

Monthly Report On
Government Domestic Borrowing¹



December, 2020

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Highlights of Government Domestic Borrowing during July-December, 2020

- **Target of Government Domestic Borrowing for FY21:**
 - Total:** Tk.109983 crore.
 - Banking system:** Tk.84980 crore.
 - Other than banks (including NSD):** Tk.25003 crore, of which Tk. 20000 crore for NSD.
- During July-December 2020, Government borrowing from the **banking system** stood at Tk.595.4 crore (net) which was Tk.44946.8 crore during the same period of the previous year.
- During July-December 2020, Government borrowed Tk.22984.2 crore (net) from **other than banks** which was Tk.8567.3 crore during the same period of the previous year.
- Bangladesh Govt. Investment Sukuk (BGIS) was introduced for the first time on 29 December 2020 to raise fund for the project ‘Safe Water Supply to the Whole Country’. An amount of Tk.4000.0 crore was issued in December 2020 through 05 Years Bangladesh Govt. Investment Sukuk (Ijarah Sukuk).
- The net sale of **NSD Instruments** stood at Tk.20487.1 crore during July-December, 2020 which was Tk.5433.2 crore during the same period of the previous year.
- **Total net domestic borrowing** of the Government (banking system and other than bank) stood at Tk.23579.6 crore during July-December, 2020 which was Tk.53514.1 crore during the same period of the previous year. The borrowed amount till December, 2020 covers 21.4 percent of the total budget target.

Government Domestic Borrowing during July-December, 2020

Government borrows from various domestic sources: such as banking system and other than bank. Borrowing from Banking system consists of financing through t-bills, t-bonds & special t-bonds, ways & means advances, overdraft current & block a/c, advances to food ministry, advances to other ministries & autonomous/semi-autonomous bodies, Bangladesh Govt. Investment Sukuk (BGIS), Bangladesh Govt. Islamic Investment Bond (GIIB) fund balances, govt. lending fund, govt. financial stimulus fund and thereafter netting off government deposits with Bangladesh Bank (BB) and Scheduled Banks (SBs). On the other hand, borrowing from other than bank includes instrument of National Savings Directorate (NSD) and govt. t-bills & bonds held by the Non-Bank Financial Institutions (NBFIs), insurance companies, individuals etc.

1. Target of Government Domestic Borrowing for FY21

In the budget FY21, the target of total domestic borrowing set at Tk.109983.0 crore, of which Tk.84980.0 crore (net) from banking system and Tk.25003.0 crore (net) from other than bank. During July-December 2020, the total domestic borrowing of Government stood at Tk.23579.6 crore (net) which was 21.4 percent of the budget target of FY21.

2. Borrowing from Banking System

Government borrowed Tk.40157.9 crore (net) from Scheduled Banks (SBs) during July-December 2020. On the other hand, government repaid Tk.39562.5 crore from the outstanding balance of government borrowing from Bangladesh Bank (BB) at end June 2020. Thus, govt. borrowing (net) from the banking system (BB +SBs) stood at Tk.595.4 crore during the period under report.

3. Borrowing from Other than Bank

During July- December 2020, Government borrowed (net) Tk.22984.2 crore from other than bank, of which Tk.20487.1 crore from net sale of NSD instruments and Tk.2497.1 crore from govt. t-bills & t-bonds.

4. Total Domestic Borrowing

During July-December 2020, total domestic borrowing of Government (Bank and Other than Bank) stood at Tk.23579.6 crore (net) which was 55.9 percent lower than Tk.53514.1 crore during the same period of the previous year (Table-1).

