
14.	SBS's Balances of GIBB Fund (i+ii)			646.7	25.7	-279.3	-305.0	-926.0
	i) Investment to GIBB Fund			7842.50	10421.50	10266.50	-155.0	2424.0
	ii) Borrowing from GIBB Fund (-)			-7195.80	-10395.80	-10545.80	-150.0	-3350.0
15.	Borrowing from Govt. on Lending(-)			-2533.8	-2508.50	-2595.90	-87.4	-62.1
16.	Borrowing from Govt. Financial Stimulus Fund(-)			1.2	0.0	0.0	0.0	1.2
B. Total : (5+...+16)				237539.6	266313.5	278367.7	12054.2	40828.1
Grand Total : (A+B)				386313.0	379679.0	392521.8	12842.8	6208.7

Source: Debt Management Department, Statistics Department, Bangladesh Bank.

Notes:

^{6/} Including other deposits.^{8/} Bangladesh Govt. Investment Sukuk -BGIS (Ijarah Sukuk) was introduced in Dec'20. So far, three Sukuk (BGIS) bonds has been issued under Ijarah and Istisna'a mode.^{1/} An amount of Tk. 1935.12 crore was paid in July 2023 against the outstanding of Tk. 1935.12 crore in June 2023.^{2/} An amount of Tk. 10509.2 crore was issued in January 2024.^{3/} Including Offer value (T-Bills) & Face value (BGTBs), GIBB Fund, Govt. Lending Fund and Govt. Financial Stimulus Fund.

Table-II: Government Domestic Borrowing from Other than Bank during July-January, FY24

Annex-2
Revised
(Taka in Crore)

Sl. No.	Particulars	Sale (July-Jan, FY23)	Repayment (July-Jan, FY23)		NSS Net Sale (July-Jan, FY23)	Sale (July-Jan, FY24)	Repayment (July-Jan, FY24)		NSS Net Sale (July-Jan, FY24)
			Principal	Interest			Principal	Interest	
1	2	3	4	5	6 = (3-4)	7	8	9	10 = (7-8)
	National Savings Schemes (NSS):								
1.	Defence Savings Certificate	0.0	0.6	0.6	-0.6	0.0	0.6	0.9	-0.6
2.	5-year Bangladesh Savings Certificate	2576.5	4541.5	2194.7	-1965.1	1933.7	5409.1	2691.3	-3475.4
3.	3-year Savings Certificate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.	Bonus Savings Certificate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5.	6-month interest bearing Savings Certificate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6.	Family Savings Certificate	23281.3	17378.1	11059.1	5903.1	21922.4	16931.1	11729.7	4991.3
7.	3-month interest bearing Savings Certificate	14513.6	10697.5	4896.8	3816.2	17408.5	18993.5	5199.7	-1585.0
8.	Jamanat Savings Certificate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9.	Pensioner Savings Certificate	4583.2	3779.3	2002.8	803.9	4125.9	3189.0	2113.8	936.9
10.	Post Office Savings Bank	2991.0	13663.2	6169.7	-10672.2	3017.0	10139.3	3650.2	-7122.3
	a) General Account	335.3	2292.9	809.8	-1957.6	315.5	563.3	180.6	-247.8
	b) Fixed Account	2655.7	11370.3	5359.9	-8714.5	2701.5	9576.0	3469.6	-6874.5
	c) Bonus Account	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.	Postal Life Insurance	73.7	69.5	18.9	4.2	80.8	69.2	16.9	11.6
12.	Prize Bond	58.6	19.5	16.8	39.1	64.9	24.9	35.8	40.0
13.	Wage Earners' Development Bond	412.6	1198.4	968.3	-785.9	449.9	1316.4	965.1	-866.5
14.	3-year National Investment Bond	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15.	US \$ Premium Bond	75.5	70.7	19.9	4.8	26.1	96.3	21.5	-70.2
16.	US \$ Investment Bond	190.9	407.9	85.4	-217.0	225.5	435.6	90.2	-210.1
17.	Flow total of NSS : (1+...+16)	48756.8	51826.2	27432.9	-3069.4	49254.5	56604.8	26515.0	-7350.3
18.	Outstanding total of NSS:	Outstanding as on June'22	Outstanding as on Jan'23			Outstanding as on June'23	Outstanding as on Jan'24		
		365571.5	362502.1			362275.6	354925.2		
	Govt. Treasury Bills/Bonds/BGIS:								
		Outstanding as on June'22	Outstanding as on Jan'23		Net Changes (July-Jan, FY23)	Outstanding as on June'23	Outstanding as on Jan'24		Net Changes (July-Jan, FY24)
19.	T-Bills/Bonds/BGIS[®]	48206.6	54992.6		6786.1	59034.2	75085.8		16051.6
	i) Government Treasury Bills		2267.5		1778.2		10556.2		7247.0
	ii) Bangladesh Govt. Treasury Bonds (BGTBs)		52518.8		5007.8		64323.4		8804.6
	a) 2-year Bangladesh Government Treasury Bonds		1277.6		51.0		3918.6		1401.8
	b) 3-year(FRTB) Bangladesh Government Treasury Bonds		0.0		0.0		0.0		0.0
	c) 5-year Bangladesh Government Treasury Bonds		10237.07		1244.9		15728.1		4193.7
	d) 10-year Bangladesh Government Treasury Bonds		20250.74		1164.3		23050.6		2564.2
	e) 15-year Bangladesh Government Treasury Bonds		8842.14		695.9		9313.3		324.9
	f) 20-year Bangladesh Government Treasury Bonds		11911.27		1851.7		12312.7		319.9
	iii) Bangladesh Government Investment Sukuk (BGIS) [#]		206.3		0.0		206.3		0.0
	a) 05 Years Bangladesh Govt. Investment Sukuk (Ijarah Sukuk)		206.3		0.0		206.3		0.0
20.	Flow total Non-bank Govt. Borrowing : (17 + 19)				3716.6				8701.3
21.	Outstanding of Non-bank Govt. Borrowing : (18 + 19)	Outstanding as on June'22	Outstanding as on Jan'23			Outstanding as on June'23	Outstanding as on Jan'24		
		413778.1	417494.7			421309.8	430011.1		

Sources : National Savings Directorate; Debt Management Department, Bangladesh Bank.

Notes:

[#] Bangladesh Govt. Investment Sukuk -BGIS (Ijarah Sukuk) was introduced in Dec'20. So far, three Sukuk (BGIS) bonds has been issued under Ijarah and Istisna'a mode.

[®] Including Offer value(T-Bills) & Face value(BGTBs)