

Monthly Report On  
**Government Domestic Borrowing<sup>1</sup>**



**October, 2023**

Research Department  
Money and Banking Wing  
**Bangladesh Bank**

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# **Monthly Report on Government Domestic Borrowing: October 2023**

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## Highlights of Government Domestic Borrowing, October 2023

- **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** decreased by Tk. **3703.9** crore during July-October of FY24. However, it increased by Tk. 22348.2 crore (19.4 percent of the target of the national budget) during July- October of FY23.
- Government net borrowing from the **non-banking domestic sources** stood at Tk. **5999.2** crore (**26.1** percent of the target of the national budget) during July-October of FY24, which was Tk. 2724.6 crore (10.9 percent of the target of the national budget) during July-October of FY23.
- Therefore, government **total net domestic borrowing** (both from banking system and from non-banking domestic sources) increased by Tk. **2295.3** crore during July-October of FY24 which was increased by Tk. 25072.9 crore (17.9 percent of the target of the national budget) in July-October of FY23.
- Net repayment of the national savings schemes stood at Tk. 2305.1 crore during July-October of FY24 against the targeted net sales of Tk. 18,000.0 crore. During the same period of FY23, net repayment of national savings schemes was Tk. 632.6 crore.

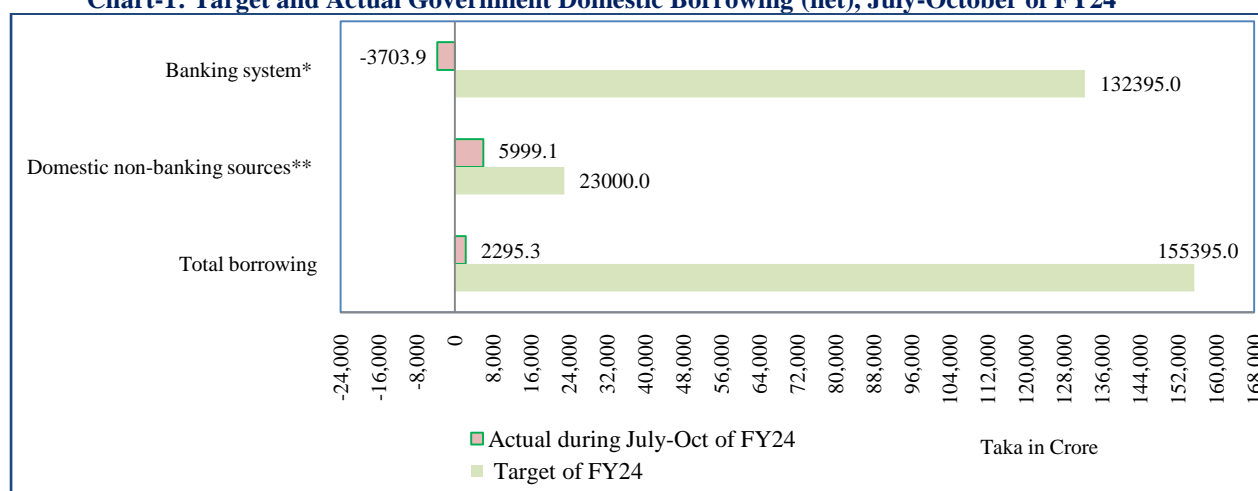
## Government Domestic Borrowing, October 2023

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 National Savings Directorate (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. 2295.3 crore during July-October of FY24 (Chart-1).

**Chart-1: Target and Actual Government Domestic Borrowing (net), July-October 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; National Savings Directorate; and Ministry of Finance (MoF).

### 2. Borrowing from Banking System

During July-October of FY24, government borrowing (net) from banking system decreased by Tk. 3703.9 crore against the increase of Tk. 22348.2 crore (19.4 percent of the budget target) during July-October of FY23.

### 3. Borrowing from Domestic Non-banking sources

During July-October of FY24, government borrowed Tk. 8304.3 crore from different institutions and individuals other than banks through issuance of T-bills and T-bonds. Government (net) repaid Tk. 2305.1 crore reflecting higher maturity of national savings schemes which exceeded the amount of their total issuances. Government total borrowing (net) from the non-banking domestic sources stood at Tk. 5999.2 crore during July-October of FY24 (26.1 percent of the budget target).