Table 1: Source-wise Government Domestic Borrowing (net)

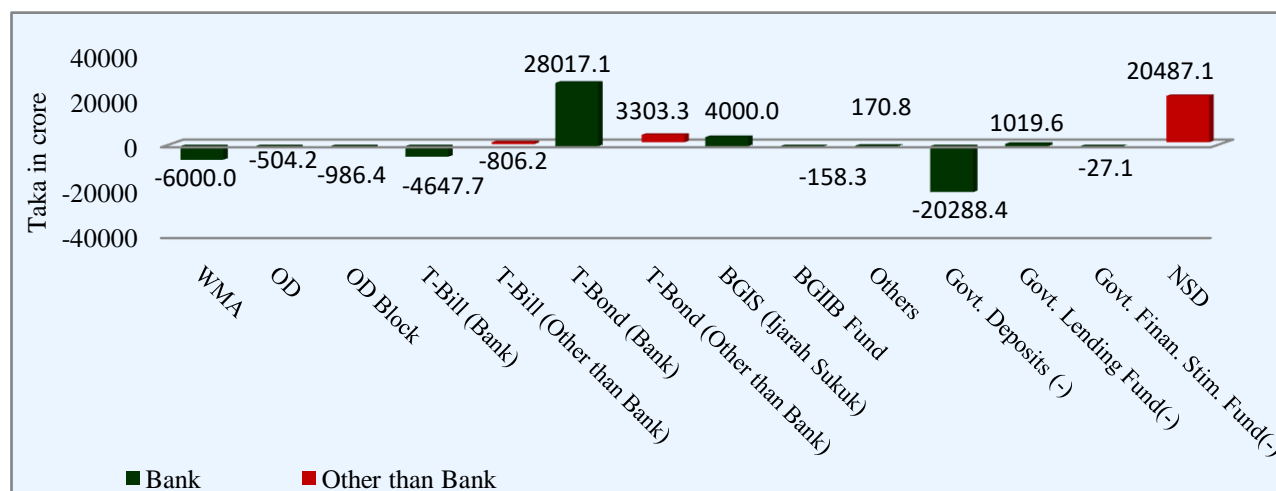
(Taka in crore)

Sources	July-December 2020	July-November 2020	July-December 2019	Change (over previous Period)	Change (over corresponding period)
	1	2	3	4=1-2	5=1-3
Bank *	595.4	3124.9	44946.8	-2529.5	-44351.4
Other than Bank **	22984.2	20731.5	8567.3	2252.7	14416.9
Total	23579.6	23856.4	53514.1	-276.8	-29934.5

Note: *=Bank includes Bangladesh Bank and Scheduled Banks. **=Other than bank includes net sale of NSD instruments and T-bills & bonds held by Non-Bank Financial Institutions (NBFIs), insurance companies, individuals etc.

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

Chart-1: Instrument-wise Government Domestic Borrowing (net)



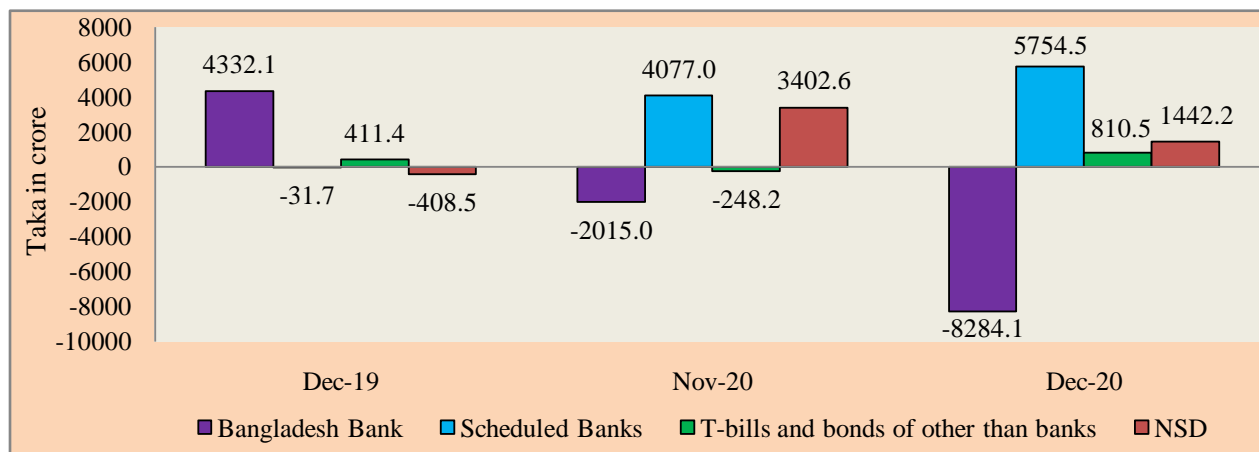
Note: WMA=Ways and Means Advances, OD=Overdraft, SPTB=Special T-Bonds, NSD=National Savings Directorate. Others include government currency liabilities, advances to Food & other ministries, advances to Auto & Semi autonomous bodies etc.

