

**Monthly Report On
Government Domestic Borrowing¹**



August, 2024

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Highlights of Government Domestic Borrowing, August 2024

- **Government Domestic Borrowing** has been set at Tk. 160,900.0 crore in the national budget for FY25. Of which:
 - **Borrowing from the banking system** has been set at Tk. 137,500.0 crore.
 - **Borrowing from non-banking sources** has been set at Tk. 23400.0 crore (including Tk. 15400.00 crore through net sales of National Savings Schemes).
- Government net borrowing from the **banking system** was Tk. **11955.5** crore (8.7 percent of the target of the national budget) during July-August of FY25. On the other hand, Tk. 6130.3 crore was repaid (net) to the banking system during the same period of the previous fiscal year.
- Government net borrowing from the **non-banking sources** increased by Tk. **11618.8** crore (49.7 percent of the target of the national budget) in July-August of FY25. However, it was Tk. 1744.6 crore during July-August a year ago.
- Therefore, government **total net domestic borrowing** (both from banking system and from non-banking sources) stood at Tk. 23574.2 crore in July-August of FY25 (14.7 percent of the target of the national budget). On the other hand, Government repaid Tk. 4385.6 crore during the same period of FY24.
- Net sale of the national savings schemes was positive and stood at Tk. 4223.7 crore during July-August of FY25. On the contrary, there was net repayment of Tk. 1117.1 crore in the same period of FY24.

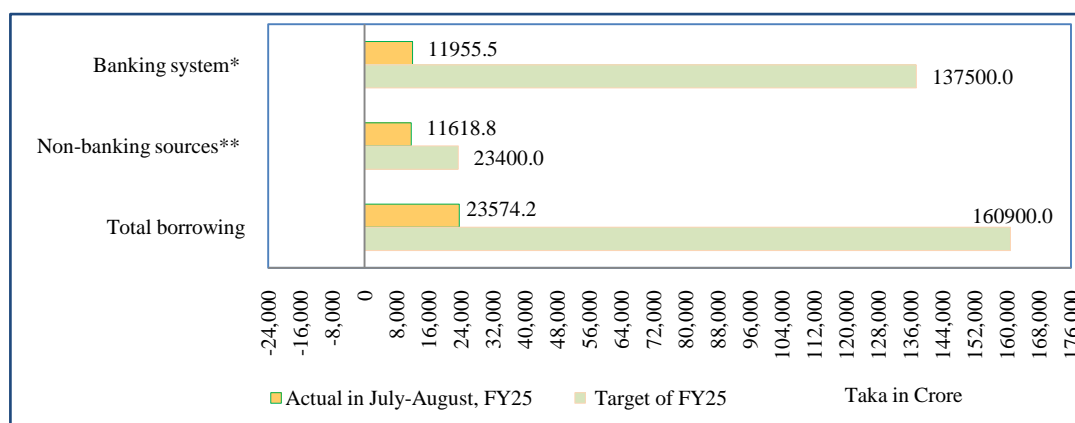
Government Domestic Borrowing, August 2024

Government borrows to finance for the budget implementation mainly from two domestic sources: banking system and non-banking sources. Government borrowing from the banking system consists of borrowing from Bangladesh Bank and scheduled banks. Government borrowing from banking system includes 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 incorporates 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 FY25

As per national budget², the target of total domestic borrowing has been set at Tk. 160,900.0 crore for FY25, of which Tk. 137,500.0 crore has been set to borrow from banking system and Tk. 23,400.0 crore from non-banking sources. However, domestic borrowing (net) stood at Tk. 23574.2 crore during July-August of FY25 (Chart-1)

Chart-1: Target and Actual Government Domestic Borrowing (net), July-August of FY25



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

In July-August of FY25, government borrowing (net) from banking system stood at Tk. 11955.5 crore (8.7 percent of the target of the national budget), whereas it was repayment of Tk. 6130.3 crore during the same period of the preceding year.

3. Borrowing from Non-banking sources

In July-August of FY25, government borrowed Tk. 7395.1 crore from different institutions and individuals other than banks by issuance of T-bills and T-bonds. Moreover, sale and

² The national budget has been declared by the MoF; Website: [Brief_ST_00\(1\).pdf \(mof.gov.bd\)](https://www.mof.gov.bd/Brief_ST_00(1).pdf).

principal repayment of national savings schemes stood at Tk. 9024.1 crore and Tk. 4800.4 crore respectively in the same period of FY25, resulting in net sale of national savings schemes stood at Tk. 4223.7 crore. Accordingly, borrowing (net) from the non-banking sources was Tk. 11618.8 crore during the period under review.