### 4. Total Domestic Borrowing

Total domestic net borrowing of government stood at Tk. 2295.3 crore during July-October of FY24. Source and instrument-wise outstanding and flow of net government domestic borrowings are shown in Table-1 and Chart-2.

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

(Taka in Crore)

Sources	FY24		FY23		% Changes <sup>&amp;</sup> (Oct'23 over June'23 <sup>#</sup> )	% Changes <sup>&amp;</sup> (Oct'22 over June'22 <sup>##</sup> )
	Outstanding at end Oct'23	Flow (July-Oct, 2023)	Outstanding at end Oct'22	Flow (July-Oct, 2022)		
Banks <sup>*</sup>	382609.2	-3703.9	288870.6	22348.2	-1.0	8.4
Domestic non-banking sources <sup>**R</sup>	427309.0	5999.2	416502.6	2724.6	1.4	0.7
<b>Total</b>	<b>809918.1</b>	<b>2295.3</b>	<b>705373.2</b>	<b>25072.8</b>	<b>0.3</b>	<b>3.7</b>

Notes: <sup>\*</sup>=Banks includes Bangladesh Bank and scheduled banks, <sup>\*\*</sup>=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.,

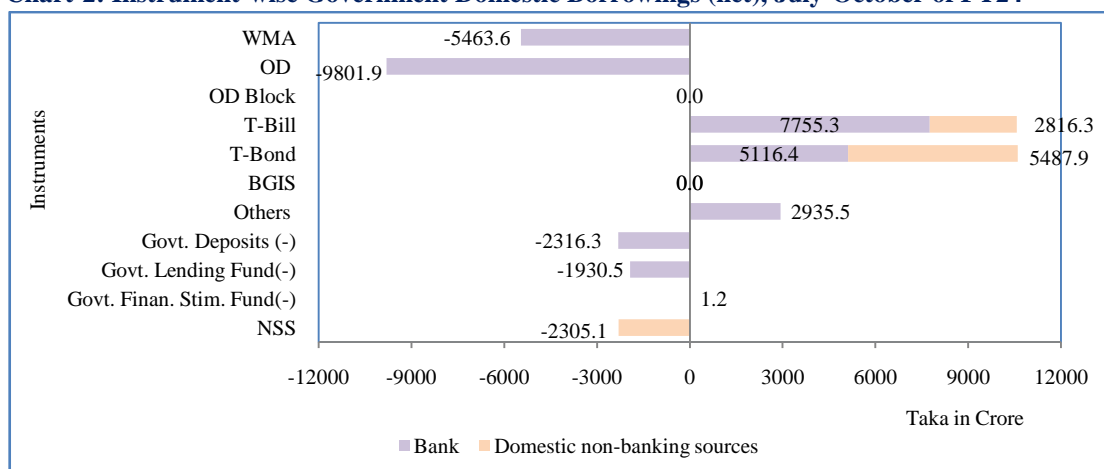
<sup>R</sup>=Revised data, <sup>&</sup>= percentage change has been calculated based on Outstanding data,

<sup>#</sup>= In June 2023, outstanding net government domestic borrowing was Tk. 807622.8 crore,

<sup>##</sup>= In June 2022, outstanding net government domestic borrowing was Tk. 680300.4 crore,

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

**Chart-2: Instrument-wise Government Domestic Borrowings (net), July-October 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; and National Savings Directorate.