Source: Debt Management Department & Statistics Department, Bangladesh Bank; National Savings Directorate (NSD).

5. Monthly situation of Domestic Borrowing (December, 2020)

In December 2020, Government borrowed Tk.5754.5 crore from Scheduled Banks, Tk.1442.2 crore from NSD instruments and Tk.810.5 crore from govt. t-bills and bonds (other than bank). On the other hand, government repaid Tk.8284.1 crore to Bangladesh Bank at the same time (Chart-2).

Chart-2: Monthly Situation in Government Domestic Borrowing (net)



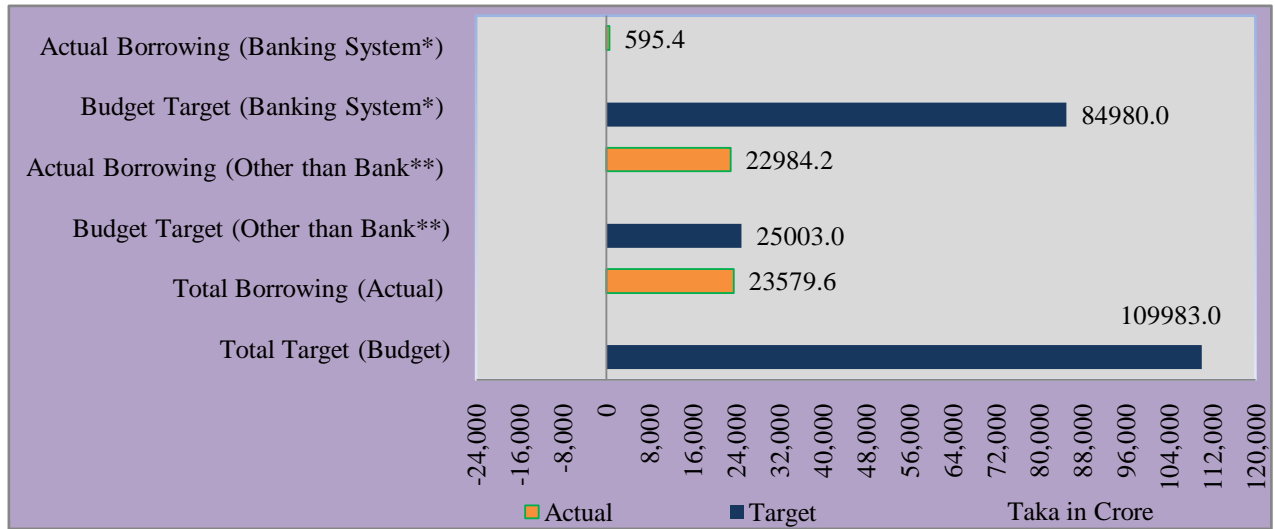
Note: NSD=National Savings Directorate.

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

6. Budget Target and Actual position of Domestic Borrowing

Government borrowing (net) from the banking system stood at Tk.595.4 crore during July-December 2020 against target of Tk.84980.0 crore of FY21. Government borrowing from other than bank stood at Tk.22984.2 crore (net) against target of Tk.25003.0 crore during the period under report which was 91.9 percent of the budget target.

Chart-3: Budget Target and Actual Government Domestic Borrowing (net)



Note: *=Banking System includes Bangladesh Bank and Scheduled Banks,

**=Other than bank includes NSD instruments and T-bills & bonds held by other than bank.

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

Therefore, total domestic borrowing of the Government stood at Tk.23579.6 crore (net) during July-December 2020 which was 21.4 percent of the budget target of FY21 (Chart-3).

