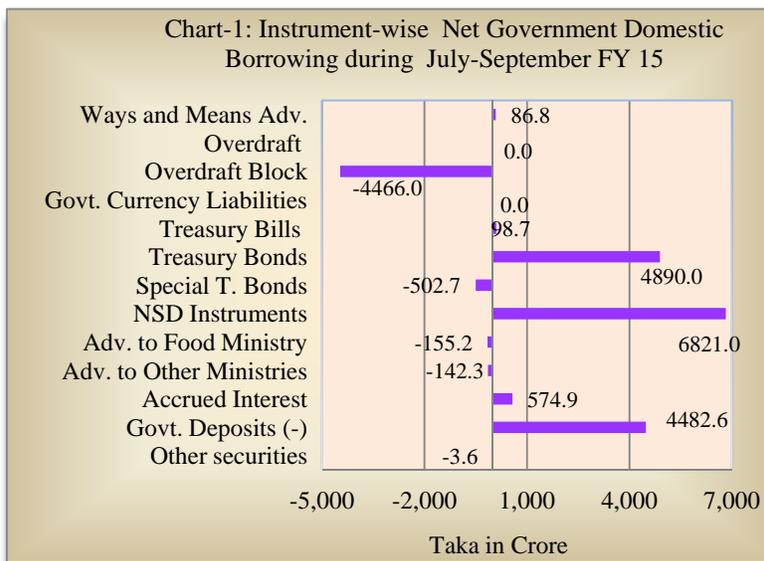


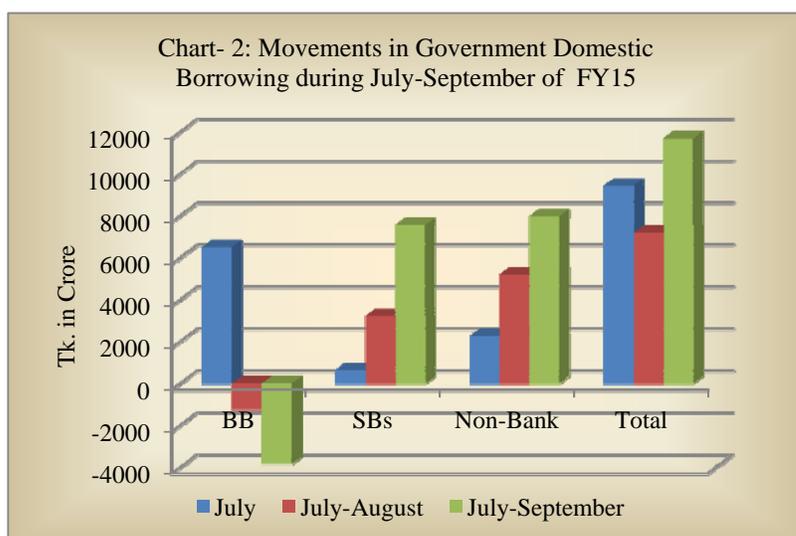
Government Borrowing from Domestic Sources during July-September of FY15

Government borrows from both domestic and external sources to bridge its fiscal deficits.

Government domestic borrowing sources are banks (Bangladesh Bank and Scheduled Banks) and other than banks. Government borrows from banking system mainly through Treasury Bills and Bonds and from non-banking sources through National Saving Deposits (NSD) in addition to Treasury Bills and Bonds. It is observed that the government has