## 5. Government Islamic Securities

### i) Bangladesh Government Islamic Investment Bond (BGIIB)<sup>2</sup>

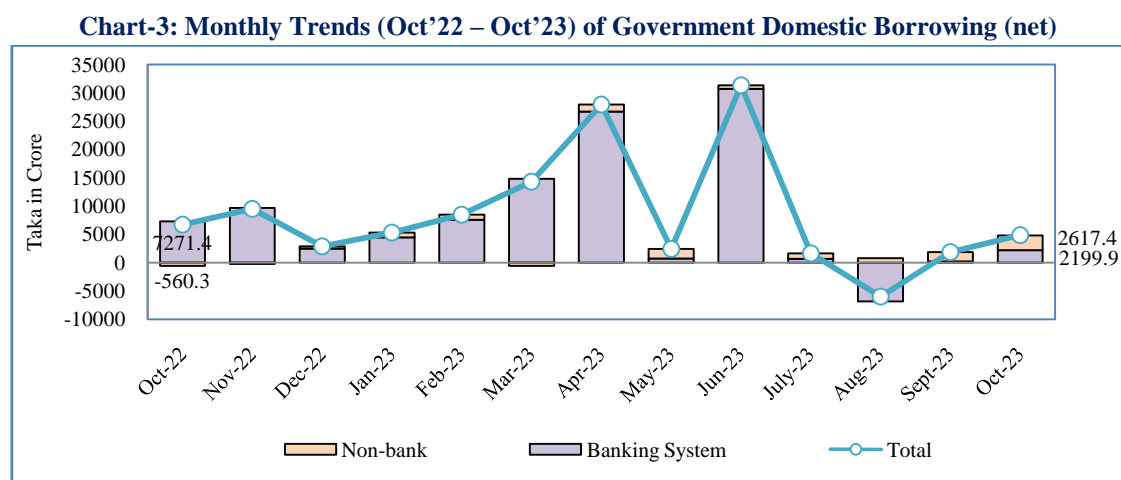
To smooth Islamic Shariah-based liquidity management, Bangladesh Government Islamic Investment Bond (BGIIB) was introduced in 2004. During July-October of FY24, investments to BGIIB fund by Islamic banks<sup>3</sup> increased by Tk. 428.0 crore, and borrowing from that fund also raised by Tk. 800.0 crore. Thus, Islamic banks' net balances of BGIIB fund decreased by Tk. 372.0 crore during July-October of FY24.

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

Enhancing Shariah-based financing in developing activities, Bangladesh Government Investment Sukuk (BGIS) Bond was introduced in FY21. 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 October, 2023.

## 6. Monthly Movements of Domestic Borrowing (October, 2023)

In October 2023, government borrowed Tk. 2199.9 crore from banking system and Tk. 2617.4 crore from domestic non-banking sources. In October 2022, government borrowed Tk. 7271.4 crore from banking system, while government repaid Tk. 560.3 crore to domestic non-banking sources.



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

## 7. Concluding Remarks

Government domestic borrowing from the banking system decreased during July-October of FY24 compared to the same period of FY23 caused by higher government repayment of previous debt to the banking system. On the other hand, net non-bank borrowing followed slower growth during July- October of FY24 mainly because of reduction in net sales of National Savings Certificates (NSCs).

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

<sup>3</sup> Including Islamic branches and windows of conventional banks.

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

Annex-1  
Revised

(Taka in crore)