Table I : Government Domestic Borrowing from the Banking System during July-December, FY21

Annex-1

(Provisional)
(Taka in crore)

Sl. No.	Particulars	Issue and date	Objectives	Outstanding as on 30 June 20	Outstanding as on 30 Nov 20	Outstanding as on 31 Dec 20	Change (+) / (-) Dec 20	Change (+) / (-) July-Dec 20
1	2	3	4	5	6	7	8=(7-6)	9=(7-5)
A. Bangladesh Bank								
1.	Ways and Means Advances		To increase Govt. cash balance	6000.0	0.0	0.0	0.0	-6000.0
2.	Overdraft			504.2	0.0	0.0	0.0	-504.2
3.	Overdraft Block			1185.0	198.6	198.6	0.0	-986.4
4.	Devolvement			34671.6	28249.0	27139.4	-1109.7	-7532.2
	a) Treasury Bills			8394.2	1767.4	967.5	-799.9	-7426.8
	b) Treasury Bonds			26277.3	26481.7	26171.9	-309.8	-105.4
5.	Government Currency Liabilities			2025.9	2025.9	2025.9	0.0	0.0
6.	Advances to Autonomous and Semi-autonomous Bodies			0.0	0.0	0.0	0.0	0.0
7.	Accrued Interest			582.1	661.9	371.3	-290.6	-210.8
8.	Government Deposits ^{@/} (-)			-33.2	-11379.6	-16276.0	-4896.4	-16242.8
9.	BB's Balances of GIIB Fund (-)			-6593.5	-13964.9	-15591.7	-1626.8	-8998.2
10.	Govt. Lending Fund(-)			-6874.5	-5601.8	-5962.4	-360.6	912.1
A.	Total : (1+...+10)			31467.6	189.1	-8094.9	-8284.1	-39562.5
B. Scheduled Banks								
1.	Government Treasury Bills			52331.1	56901.3	55110.2	-1791.0	2779.1
	i) Treasury Bills (Less than 1 year)		To increase Govt. cash balance	52331.1	56901.3	55110.2	-1791.0	2779.1
2.	Bangladesh Govt. Treasury Bonds (BGTB)			153839.1	178749.7	183341.2	4591.5	29502.1
	i) 2-years Bangladesh Govt. Treasury Bonds		To increase long-term investment of different Banks, NBFIs and employees GF of different companies	23638.5	30724.0	32206.9	1482.9	8568.4
	ii) 3-years(FRTB) Bangladesh Govt. Treasury Bonds			112.2	112.2	112.2	0.0	0.0
	iii) 5-years Bangladesh Govt. Treasury Bonds			31528.6	39846.2	41585.9	1739.6	10057.3
	iv) 10-years Bangladesh Govt. Treasury Bonds			49749.4	54624.0	55374.6	750.6	5625.2
	v) 15-years Bangladesh Govt. Treasury Bonds			24985.8	26988.9	27263.7	274.8	2277.9
	vi) 20-years Bangladesh Govt. Treasury Bonds			23824.6	26454.4	26797.9	343.5	2973.3
3.	Others Treasury Bonds			10688.5	9308.9	9308.9	0.0	-1379.6
	a) 1 Year and above but less than 5 years (Specialized Bonds)			40.5	40.5	40.5	0.0	0.0
	i) 3-Years interest free Frozen Food Treasury Bond 2021	Issued 25 June-2018 and maturity date 25 June-2021	To repay the loan of Frozen Food Industries	40.5	40.5	40.5	0.0	0.0
	b) 5 Years and above (Specialized Bonds)			10647.9	9268.3	9268.3	0.0	-1379.6
	i) 10-years (BJMC&BTMC) interest free Treasury Bond-2020	Issued 16 Jan-2011 and maturity date 16 January	To repay the loan of BJMC & BTMC	204.0	204.0	204.0	0.0	0.0