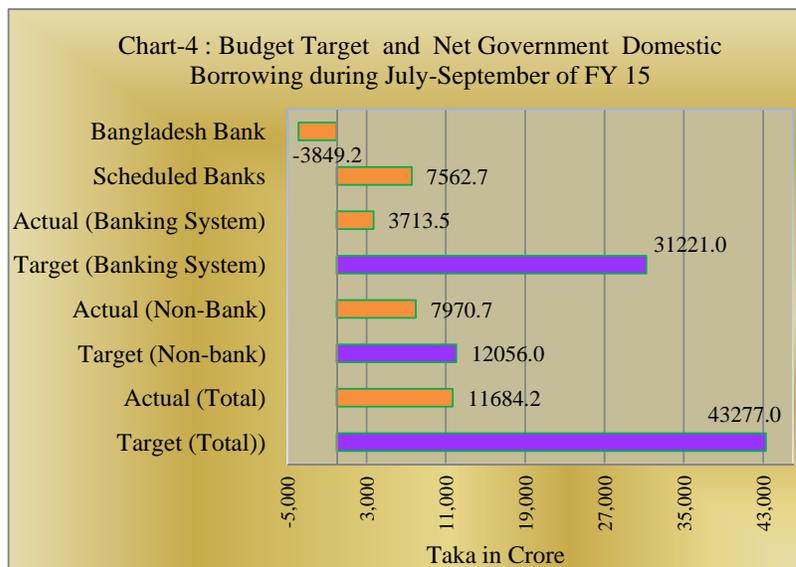
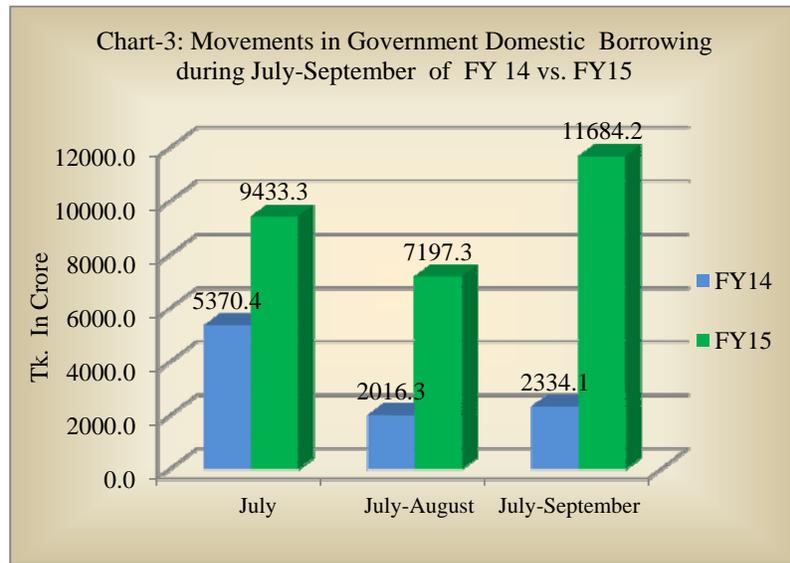
borrowed (net) Tk. 4486.0 crore through Treasury Bills and Bonds of which Tk.4387.3 crore (net) has been borrowed through Treasury Bonds and Tk.98.7 crore has been borrowed through Treasury Bills during July-September of FY15. In addition to that, government borrowed Tk.6821.0 crore through NSD instruments during the period. Net government domestic borrowing stood at Tk.11684.2 crore during July-September of FY15 after the adjustments with Treasury Bills and Bonds, NSD, Ways and Means Advances (WMA), advances to Food and other Ministries, Overdraft current and block accounts, accrued interest, and advances and deposits of autonomous and semi-autonomous bodies as well as the deduction of cash balance in the form of Government Deposits. During the period, Government Deposits decreased by Tk.4482.5 crore where deposits decreased by Tk.3990.7 crore with Bangladesh Bank and Tk.491.8 crore with Scheduled Banks. Instrument wise net government domestic borrowing during July-September of FY15 is depicted in chart-1.



The government has borrowed Tk.7562.7 crore from the scheduled banks but repaid to Bangladesh Bank Tk.3849.2 crore. After the adjustments with repayments, deposits and advances of autonomous and semi-autonomous bodies, the government borrowing stood at Tk.3713.5 crore (net) from banking system and Tk. 7970.7 crore from other than banking sources (including NSD, Treasury

Bills and Bonds) during July-September of FY15 of which Tk.6821.0 crore net borrowed through NSD. The movements in net government borrowing from different domestic sources during July-September of FY15 are demonstrated in chart-2.

At the end of first quarter of FY15, the net government domestic borrowing stood at Tk.11684.2 crore as compare to Tk.2334.1 crore of the corresponding period of FY14. A comparative picture of government net domestic borrowing during July-September of FY14 and FY15 is depicted in chart-3. It showed that net domestic borrowing is increasing faster during July-September of FY15 as compare to the same period of FY14.



In the budget of FY15, Tk.43277.0 crore has been fixed for borrowing from domestic sources by the government of which Tk.31221.0 crore and Tk.12056.0 crore are targeted to borrow from banking and non-banking sources respectively. The government borrowed Tk. 3713.5 crore (net) from the banking system during July-September of FY15 which covered almost 31.8 percent of total actual govt. borrowing and 11.9 percent

of budget target from banking system. During the period, the government borrowed Tk. 7562.7 crore (net) from the schedules banks. Moreover, government borrowed Tk.7970.7 crore from other than banks (including NSD, Treasury Bills and Bonds) which exceeded about 68.2 percent of total actual govt. borrowing and reached to 66.1 percent of total budget target from non-banking sources. During the period under report, NSD instruments contributed 85.6 percent of total non-bank borrowing. The total net government domestic borrowing (banking and non-banking sources) stood at Tk. 11684.2 crore which covered almost 27 percent of total budget target after the adjustment in government deposits and other items during July-September of FY15. A comparative picture of government budget target and actual domestic borrowing during July-September of FY15 is produced in chart-4.

