



Bangladesh Government Securities Quarterly Bulletin

October-December Quarter FY 2025-2026

Debt Management Department
Bangladesh Bank

Bangladesh Government Securities Quarterly Bulletin

October-December Quarter FY 2025-2026



Debt Management Department

Bangladesh Bank

www.bb.org.bd

Advisors

1. Dr. Md. Kabir Ahmed, Deputy Governor
2. Rup Ratan Pine, Executive Director

Coordinator

Istequemal Hussain, Director (DMD)

Editorial Team

1. Shoheli Afrin, Additional Director
2. Tahmida Zaman, Additional Director
3. Lucky Sultana, Additional Director
4. Neeroo Nasreen, Additional Director
5. Most. Kaniz Fatima, Joint Director
6. Md. Kamrul Hasan, Joint Director
7. Chandan Kumar Aich, Assistant Director

Editorial Support Team

1. Md. Rezaul Hasan, Joint Director
2. Md. Anwar Hossain, Joint Director
3. Mahmuda Fardus, Joint Director
4. Rashedur Rahaman, Joint Director
5. Tawfiqur Rahman, Joint Director
6. Abdullah Al Zubaer, Deputy Director
7. Prodip Kumar Sutra Dhar, Deputy Director
8. Shuvankar Bala, Assistant Director

Preface

The publication of this Bangladesh Government Securities Quarterly Bulletin is a key initiative undertaken to emphasize the need for regular, timely, and transparent dissemination of market information. As part of Bangladesh Bank's commitment to strengthening the domestic bond market, this bulletin provides a consolidated overview of the performance and developments in the tradable segment of government securities.

For the purpose of this report, 'government securities' refer exclusively to tradable instruments such as Treasury Bills, Treasury Bonds, Special Purpose Treasury Bonds (SPTBs), and Sukuk. All data and information presented in this bulletin are sourced from the Debt Management Department of Bangladesh Bank, based on internal records, auction outcomes, and market transaction statistics. The department has prepared this publication with the aim of providing stakeholders including policymakers, market participants, researchers, and the general public with a clear and comprehensive understanding of recent trends and developments in the government securities market.

Bangladesh Bank will continue its efforts to enhance transparency and market confidence by ensuring that this bulletin is published on a quarterly basis, contributing to the broader objective of deepening the local currency bond market.

Table of Contents

A. Executive Summary	1
B. Government Securities Market in Bangladesh	3
C. Primary Market Operation	4
1. Net Issuance of T-bonds	4
2. Net Issuance of T-bills	5
3. Net Issuance of SPTBs	6
4. Net Issuance of Sukuk	6
D. Structure of Government Securities.....	7
1. Outstanding of Government Securities.....	7
2. Maturity Pattern of Government Securities	8
3. Ownership Pattern of Government Securities	9
3.1. Treasury Bills and Bonds	9
3.2. Bangladesh Government Investment Sukuk (BGIS).....	10
3.3. Special Purpose Treasury Bonds (SPTBs)	10
E. Secondary Trading of Govt. Securities.....	11
1. Secondary Market Yield Curve	11
2. Secondary Trading Pattern of G-Sec	12
3. Maturity Pattern of Secondary Trading	12
4. Top Member Traders	13
F. Market Trend	14
1. Primary Market Yield Trends	14
2. Primary Market Bid Coverage Ratio	15
3. Secondary Market Turnover Ratio	15
G. Summary of Major Policy or Operational Changes.....	16
H. Conclusion	16

List of Acronyms

Acronym	Elaboration
BB	Bangladesh Bank
BDT	Bangladeshi Taka
BGTB	Bangladesh Government Treasury Bond
BGIS	Bangladesh Government Investment Sukuk
CSE	Chittagong Stock Exchange
DSE	Dhaka Stock Exchange
FMI	Financial Market Infrastructure
FRTB	Floating Rate Treasury Bond
FY	Fiscal Year
G-Sec	Government Securities
GSOM	Government Securities Order-Matching
LCBM	Local Currency Bond Market
OTC	Over-the-Counter
PLC	Public Limited Company
Q1	First Quarter
Q2	Second Quarter
Q4	Fourth Quarter
SLR	Statutory Liquidity Requirement
SPTBs	Special Purpose Treasury Bonds
T-bills	Treasury Bills
T-bonds	Treasury Bonds