4. Total Domestic Borrowing

Government borrowed Tk. 23574.2 crore (net) from domestic sources during July-August of FY25. 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	FY25		FY24		% Changes [@] (August'24 over June'24 [#])	% Changes [@] (August'23 over June'23 ^{##})
	Outstanding at end August'24	July-August of FY25	Outstanding at end August'23	July-August of FY24		
Banks [*]	480877.0	11955.5	380182.8	-6130.3	2.5	-1.6
Non-banking sources ^{**}	445060.7	11618.8	423054.4	1744.6	2.7	0.4
Total	925937.7	23574.2	803237.2	-4385.6	2.6	-0.5

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.,

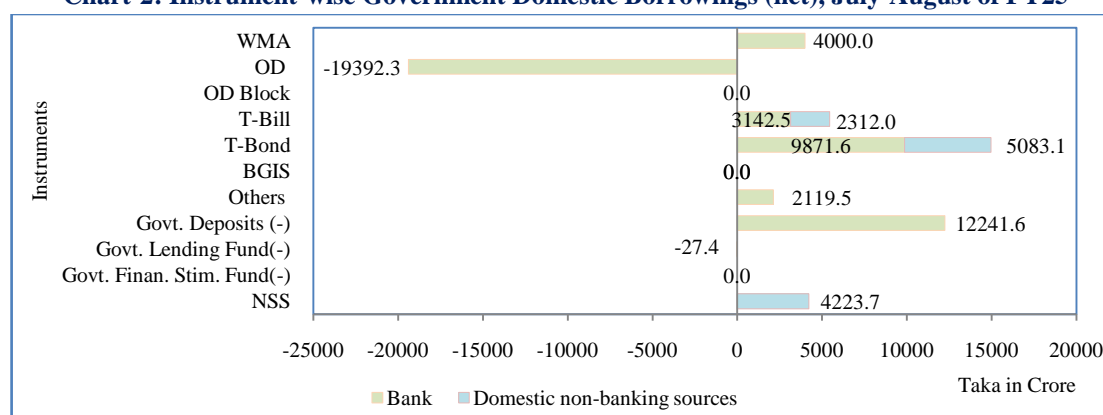
[@] = percentage change has been calculated based on Outstanding data,

[#] = In June 2024, outstanding net government domestic borrowing was Tk. 902363.5 crore,

^{##} = In June 2023, outstanding net government domestic borrowing was Tk. 807622.8 crore,

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

Chart-2: Instrument-wise Government Domestic Borrowings (net), July-August of FY25



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)³

Shariah-based Islamic banks and windows those are not participate in the conventional money market for their liquidity need, Bangladesh Government Islamic Investment Bond (BGIIB) was introduced in 2004. During July-August of FY25, investments to BGIIB fund by Islamic

³ BGIIB is a pool of funds formed by the Islamic banks and individuals where government provides guarantee against this fund.

banks⁴ increased to Tk. 580.5 crore and amount borrowed from that fund also raised to Tk. 495.0 crore. Thus, Islamic banks' net balances of BGIIB fund enhanced by Tk. 85.5 crore in the period of July-August of FY25.

ii) Bangladesh Government Investment *Sukuk* (BGIS) Bond

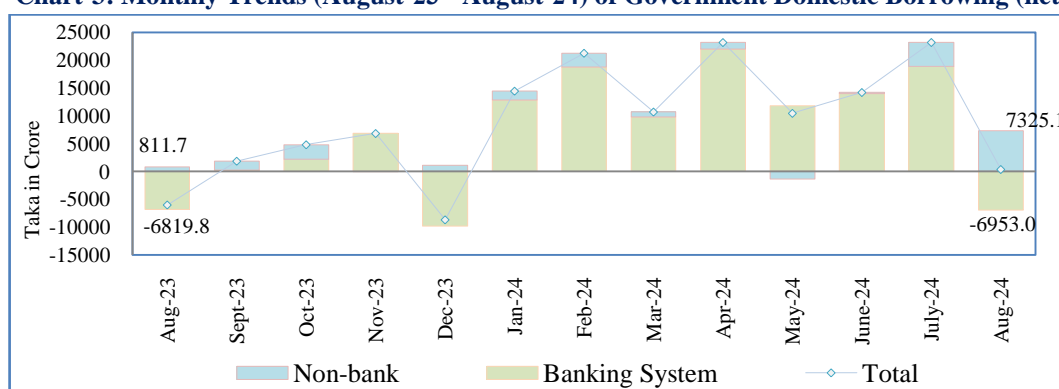
To support Shariah-based development financing, Bangladesh Government Investment *Sukuk* (BGIS) Bond was introduced in December 2020. So far, government issued four *Sukuk* (BGIS) bonds under *Ijarah* and *Istisna'a* mode. The outstanding amount of *Sukuk* (BGIS) stood at Tk. 19,000.0 crore as of end August, 2024.