To sum up, net government borrowing from the domestic sources showed a mixed trend during the first quarter of FY15. The borrowed amount from the banking system stood much lower than the borrowed amount from the non-bank sources.

Table I : Government Borrowing (Net) from the Banking System during July-September of FY15

(Provisional)
(Taka in crore)

Sl. No	Particulars	Issue and Maturity date	Objectives	Outstanding as on 30 June 14	Outstanding as on 31 August 14	Outstanding as 30 September 14	Change (+) / (-)	
							Aug-Sep 8=(7-6)	Jul-Sep 9=(7-5)
1	2	3	4	5	6	7	8	9
A. Bangladesh Bank								
1.	Ways and Means Advances		To increase Government cash balance	0.0	0.0	86.8	86.8	86.8
2.	Overdraft			0.0	0.0	0.0	0.00	0.0
3.	Overdraft Block			13151.0	13151.0	8685.0	-4466.0	-4466.0
4.	Devolvement			3829.6	3190.6	436.6	-2754.0	-3393.0
a)	Treasury Bills			357.4	618.0	0.0	-618.0	-357.4
b)	Treasury Bonds			3472.2	2572.6	436.6	-2136.0	-3035.6
5.	Government Currency Liabilities			822.7	822.7	822.7	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 ⁸			78.1	53.2	10.4	-42.8	-67.7
8.	Government Deposits ⁹ (-)			-4141.9	-4705.0	-151.2	4553.8	3990.7
A. Total : (1 +...+ 8)				13739.5	12512.5	9890.3	-2622.2	-3849.2
B. Deposit Money Banks (DMBs)								
1. Government Treasury Bills								
i)	Treasury Bills (Less than 1 year)		To increase Government cash balance	40351.9	39611.5	40731.2	1119.7	379.3
2.	Bangladesh Govt. Treasury Bonds (BGTB)			81601.0	84971.6	88453.7	3482.1	6852.7
i)	2-years Bangladesh Govt. Treasury Bonds ¹		To increase long-term investment of different banks, non-bank financial institutions and employees GF of different companies	5811.9	6811.9	7301.9	490.0	1490.0
ii)	5-years Bangladesh Govt. Treasury Bonds			24495.3	24995.2	25716.4	721.2	1221.1
iii)	10-years Bangladesh Govt. Treasury Bonds			32681.6	33727.0	34477.0	750.0	1795.4
iv)	15-years Bangladesh Govt. Treasury Bonds			11145.5	11476.8	12371.6	894.8	1226.1
v)	20-years Bangladesh Govt. Treasury Bonds			7466.7	7960.7	8586.8	626.1	1120.1
3. Others Treasury Bonds (a+b)				15077.7	15075.0	14575.0	-500.0	-502.7
a) 1 Year and above but less than 5 years (Specialized Bonds)								
i)	3-Years interest free Frozen Food Treasury Bond 2014	Issued 5 Oct-2011 and maturity date 5 Oct-2014	To repay the loan of Frozen Food Industries	4.5	4.5	4.5	0.0	0.0
ii)	3-Years and 4-years (BPC) Treasury Bond bearing 7.0 percent interest	Issued 5 Oct-2011 and maturity date 5 October 2014 & 2015 respectively	To repay the loan of Bangladesh Petroleum Corporation	400.0	400.0	400.0	0.0	0.0
b) 5 Years and above (Specialized Bonds)				14673.2	14670.5	14170.5	-500.0	-502.7
i)	6, 7 & 10-years (BJMC&BTMC) interest free Treasury Bond-2016, 2017 & 2020	Issued 16 Jan-2011 and maturity date 16 January 2017, 18 & 21 respectively	To repay the loan of BJMC & BTMC	677.9	677.9	677.9	0.0	0.0
ii)	25-years (Jute) Treasury Bond-2018 bearing 5.0 percent interest	Issued 1 Nov-1993 and maturity date 1 Nov-2018	To compensate for the liquidation of jute sector credit	100.5	100.5	100.5	0.0	0.0
iii)	25-years (Jute) Treasury Bond-2019 bearing 5.0 percent interest	Issued 30 Jun-1994 and maturity date 30 Jun-2019	To compensate for the liquidation of jute sector credit	69.7	69.7	69.7	0.0	0.0
iv)	25-years (Jute) Treasury Bond-2020 bearing 5.0 percent interest	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.	17.1	14.4	14.4	0.0	-2.7
v)	7-years to 15-years (BPC) Treasury Bond bearing 5.0 percent interest	Issued 25 Sep-2007 and Maturity date from 25 Sep-2014 to 25 Sep-2022	To repay the loan of Bangladesh Petroleum Corporation	3622.5	3622.5	3122.5	-500.0	-500.0
vi)	5-years and 6-years (BPC) Treasury Bond bearing 7.0 percent interest	Issued 5 Oct 2011 and 26 Dec 2011 and Maturity date 5 Oct-2016 and 26 Dec-2017	To repay the loan of Bangladesh Petroleum Corporation	2100.0	2100.0	2100.0	0.0	0.0
vii)	5-years to 13-years BJMC Treasury Bond bearing 5.0 percent interest	Issued 23 Oct-2011 and maturity date 23 October 2016, 20, 22 & 24	To repay the loan of BJMC	2150.4	2150.4	2150.4	0.0	0.0
viii)	7-years SPTB-2020 bearing 7.0 percent interest	Issued 29 June-2013 and maturity date 29 June-2020		2000.0	2000.0	2000.0	0.0	0.0
ix)	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
x)	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
4.	Prize Bond/Income Tax Bond			31.1	30.0	27.7	-2.3	-3.4
5.	Government's other Securities			2.4	2.2	2.2	0.0	-0.2
6. Sub-Total : (1+2+3+4+5)				137064.1	139690.3	143789.8	4099.5	6725.7
7.	Advances to Food Ministry			612.6	551.3	457.4	-93.9	-155.2
8.	Advances to Other Ministries			1062.4	1174.0	1242.3	68.3	179.9
9.	Advances to Auto./Semi-Autonomous Bodies			1094.5	639.4	772.3	132.9	-322.2
10.	Accrued Interest			3170.2	3620.5	3812.8	192.3	642.6
11.	Deposits of Ministries and Departments (-)			-14887.7	-15454.9	-15107.2	347.7	-219.5
12.	Deposits of Auto./Semi-Autonomous Bodies (-)			-24330.0	-23212.3	-23618.6	-406.3	711.4
B. Total : (6+...+12)				103786.1	107008.3	111348.8	4340.5	7562.7
Grand Total : A+B				117525.6	119520.8	121239.1	1718.3	3,715.5