List of Tables

Table 1: Net Issuance of T-bonds	4
Table 2: Net Issuance of T-bills.....	5
Table 3: Outstanding Stock of Government Securities.....	7
Table 4: Ownership Pattern of Treasury Bills & Bonds	9
Table 5: Ownership Pattern of Sukuk.....	10
Table 6: Secondary Trading of G-Sec	12
Table 7: Maturity Pattern of Secondary Trading	13
Table 8: Top 10 Member Traders	13
Table 9: Month-wise Average Yield.....	14
Table 10: Primary Market Bid Coverage.....	15
Table 11: Secondary Market Turnover Ratio	15

List of Charts

Chart 1: Net Issuance of T-bonds.....	4
Chart 2: Net Issuance of T-bills.....	5
Chart 3: Composition of G-sec.....	8
Chart 4: Year Wise Maturity.....	8
Chart 5: Quarterly Average Yield.....	14

A. Executive Summary

During the 2nd quarter of FY 2025-26 (October-December 2025), Bangladesh's government securities (G-Sec) market experienced a moderate adjustment in yields compared to the previous quarter, following the sharp decline observed earlier. While the cut-off yields for Treasury Bills declined marginally, the cut-off yields for Treasury Bonds increased slightly, reflecting evolving liquidity conditions and adjustments in market expectations, which contributed to a smoother yield curve.

Average yields for the 91-day, 182-day, and 364-day Treasury Bills declined to 10.05%, 10.16%, and 10.17% respectively in October-December 2025, from the corresponding figures of 10.42%, 10.54%, and 10.48% in the July-September 2025 quarter. Meanwhile, yields on Treasury Bonds showed a measured adjustment across maturities, with short- to long-term tenors recording slight increases, reflecting a gradual normalization of the yield structure.

To support fiscal operations, the government issued a gross of BDT 39,000.00 crore in Treasury Bonds and BDT 90,063.38 crore in Treasury Bills during the quarter. In comparison, gross issuance in the corresponding quarter of the previous fiscal year amounted to BDT 38,189.24 crore in Treasury Bonds and BDT 94,245.15 crore in Treasury Bills respectively.

Secondary market activity remained strong during the quarter, supported by steady investor participation and adequate market liquidity. Overall, the G-Sec market in Q2 of FY 2025-26 demonstrated orderly yield movements, balanced issuance dynamics, and sustained trading activity, which indicates a stable and well-functioning market environment amid evolving macro-financial conditions.

Key Indicators of Government Securities			
(BDT in Crore)			
Particulars	October-December (FY 24-25)	July-September (FY 25-26)	October-December (FY 25-26)
Outstanding Balance of G-Sec (at the end of quarter)	682,502.63	770,361.87	802,438.89
T-bills	152,166.16	165,917.95	170,212.85
T-bonds	460,211.38	529,318.83	557,105.18
SPTBs	51,125.09	51,125.09	51,120.86
Sukuk	19,000.00	24,000.00	24,000.00
Net Issuance	37,595.23	1,511.17	32,077.02
T-bills	5,699.85	-9,213.17	4,294.90
T-bonds	27,049.24	10,724.34	27,786.35
SPTBs	4,846.14	0.00	-4.23
Sukuk	0.00	0.00	0.00
Secondary Trading of G-Sec	83,710.88	133,586.82	228,984.30
Average yields of G-Sec			
91-day T-bills	11.65%	10.42%	10.05%
182-day T-bills	11.87%	10.54%	10.16%
364-day T-bills	11.97%	10.48%	10.17%
02-year T-bonds	12.23%	10.67%	10.09%
05-year T-bonds	12.38%	10.45%	10.22%
10-year T-bonds	12.49%	10.21%	10.42%
15-year T-bonds	12.67%	10.14%	10.57%
20-year T-bonds	12.75%	10.18%	10.67%
Primary Market Bid Coverage Ratio	2.07	3.35	2.66
Secondary Market Turnover Ratio	0.14	0.19	0.31