Sl. No.	Particulars	Issue and Maturity date	Objectives	Outstanding as on 30 June 23	Outstanding as on 30 September 23	Outstanding as on 31 October 23	Oct'23	July-Oct, FY24
1	2	3	4	5	6	7	8=(7-6)	9=(7-5)
<b>A. Bangladesh Bank</b>								
1.	Ways and Means Advances		To increase Government cash balance	8000.0	0.0	2536.4	2536.4	-5463.6
2.	Overdraft			9801.9	0.0	0.0	0.0	-9801.90
3.	Overdraft Block			0.0	0.0	0.0	0.0	0.0
4.	Devolvement			131333.5	128448.9	114498.7	-13950.2	-16834.9
	a) Treasury Bills			50499.0	37271.1	23320.9	-13950.2	-27178.1
	b) Treasury Bonds			80834.6	91177.8	91177.8	0.0	10343.2
5.	Government Currency Liabilities			2026.3	2026.3	2026.3	0.0	0.0
6.	Advances to Govt. against RFI from IMF			6516.1	5992.3	5992.3	0.0	-523.8
7.	Advances to Autonomous and Semi-autonomous Bodies			0.0	0.0	0.0	0.0	0.0
8.	Accrued Interest			2507.7	3375.9	3631.8	255.9	1124.1
9.	Government Deposits <sup>01</sup> (-)			-38.0	-8914.5	-73.6	8840.9	-35.6
10.	Balances of GHB Fund in BB (-)			-1164.2	-1756.1	-939.4	816.7	224.8
11.	Govt. Lending Fund(-)			-10209.9	-10776.9	-12244.5	-1467.6	-2034.6
<b>A.</b>	<b>Total : (1 +...+ 11)</b>			<b>148773.4</b>	<b>118395.9</b>	<b>115428.0</b>	<b>-2967.9</b>	<b>-33345.5</b>
<b>B. Scheduled Banks (SBs)</b>								
1.	Government Treasury Bills			71831.2	100381.4	106764.6	6383.2	34933.4
	i) Treasury Bills (Less than 1 year)		To increase Government cash balance	71831.2	100381.4	106764.6	6383.2	34933.4
2.	Bangladesh Govt. Treasury Bonds (BGTB)			229729.5	225767.2	226437.9	670.7	-3291.7
	i) 2-years Bangladesh Govt. Treasury Bonds			29269.1	25143.6	25778.6	635.1	-3490.5
	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			62034.7	62569.6	62113.8	-455.8	79.1
	iv) 10-years Bangladesh Govt. Treasury Bonds			64394.0	64190.9	64394.8	203.8	0.7
	v) 15-years Bangladesh Govt. Treasury Bonds			38119.8	37931.8	38005.9	74.1	-114.0
	vi) 20-years Bangladesh Govt. Treasury Bonds			35911.9	35931.4	36144.9	213.5	232.9
3.	Others Treasury Bonds			4648.7	2713.6	2713.6	0.0	-1935.1
	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)			4644.5	2709.3	2709.3	0.0	-1935.1
	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 <sup>1/</sup>	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		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	To repay the loan of Hanif Flyover	554.0	554.0	554.0	0.0	0.0
4.	Bangladesh Govt. Investment Sukuk (BGIS) <sup>2/</sup>			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-2025	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 Primary Schools (Dhaka and Dhaka-2)'	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)'					
<b>5.</b>	<b>Sub-Total : (1+2+3+4)</b>			<b>324003.1</b>	<b>346655.8</b>	<b>353709.7</b>	<b>7053.9</b>	<b>29706.6</b>
6.	Prize Bond			28.6	25.7	14.0	-11.7	-14.6
7.	Other Securities of Govt.			5.7	6.7	6.4	-0.3	0.7
8.	Advances to Food Ministry			1211.4	1199.3	718.4	-480.9	-493.0
9.	Advances to Other Ministries			828.0	632.1	611.8	-20.3	-216.2
10.	Advances to Auto./Semi-Autonomous Bodies			13446.6	15647.4	16207.7	560.3	2761.1
11.	Accrued Interest			3255.4	3472.8	3699.8	227.0	444.4
12.	Deposits of Ministries and Departments (-)			-35647.1	-37070.0	-37978.7	-908.7	-2331.6
13.	Deposits of Auto./Semi-Autonomous Bodies (-)			-67703.8	-67256.4	-67652.9	-396.5	50.9
14.	SBs's Balances of GHB Fund (i+ii)			646.7	1121.7	274.7	-847.0	-372.0
	i) Investment to GHB Fund			7842.5	8567.5	8270.5	-297.0	428.0
	ii) Borrowing from GHB Fund (-)			-7195.8	-7445.8	-7995.8	-550.0	-800.0
15.	Borrowing from Govt. on Lending(-)			-2533.8	-2421.8	-2429.7	-7.9	104.1
16.	Borrowing from Govt. Financial Stimulus Fund(-)			-1.2	0.0	0.0	0.0	1.2
<b>B.</b>	<b>Total : (5+...+16)</b>			<b>237539.6</b>	<b>262013.3</b>	<b>267181.2</b>	<b>5167.9</b>	<b>29641.6</b>
<b>Grand Total : (A+B)<sup>3/</sup></b>				<b>386313.0</b>	<b>380409.2</b>	<b>382609.2</b>	<b>2199.9</b>	<b>-3703.9</b>

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

Notes:

<sup>01</sup> Including other deposits.<sup>2</sup> Bangladesh Govt. Investment Sukuk -BGIS (Ijarah Sukuk) was introduced in FY21. So far, three Sukuk (BGIS) bonds has been issued under Ijarah and Ibtisna'a mode.<sup>3</sup> An amount of Tk. 1935.12 crore was paid in July 2023 against the outstanding of Tk. 1935.12 crore in June 2023.

Including Offer value(T-Bills) &amp; Face value(T-Bonds), GHB Fund, Govt. Lending Fund and Govt. Financial Stimulus Fund.