Notes: @/ Including other deposits.

1/ 2 year Bangladesh Government Treasury Bond was introduced in May 2013

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

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5.	Government Currency Liabilities			822.7	822.7	822.7	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 ⁸			78.1	53.2	10.4	-42.8	-67.7
8.	Government Deposits ⁹ (-)			-4141.9	-4705.0	-151.2	4553.8	3990.7
A. Total : (1 +...+ 8)				13739.5	12512.5	9890.3	-2622.2	-3849.2
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vii)	5-years to 13-years BJMC Treasury Bond bearing 5.0 percent interest	Issued 23 Oct-2011 and maturity date 23 October 2016, 20, 22 & 24	To repay the loan of BJMC	2150.4	2150.4	2150.4	0.0	0.0
viii)	7-years SPTB-2020 bearing 7.0 percent interest	Issued 29 June-2013 and maturity date 29 June-2020		2000.0	2000.0	2000.0	0.0	0.0
ix)	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
x)	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
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6. Sub-Total : (1+2+3+4+5)				137064.1	139690.3	143789.8	4099.5	6725.7
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8.	Advances to Other Ministries			1062.4	1174.0	1242.3	68.3	179.9
9.	Advances to Auto./Semi-Autonomous Bodies			1094.5	639.4	772.3	132.9	-322.2
10.	Accrued Interest			3170.2	3620.5	3812.8	192.3	642.6
11.	Deposits of Ministries and Departments (-)			-14887.7	-15454.9	-15107.2	347.7	-219.5
12.	Deposits of Auto./Semi-Autonomous Bodies (-)			-24330.0	-23212.3	-23618.6	-406.3	711.4
B. Total : (6+...+12)				103786.1	107008.3	111348.8	4340.5	7562.7
Grand Total : A+B				117525.6	119520.8	121239.1	1718.3	3,715.5

Notes: @/ Including other deposits.

1/ 2 year Bangladesh Government Treasury Bond was introduced in May 2013

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