B. Government Securities Market in Bangladesh

In Bangladesh, the government securities (G-Sec) segment dominates the fixed-income securities market due to the limited development of the corporate bond market. To address budget deficits, the government mainly relies on issuing Treasury Bills, Treasury Bonds, Sukuk & SPTBs. The tradable government securities instruments in Bangladesh are as follows:

Treasury Bills (T-bills): Treasury Bills are short-term, risk-free money-market securities issued by the Government to meet its short-term funding requirements. They are issued in scripless form and typically sold at a discount. At maturity, the original face value is redeemed. They are tradable in the secondary market. In Bangladesh, the commonly issued tenors of T-bills are 14-day, 91-day, 182-day, and 364-day.

Treasury Bonds (T-bonds): Treasury Bonds are standard fixed-income securities with periodic coupon payments (semi-annual) and redemption of principal at maturity. They are likewise issued in scripless form and are tradable on the secondary market. In Bangladesh, the government currently issues bonds with maturities of 2-year, 3-year (floating-rate), 5-year, 10-year, 15-year, and 20-year.

Special-Purpose Treasury Bonds (SPTBs): Occasionally the government issues Special-Purpose Treasury Bonds, targeting specific fiscal or development needs. Historically, these were typically non-tradable. However, SPTBs issued from FY 2023-24 against fertilizer and electricity have been made eligible for trading in the secondary market and maintaining SLR.

Bangladesh Government Investment Sukuk (BGIS): The Bangladesh Government Investment Sukuk (BGIS) is a Shariah-compliant government security introduced in FY 2019-20 to mobilize Islamic liquidity for development financing. It is issued under the Bangladesh Government Investment Sukuk Guidelines 2020, where Bangladesh Bank acts as the Special Purpose Vehicle (SPV) and Trustee, and the Finance Division serves as the originator. These instruments provide Shariah-based banks and investors with a non-interest-bearing investment alternative. As of December 2025, the government had issued six (06) BGIS tranches linked to specific development projects.

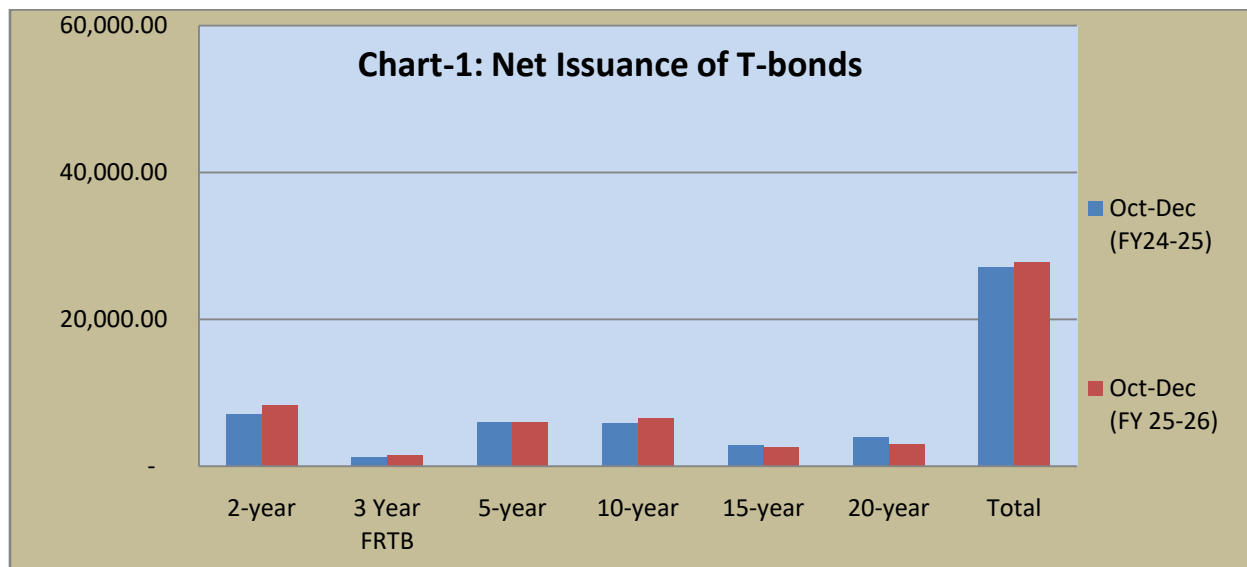
C. Primary Market Operation

1. Net Issuance of T-bonds

In the 2nd quarter of FY 2025-26, total issuance of T-bonds amounted to BDT 39,000.00 crore and total amount of repayment was BDT 11,213.65 crore. During this quarter, the net issuance of T-bonds was BDT 27,786.35 crore that was 27,049.24 crore in the 2nd quarter of FY 2024-25. The details of Treasury bond quarterly issuance are outlined below:

Table 1: Net Issuance of T-bonds							
BDT in Crore							
Instruments	October-December (FY 24-25)			October-December (FY 25-26)			
	Issue	Maturity	Net Issuance	Issue	Maturity	Net Issuance	Net Issuance Increase in %
2 year	11,592.82	4,500.00	7,092.82	11,000.00	2,763.65	8,236.35	16%
3- year FRTB	1,229.76	-	1,229.76	1,500.00	-	1,500.00	22%
5-year	10,510.16	4,500.00	6,010.16	14,000.00	8,000.00	6,000.00	0%
10-year	7,696.48	1,840.00	5,856.48	6,500.00	-	6,500.00	11%
15-year	3,160.02	300.00	2,860.02	3,000.00	450.00	2,550.00	-11%
20-year	4,000.00	-	4,000.00	3,000.00	-	3,000.00	-25%
Total	38,189.24	11,140.00	27,049.24	39,000.00	11,213.65	27,786.35	3%

The following charts present a comparative view of Treasury Bonds net issuance, highlighting the quarterly differences between the current quarter and the corresponding quarter of the previous year.

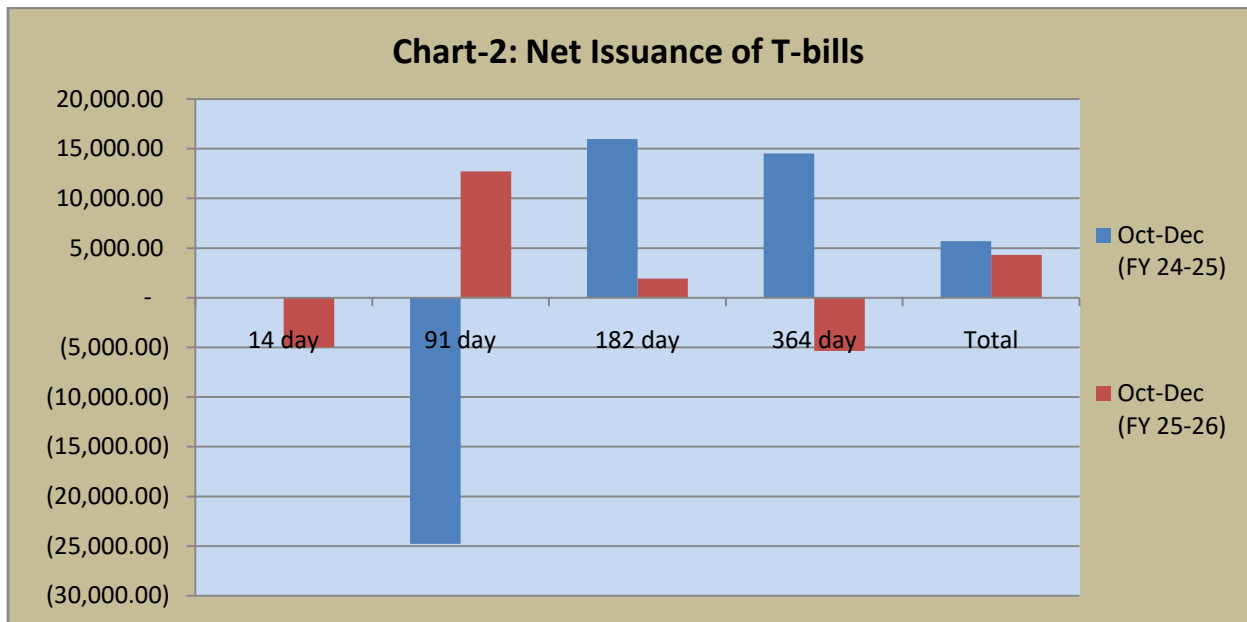


2. Net Issuance of T-bills

During the 2nd quarter of FY 2025-26, total T-bills issuance amounted to BDT 90,063.38 crore, while total repayment was BDT 85,768.49 crore. Consequently, the net issuance for the quarter was BDT 4,294.90 crore, compared to a net issuance of BDT 5,699.85 crore in the 2nd quarter of FY 2024-25. The details of Treasury Bills issuance are presented below:

BDT in Crore							
Instruments	October-December (FY 24-25)			October-December (FY 25-26)			
	Issuance	Maturity	Net Issuance	Issuance	Maturity	Net Issuance	Net Issuance Increase in %
14-day			-		4,980.88	(4,980.88)	N/A
91-day	49,865.76	74,639.35	(24,773.59)	43,906.61	31,195.59	12,711.02	151%
182-day	22,666.63	6,701.00	15,965.63	29,796.86	27,879.27	1,917.60	-88%
364-day	21,712.75	7,204.95	14,507.80	16,359.91	21,712.75	(5,352.84)	-137%
Total	94,245.15	88,545.30	5,699.85	90,063.38	85,768.49	4,294.90	-25%

The chart-2 compares the net issuance across different Treasury bill tenors during the 2nd quarter of FY 2024-25 and FY 2025-26, illustrating changes in issuance volumes across short-term maturities and highlighting shifts in the government's short-term borrowing strategy between the two periods.



3. Net Issuance of SPTBs

The Government occasionally issues Special Purpose Treasury Bonds (SPTBs) to settle its own debts or liabilities arising from government guarantees. These bonds are issued at various interest rates. Previously, SPTBs issued before FY 2023-24 were non-tradable in the secondary market. However, SPTBs issued from FY 2023-24 onward for subsidy repayment related to electricity and fertilizer procurement have been made tradable and eligible for SLR.

During the 2nd quarter of FY 2025-26, no new SPTBs were issued, while maturities amounted to BDT 4.23 crore, resulting in a net redemption during the quarter. On the other hand, in Q2 (FY 2024-25), total SPTBs issuance amounted to BDT 5,526.94 crore, while total maturities stood at BDT 716.80 crore. Consequently, net issuance was BDT 4,846.14 crore.

4. Net Issuance of Sukuk

The Bangladesh Government Investment Sukuk (BGIS) is a Shariah-compliant government security issued by the Government of Bangladesh to raise funds for development projects. As of 31 December 2025, a total of six (06) BGIS has been issued.

During the 2nd quarter of FY 2025-26, no new Sukuk were issued. A Sukuk titled “*Safe Water Supply for the Whole Country*”, amounting to BDT 8,000.00 crore, which was originally scheduled to mature in December 2025, has been extended until December 2030. In FY 2024-25, two (2) Sukuk amounting to BDT 3,000.00 crore and BDT 2,000.00 crore were issued.