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

From banking system, government borrowed and repaid Tk. 14053.8 crore and Tk. 21007.4 crore respectively in August'24, as a result net repayment was Tk. 6953.6 crore. Besides, in August'23, repayment (net) from the same source was Tk. 6819.8 crore because of higher government repayment of Tk. 21829.7 crore than borrowing of Tk. 15009.9 crore respectively (Chart-3).

On the other hand, borrowing (net) from non-banking sources stood at Tk. 7325.1 crore in August'24 as a consequence of borrowing and repayment of Tk. 9401.4 crore and Tk. 2076.3 crore accordingly. In August'23, government borrowed and repaid Tk 8630.8 crore and Tk. 7819.1 crore respectively resulting in (net) borrowing of Tk. 811.7 crore (Chart-3).

Chart-3: Monthly Trends (August'23 - August'24) of Government Domestic Borrowing (net)



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

7. Concluding Remarks

Government domestic borrowing from the banking system in the period of July-August of FY25 showed a higher growth than that of the same period of FY24, due to increased borrowing through T-Bills and T-Bonds. In addition, non-bank borrowing (net) in the period under report also rose compared to the same period of FY24 on account of increasing net sales of National Savings Certificates (NSCs).

⁴ Including Islamic branches and windows of conventional banks.

Table I : Government Domestic Borrowing from the Banking System in July-August, FY25

Annex-1
(Taka in Crore)