	ii) 25-years (Jute) Treasury Bond-2020 bearing 5.0 percent interest ^{1/}	Issued 1 Jul-1995 and maturity date 1 Jul-2020	To reimburse one-third of the debt due to jute mills' loan write-off by the private banks.	1.7	0.0	0.0	0.0	-1.7
	iii) 12-years to 15-years (BPC) Treasury Bond bearing 5.0 percent interest ^{2/}	Issued 25 Sep-2007 and Maturity date from 25 Sep-2015 to 25 Sep-2021	To repay the loan of Bangladesh Petroleum Corporation	2722.5	1822.5	1822.5	0.0	-900.0
	iv) 9-years to 13-years BJMC Treasury Bond bearing 5.0 percent interest ^{3/}	Issued 23 Oct-2011 and maturity date 23 October 2020, 22 & 24	To repay the loan of BJMC	1792.0	1314.1	1314.1	0.0	-477.9
	v) 8-years SPTB-2021 bearing 7.0 percent interest	Issued 29 June-2013 and maturity date 29 June-2021	To increase Government cash balance	2000.0	2000.0	2000.0	0.0	0.0
	vi) 10-years SPTB-2023 bearing 7.0 percent interest	Issued 29 June-2013 and maturity date 29 June-2023		1935.1	1935.1	1935.1	0.0	0.0
	vii) 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
	viii) 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
4.	Bangladesh Govt. Investment Sukuk (BGIS) [#]			0.0	0.0	3999.97	3999.97	3999.97
	i) 05 Years Bangladesh Govt. Investment Sukuk (Ijarah Sukuk) ^{4/}	Issued 29 Dec-2020 and maturity date 29 Dec-2025	To raise fund for the project 'Safe Water Supply to the Whole Country'	0.0	0.0	3999.97	3999.97	3999.97
5.	Sub-Total : (1+2+3+4)			216858.6	244959.8	251760.2	6800.4	34901.6
6.	Prize Bond/Income Tax Bond			31.4	47.2	27.7	-19.5	-3.7
7.	Government's other Securities			4.9	5.1	4.9	-0.2	0.0
8.	Advances to Food Ministry			573.1	218.7	237.5	18.8	-335.6
9.	Advances to Other Ministries			1701.8	1722.0	1612.2	-109.8	-89.6
10.	Advances to Auto./Semi-Autonomous Bodies			2435.4	2621.6	2865.6	244.0	430.2
11.	Accrued Interest			2729.7	3030.0	3110.0	80.0	380.3
12.	Deposits of Ministries and Departments (-)			-34849.6	-34029.8	-36163.5	-2133.7	-1313.9
13.	Deposits of Auto./Semi-Autonomous Bodies (-)			-53249.8	-55248.5	-55981.5	-733.0	-2731.7
14.	SBs's Balances of GIIB Fund (i+ii)			6203.3	13424.6	15043.2	1618.6	8839.9
	i) Investment to GIIB Fund			12972.2	16220.4	17339.0	1118.6	4366.8
	ii) Borrowing from GIIB Fund (-)			-6768.9	-2795.8	-2295.8	500.0	4473.1
15.	Borrowing from Govt. on Lending(-)			-2000.1	-1874.3	-1892.6	-18.3	107.5
16.	Borrowing from Govt. Financial Stimulus			-4845.7	-4880.0	-4872.8	7.2	-27.1
B.	Total : (5+...+16)			135593.0	169996.4	175750.9	5754.5	40157.9
Grand Total : (A+B)*				167060.6	170185.5	167656.0	-2,529.5	595.4