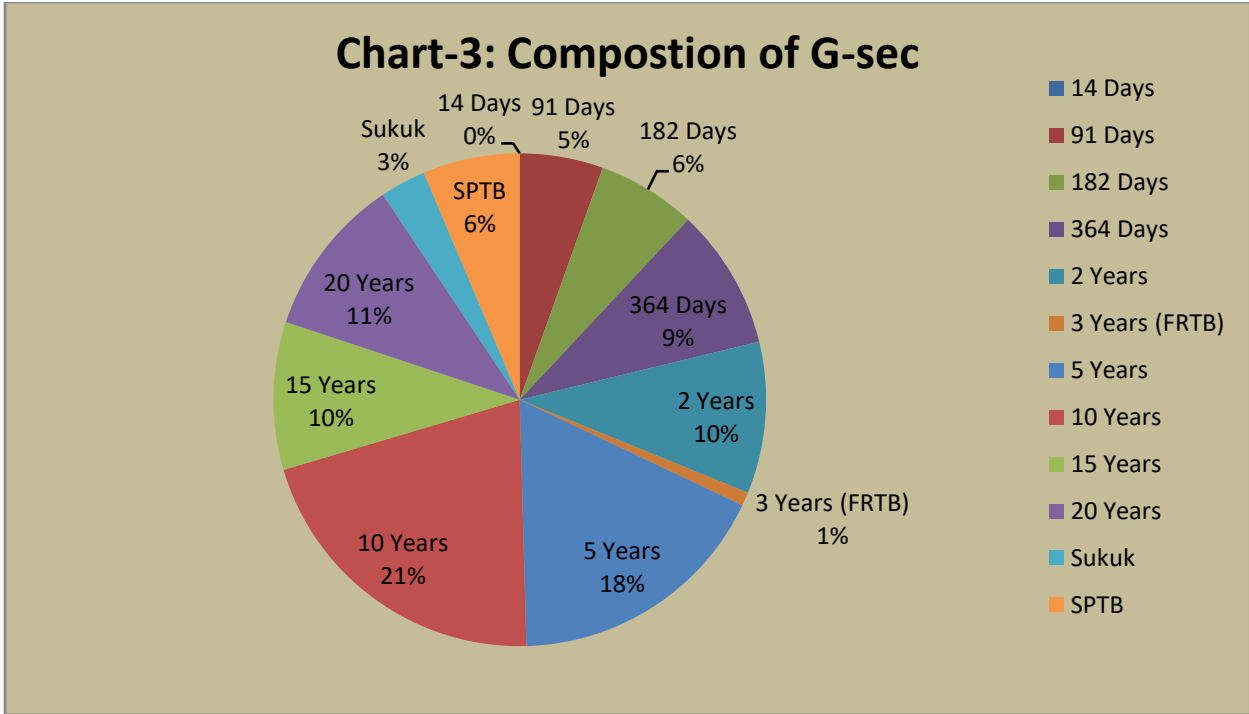
D. Structure of Government Securities

1. Outstanding of Government Securities

At the end of December 2025, the total outstanding stock of government securities stood at BDT 8,02,438.89 crore, compared to BDT 7,70,361.87 crore at the end of September 2025. This indicates that the government borrowed BDT 32,077.02 crore in the 2nd quarter of FY 2025-26. The comparative outstanding positions of government securities are presented in the following table:

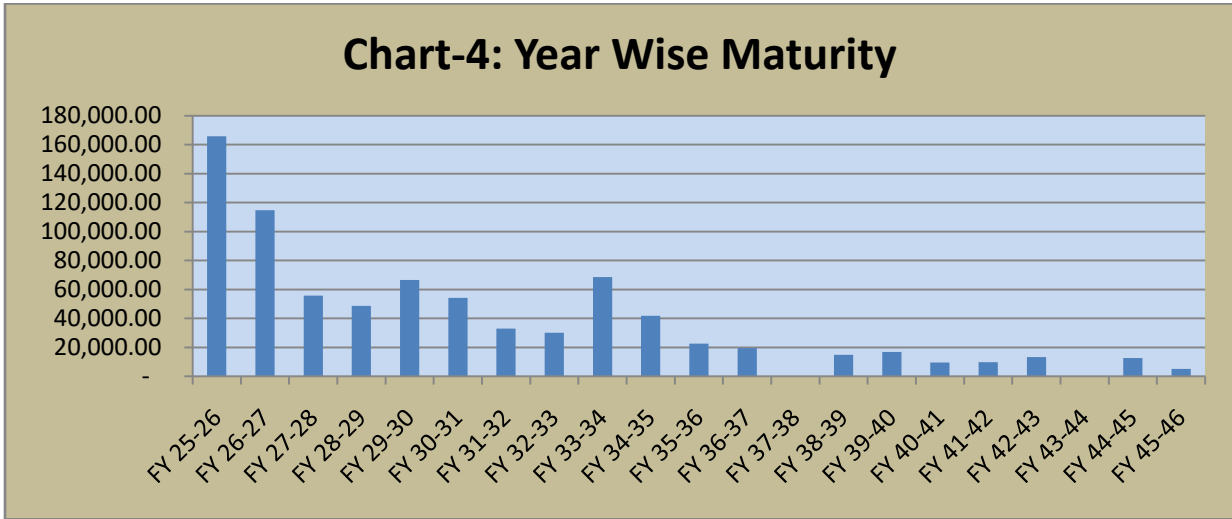
	BDT in Crore		
Instruments	As on 31 December 2024	As on 30 September 2025	As on 31 December 2025
A. Treasury Bills			
14-Day	-	4,980.88	-
91-Day	49,865.76	31,195.59	43,906.61
182-Day	40,972.28	50,212.90	52,130.50
364-Day	61,328.12	79,528.58	74,175.74
Sub Total	152,166.16	165,917.95	170,212.85
B. Treasury Bonds			
2-Year	66,055.14	71,599.48	79,835.83
3-year FRTB	1,229.76	5,618.12	7,118.12
5-Year	120,629.49	134,578.67	140,578.67
10-Year	137,665.01	160,707.76	167,207.76
15-Year	64,776.86	75,326.86	77,876.86
20-Year	69,855.12	81,487.94	84,487.94
Sub Total	460,211.38	529,318.83	557,105.18
C. Sukuk	19,000.00	24,000.00	24,000.00
D. SPTB	51,125.09	51,125.09	51,120.86
Grand Total (A+B+C+D)	682,502.63	770,361.87	802,438.89