Sl. No.	Particulars	Issue & Maturity date	Objectives	Outstanding as on 30 June 2024	Outstanding as on 31 July 2024	Outstanding as on 31 August 2024	Changes	
							August'24 8=(7-6)	July-August 24 9=(7-5)
1	2	3	4	5	6	7		
A. Bangladesh Bank								
1.	Ways and Means Advances		To increase Government cash balance	8000.00	12000.00	12000.00	0.0	4000.0
2.	Overdraft			48745.50	48891.80	29353.20	-19538.6	-19392.3
3.	Overdraft Block			0.00	0.00	0.00	0.0	0.0
4.	Devolvement			84869.7	81920.5	81920.5	0.0	-2949.1
a)	Treasury Bills			404.9	0.0	0.0	0.0	-404.9
b)	Treasury Bonds			84464.8	81920.5	81920.5	0.0	-2544.3
5.	Government Currency Liabilities			2026.3	2026.3	2026.3	0.0	0.0
6.	Advances to Govt. against RFI from IMF			12501.6	12501.6	12501.6	0.0	0.0
7.	Advances to Autonomous and Semi-autonomous Bodies			0.0	0.0	0.0	0.0	0.0
8.	Accrued Interest			1589.9	1381.8	1724.8	343.0	134.9
9.	Government Deposits ^{ae/} (-)			-94.9	-69.2	-70.1	-0.9	24.8
10.	Balances of GIB Fund in BB (-)			-478.1	-734.8	-728.1	6.7	-250.0
11.	Govt. Lending Fund(-)			-8006.4	-7726.6	-7927.5	-200.9	78.9
A. Total : (1 +...+ 11)				149153.6	150191.4	130800.7	-19390.7	-18352.8
B. Scheduled Banks (SBs)								
1.	Government Treasury Bills			113515.1	118032.5	117062.5	-970.0	3547.3
i)	Treasury Bills (Less than 1 year)		To increase Government cash balance	113515.1	118032.5	117062.5	-970.0	3547.3
2.	Bangladesh Govt. Treasury Bonds (BGTB)			250858.8	251486.4	256295.5	4809.1	5436.8
i)	2-years Bangladesh Govt. Treasury Bonds			32383.78	32089.17	33936.17	1847.0	1552.4
ii)	3-years(FRTB) Bangladesh Govt. Treasury Bonds		To increase long-term investment of different Banks, NBFIs and employees GF of different companies	0.0	0.0	0.0	0.0	0.0
iii)	5-years Bangladesh Govt. Treasury Bonds			64243.41	63778.09	65427.78	1649.7	1184.4
iv)	10-years Bangladesh Govt. Treasury Bonds			70316.61	70614.37	71651.58	1037.2	1335.0
v)	15-years Bangladesh Govt. Treasury Bonds			41846.30	41977.00	42029.85	52.8	183.5
vi)	20-years Bangladesh Govt. Treasury Bonds			42068.66	43027.81	43250.14	222.3	1181.5
3.	Others Treasury Bonds			39299.9	39299.9	46279.0	6979.1	6979.1
a)	1 Year and above but less than 5 years (Specialized Bonds)			4.2	4.2	4.2	0.0	0.0
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)			39295.6	39295.6	46274.7	6979.1	6979.1
i)	13-years BJMC Treasury Bond bearing 5.0 percent interest	Issued 23 Oct-2011 and maturity date 23 October 2024	To repay the loan of BJMC	716.8	716.8	716.8	0.0	0.0
ii)	07-years SPTB-2026 Hanif Flyover (Janata, Sonali, Agrani, Rupali, ICB, SIBL) 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
iii)	Fertilizer ^{1/}		Funds to be used to clear dues to fertiliser importers	16453.1	16453.1	23432.2	6979.1	6979.1
iv)	Power		Funds to be used to clear dues to Power producers	20133.2	20133.2	20133.2	0.0	0.0
v)	07-years SPTB-2026 Hanif Flyover (interest free) (Janata, Sonali, Agrani, Rupali, ICB, SIBL)	Issued 30 Sep-2019 and maturity date 30 Sep-2026	To repay the loan of Hanif Flyover	554.0	554.0	554.0	0.0	0.0
4.	Bangladesh Govt. Investment Sukuk (BGIS) ^{8/}			18743.7	18743.7	18743.7	0.0	0.0
	05 Years Bangladesh Govt. Investment Sukuk (Ijarah Sukuk)	Issued 29 Dec-2020, reissued 06 June-2021 and maturity date 29 Dec-2025, issued 30 Dec-2021 and maturity date 30 Dec-2026	To support funding for projects 'Safe Water Supply to the Whole Country', 'Need Based Infrastructure Development of Government Primary Schools Project(1st Phase)', 'Important Rural Infrastructure Development Project on Priority Basis-3 (IRIDP-3)', 'Chattogram Division Upazila & Union Road Widening & Strengthening Project (CDWSP)'	18743.7	18743.7	18743.7	0.0	0.0
		Issued 20 Apr-2022 and maturity date 20 Apr-2027, issued 06 June-2024 and maturity date 06 June-2029						
5.	Sub-Total : (1+2+3+4)			422417.4	427562.4	438380.6	10818.2	15963.2
6.	Prize Bond			39.80	19.60	40.30	20.7	0.5
7.	Advances to Food Ministry			940.60	1635.80	1526.60	-109.2	586.0
8.	Advances to Other Ministries			519.00	503.80	492.30	-11.5	-26.7
9.	Advances to Auto./Semi-Autonomous Bodies			14712.20	15353.70	15700.00	346.3	987.8
10.	Accrued Interest			4136.60	3925.40	4738.10	812.7	601.5
11.	Deposits of Ministries and Departments (-)			-46680.50	-35513.50	-35237.6	275.9	11442.9
12.	Deposits of Auto./Semi-Autonomous Bodies (-)			-73467.30	-73153.7	-72693.4	460.3	773.9
13.	SBs's Balances of GIB Fund (i+ii)			-262.5	-62.5	-177.0	-114.5	85.5
i)	Investment to GIB Fund			12318.3	12988.3	12898.8	-89.5	580.5
ii)	Borrowing from GIB Fund (-)			-12580.8	-13050.8	-13075.8	-25.0	-495.0
14.	Borrowing from Govt. on Lending(-)			-2587.3	-2631.8	-2693.6	-61.8	-106.3
15.	Borrowing from Govt. Financial Stimulus Fund(-)			0.0	0.0	0.0	0.0	0.0
B. Total : (5+...+15)^{8/}				319768.0	337639.2	350076.3	12437.1	30308.3
Grand Total : (A+B)^{8/}				468921.6	487830.6	480877.0	-6953.6	11955.5

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

Notes:

^{ae/} Including other deposits.^{8/} Bangladesh Govt. Investment Sukuk -BGIS (Ijarah Sukuk) was introduced in December, 2020. So far, four Sukuk (BGIS) bonds has been issued under Ijarah and Istisna'a mode.^{1/} Excluding other securities of Govt.^{1/} An amount of Tk. 6979.09 crore was issued in August, 2024.^{*} Including offer value(T-Bills) & face value(BGTBs), GIB Fund, Govt. Lending Fund and Govt. Financial Stimulus Fund.