Notes: @/ Including other deposits.

1/ An amount of Tk. 1.7 crore was paid in July 2020 against the outstanding of Tk. 1.7 crore in June 2020.

2/ An amount of Tk. 900.0 crore was paid in September 2020 against the outstanding of Tk. 2722.5 crore in June 2020.

3/ An amount of Tk. 477.9 crore was paid in October 2020 against the outstanding of Tk. 1792.0 crore in June 2020.

4/ An amount of Tk. 3999.97 crore was issued in December 2020 through Ijarah Sukuk.

*Including GIIB Fund, Govt. Lending Fund and Govt. Financial Stimulus Fund.

BGIS was issued on 29 December 2020 to raise fund for the project 'Safe Water Supply to the Whole Country'.

Source: Debt Management Department, Statistics Department, Bangladesh Bank (Figures of Treasury Bills and Bonds (Including Special Bonds) are collected from DMD).

Table-II: Government Domestic Borrowing from Other than Bank during July-December, FY21

(Taka in Crore)

Sl. No.	Particulars	July-Dec, 2019			July-Dec, 2020				
		Sale	Repayment		Net Sale	Sale	Repayment		Net Sale
			Principal	Interest			Principal	Interest	
1	2	3	4	5	6 = (3-4)	7	8	9	10 = (7-8)
	NSD Instruments								
1.	Defence Savings Certificate	0.0	0.2	0.3	-0.2	0.0	0.5	0.7	-0.5
2.	5-year Bangladesh Savings Certificate	3975.0	1877.7	594.6	2097.4	4977.6	3045.4	1400.8	1932.2
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	7581.2	11204.4	8582.2	-3623.1	20149.7	9694.4	7007.4	10455.3
7.	3-month interest bearing Savings Certificate	5993.6	8762.6	3570.8	-2769.0	15059.2	12551.0	3693.5	2508.2
8.	Jamanat Savings Certificate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9.	Pensioner Savings Certificate	2218.2	1106.7	997.0	1111.5	3547.1	1732.2	1437.8	1814.9
10.	Post Office Savings Bank	13397.5	5462.5	1260.9	7935.0	10003.7	7058.5	1904.9	2945.2
	a) General Account	1670.9	1345.2	38.9	325.7	1190.7	1203.7	49.6	-12.9
	b) Fixed Account	11726.6	4117.3	1222.0	7609.3	8802.7	5842.6	1851.6	2960.1
	c) Bonus Account	0.0	0.0	0.0	0.0	10.3	12.3	3.7	-2.0
11.	Postal Life Insurance	54.1	52.0	17.3	2.1	57.2	67.3	20.5	-10.1
12.	Prize Bond	46.9	21.6	13.2	25.3	48.0	19.2	24.0	28.8
13.	Wage Earners' Development Bond	771.7	135.1	570.5	636.6	948.9	221.8	722.0	727.1
14.	3-year National Investment Bond	0.0	0.4	0.0	-0.4	0.0	0.1	0.0	-0.1
15.	US \$ Premium Bond	26.7	29.9	16.4	-3.2	20.7	9.2	7.6	11.5
16.	US \$ Investment Bond	146.6	125.3	71.9	21.3	164.1	89.6	44.0	74.5
17.	Total : (1+...+16)	34211.3	28778.1	15695.1	5433.2	54976.2	34489.1	16263.1	20487.1
			Outstandings as on Dec 2019		Net Changes July-Dec, 2019		Outstandings as on Dec 2020		Net Changes July-Dec, 2020
18.	Govt. Treasury Bills/Bonds		33420.5		3134.1		41257.4		2497.1
	i) Government Treasury Bills		750.0		-181.9		1252.0		-806.2
	ii) Bangladesh Govt. Treasury Bonds (BGTBs)		32670.5		3316.0		40005.4		3303.3
	a) 2-year Bangladesh Government Treasury Bonds		226.2		99.0		1775.8		600.7
	b) 3-year(FRTB) Bangladesh Government Treasury Bonds		0.0		0.0		0.0		0.0
	c) 5-year Bangladesh Government Treasury Bonds		6690.5		507.3		8184.0		252.4
	d) 10-year Bangladesh Government Treasury Bonds		13676.7		1177.6		16639.7		1624.8
	e) 15-year Bangladesh Government Treasury Bonds		5916.5		784.2		6766.2		448.6
	f) 20-year Bangladesh Government Treasury Bonds		6160.6		748.0		6639.7		376.8
	iii) Bangladesh Government Investment Sukuk(BGIS)[#]		0.0		0.0		0.03		0.03
	a) 05 Years Bangladesh Govt. Investment Sukuk (Ijarah Sukuk) ^{1/}		0.0		0.0		0.03		0.03
19.	Total Non-bank Government Borrowing (net) : (17+18)				8567.3				22984.2

BGIS was issued on 29 December 2020 to raise fund for the project 'Safe Water Supply to the Whole Country'

1/ An amount of Tk. 0.03 crore was issued in December 2020 through Ijarah Sukuk.

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