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

Annex-2

Revised

(Taka in Crore)

Sl. No.	Particulars	Sale (July-Oct, FY23)	Repayment (July-Oct, FY23)		NSS Net Sale (July-Oct, FY23)	Sale (July-Oct, FY24)	Repayment (July-Oct, FY24)		NSS Net Sale (July-Oct, FY24)
			Principal	Interest			Principal	Interest	
1	2	3	4	5	6 = (3-4)	7	8	9	10 = (7-8)
<b>National Savings Schemes (NSS):</b>									
1.	Defence Savings Certificate	0.0	0.6	0.5	-0.6	0.0	0.1	0.2	-0.1
2.	5-year Bangladesh Savings Certificate	1702.2	2795.2	1354.8	-1093.0	1164.7	2950.2	1437.5	-1785.5
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	13276.2	9439.3	6225.8	3836.9	12886.4	9240.7	6574.7	3645.7
7.	3-month interest bearing Savings Certificate	8359.4	6060.0	2755.3	2299.4	10318.2	10819.9	2951.4	-501.7
8.	Jamanat Savings Certificate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9.	Pensioner Savings Certificate	2614.8	2191.1	1133.9	423.7	2372.7	1724.2	1186.2	648.4
10.	Post Office Savings Bank	1641.7	7280.4	3841.5	-5638.7	1809.8	5640.9	2006.3	-3831.1
	a) General Account	195.0	2042.7	752.2	-1847.7	197.8	273.7	83.4	-75.9
	b) Fixed Account	1446.6	5237.7	3089.2	-3791.1	1611.9	5367.2	1922.9	-3755.2
	c) Bonus Account	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.	Postal Life Insurance	42.0	38.7	11.1	3.4	49.8	42.0	10.9	7.8
12.	Prize Bond	30.1	9.8	10.1	20.4	37.8	11.1	22.3	26.7
13.	Wage Earners' Development Bond	235.3	591.5	496.3	-356.2	274.6	692.3	536.5	-417.7
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	60.9	40.5	10.8	20.4	18.1	29.1	10.9	-11.1
16.	US \$ Investment Bond	81.9	230.1	53.3	-148.2	144.1	230.7	49.4	-86.6
17.	<b>Flow total of NSS : (1+...+16)</b>	<b>28044.5</b>	<b>28677.1</b>	<b>15893.4</b>	<b>-632.6</b>	<b>29076.1</b>	<b>31381.2</b>	<b>14786.3</b>	<b>-2305.1</b>
18.	<b>Outstanding total of NSS:</b>	<b>Outstanding as on June'22</b>	<b>Outstanding as on Oct'22</b>			<b>Outstanding as on June'23</b>	<b>Outstanding as on Oct'23</b>		
		<b>365571.5</b>	<b>364938.9</b>			<b>362275.6</b>	<b>359970.5</b>		
<b>Govt. Treasury Bills/Bonds/BGIS:</b>									
19.	<b>T-Bills/Bonds/BGIS*</b>	<b>48206.5</b>	<b>51563.8</b>		<b>Net Changes (July-Oct, FY23)</b>	<b>Outstanding as on June'23</b>	<b>Outstanding as on Oct'23</b>		<b>Net Changes (July-Oct, FY24)</b>
	i) Government Treasury Bills		827.7		338.5		6,125.5		2816.3
	ii) Bangladesh Govt. Treasury Bonds (BGTBs)		50529.7		3018.7		61006.7		5487.9
	a) 2-year Bangladesh Government Treasury Bonds		1183.3		-43.2		3614.4		1097.6
	b) 3-year(FRTB) Bangladesh Government Treasury Bonds		0.0		0.0		0.0		0.0
	c) 5-year Bangladesh Government Treasury Bonds		9605.3		613.1		14292.2		2757.8
	d) 10-year Bangladesh Government Treasury Bonds		19874.7		788.3		21957.0		1470.6
	e) 15-year Bangladesh Government Treasury Bonds		8545.1		398.9		8943.5		-44.9
	f) 20-year Bangladesh Government Treasury Bonds		11321.3		1261.7		12199.6		206.8
	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.	<b>Flow total Non-bank Govt. Borrowing : (17 + 19)</b>				2724.6				<b>5999.2</b>
21.	<b>Outstanding of Non-bank Govt. Borrowing : (18 + 19)</b>	<b>Outstanding as on June'22</b>	<b>Outstanding as on Oct'22</b>			<b>Outstanding as on June'23</b>	<b>Outstanding as on Oct'22</b>		
		<b>413778.1</b>	<b>416502.6</b>			<b>421309.8</b>	<b>427309.0</b>		

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

Notes:

# Bangladesh Govt. Investment Sukuk -BGIS (Ijarah Sukuk) was introduced in FY21. So far, three Sukuk (BGIS) bonds has been issued under Ijarah and Istisna' a mode.

\* Including Offer value(T-Bills) & Face value(T-Bonds)