Table-II: Government Domestic Borrowing from Other than Bank in July-August, FY25

Annex-2

(Taka in Crores)

Sl. No.	Particulars	Sale (July-August, FY24)	Repayment (July-August, FY24)		NSS Net Sale (July-August, FY24)	Sale (July-August, FY25)	Repayment (July-August, FY25)		NSS Net Sale (July-August, FY25)
			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	0.0	0.1	0.0	0.0	0.3	0.0	-0.3
2.	5-year Bangladesh Savings Certificate	650.8	1599.9	766.6	-949.1	334.9	351.9	265.3	-17.1
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	0.2	0.0	-0.2
6.	Family Savings Certificate	6550.5	4846.8	3296.3	1703.6	3781.1	1546.6	616.1	2234.5
7.	3-month interest bearing Savings Certificate	5237.3	5468.4	1475.4	-231.1	3220.5	561.0	236.2	2659.6
8.	Jamanat Savings Certificate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9.	Pensioner Savings Certificate	1208.9	845.8	601.0	363.1	851.0	153.0	83.8	698.0
10.	Post Office Savings Bank	980.1	2755.1	1022.1	-1775.0	612.1	1711.2	604.8	-1099.1
	a) General Account	108.0	151.0	46.2	-43.0	65.9	87.9	20.4	-22.0
	b) Fixed Account	872.1	2604.1	976.0	-1732.0	546.1	1623.3	584.5	-1077.2
	c) Bonus Account	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.	Postal Life Insurance	26.7	22.2	6.4	4.6	23.7	21.4	4.1	2.3
12.	Prize Bond	28.1	10.7	8.7	17.4	20.4	11.8	3.3	8.6
13.	Wage Earners' Development Bond	155.0	358.9	289.3	-203.9	125.0	378.9	297.4	-253.9
14.	3-year National Investment Bond	0.0	0.0	0.0	0.0	0.0	0.1	0.0	-0.1
15.	US \$ Premium Bond	12.6	28.2	7.5	-15.6	21.9	5.1	1.0	16.8
16.	US \$ Investment Bond	60.3	91.4	19.8	-31.0	33.5	59.0	22.8	-25.4
17.	Flow total of NSS : (1+...+16)	14910.3	16027.4	7493.2	-1117.1	9024.1	4800.4	2134.9	4223.7
18.	Outstanding total of NSS:	Outstanding as on June'23	Outstanding as on August'23			Outstanding as on June'24	Outstanding as on August'24		
		362275.6	361158.5			341151.2	345374.9		
	Govt. Treasury Bills/Bonds/BGIS:	Outstanding as on June'23	Outstanding as on August'23		Net Changes (July-August, FY24)	Outstanding as on June'24	Outstanding as on August'24		Net Changes (July-August, FY25)
19.	T-Bills/Bonds/BGIS[®]	59034.2	61896.0		2861.7	92290.7	99685.8		7395.1
	i) Government Treasury Bills		4383.3		1074.1		21837.8		2312.0
	ii) Bangladesh Govt. Treasury Bonds (BGTBs)		57306.4		1787.6		77591.6		5083.1
	a) 2-year Bangladesh Government Treasury Bonds		2724.2		207.4		7699.8		1078.4
	b) 3-year(FRTB) Bangladesh Government Treasury Bonds		0.0		0.0		0.0		0.0
	c) 5-year Bangladesh Government Treasury Bonds		12504.6		970.2		18651.1		1825.7
	d) 10-year Bangladesh Government Treasury Bonds		21025.2		538.8		26803.2		816.1
	e) 15-year Bangladesh Government Treasury Bonds		8920.3		-68.2		10280.8		377.6
	f) 20-year Bangladesh Government Treasury Bonds		12132.2		139.4		14156.7		985.3
	iii) Bangladesh Government Investment Sukuk (BGIS) [®]		206.3		0.0		256.3		0.00
	a) 05 Years Bangladesh Govt. Investment Sukuk (Ijarah Sukuk)		206.3		0.0		256.3		0.00
20.	Flow total Non-bank Govt. Borrowing : (17 + 19)				1744.6				11618.8
21.	Outstanding of Non-bank Govt. Borrowing : (18 + 19)	Outstanding as on June'23	Outstanding as on August'23			Outstanding as on June'24	Outstanding as on August'24		
		421309.8	423054.4			433441.9	445060.7		

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

Notes:

[®] Bangladesh Govt. Investment Sukuk -BGIS (Ijarah Sukuk) was introduced in December, 2020. So far, four Sukuk (BGIS) bonds has been issued under Ijarah and Istisna'a mode.[®] Including offer value(T-Bills) & face value(BGTBs).