Currently, Treasury Bills represent about 20% of the total outstanding, while Treasury Bonds account for around 71%. Alongside these, SPTBs and Sukuk contribute smaller portions to the total. The following chart illustrates the instrument-wise composition of outstanding government securities at the end of December 2025.



2. Maturity Pattern of Government Securities

As of 31 December 2025, total maturities during the remaining period of FY 2025-26 amount to approximately BDT 165,925.86 crore. These maturities are largely driven by Treasury Bills, which account for over BDT 139,354.12 crore, alongside notable volumes of Treasury Bonds. In contrast, maturities in FY 2026-27 are estimated at around BDT 114,812.21 crore, primarily comprising Treasury Bonds and Sukuk. The graphical presentation (chart-4) of the maturity profile highlights an uneven distribution of redemption obligations, with a pronounced concentration in FY 2025-26 compared to subsequent fiscal years.



3. Ownership Pattern of Government Securities

3.1. Treasury Bills and Bonds

The ownership structure of government securities shows a significant concentration among a few key participants. Primary dealers hold the largest share of Treasury bill and bond, accounting for around 38.04% of the total outstanding securities, followed by non-primary dealer banks at 32.87%. Bangladesh Bank itself holds about 9.33%, while provident fund, pension, trust, and gratuity funds collectively hold 6.38%. Other categories such as Insurance companies (3.96%), corporate bodies (5.05%), finance companies, mutual funds, investment companies, foreign investors, and individuals together make up the remaining share. Foreign investment in Treasury bonds accounted for only 0.12%, which remains very low compared to the total outstanding amount. This distribution highlights the dominant role of primary and non-primary dealer banks in the market, while institutional investors like insurance companies and provident funds also contribute meaningfully to the overall holding structure.

Table 4: Ownership Pattern of Treasury Bills & Bonds

BDT in Crore					
SL	Category Name	T-bills	T-bonds	Total	% of Total
1	Bangladesh Bank	-	67,869.14	67,869.14	9.33%
2	Primary Dealers	58,244.59	218,425.82	276,670.41	38.04%
3	Non-Primary Dealers				
	i) Banks	73,496.06	165,588.49	239,084.55	32.87%
	ii) Financial Institutions	4,395.53	2,048.77	6,444.30	0.89%
4	Amanat Bima Trust Tahbil	-	7,645.59	7,645.59	1.05%
5	General Insurance Companies	409.01	2,897.25	3,306.26	0.45%
6	Life Insurance Companies	412.60	25,086.41	25,499.01	3.51%
7	Corporate Bodies	19,086.59	17,672.74	36,759.33	5.05%
8	Investment Companies	419.96	2,100.51	2,520.47	0.35%
9	Provident/Pension/Trust/Gratuity Funds	8,561.72	37,806.61	46,368.33	6.38%
10	Mutual Funds	138.44	872.45	1,010.89	0.14%
11	Foreign Investor Individual	-	907.92	907.92	0.12%
12	Individual	2,812.22	3,250.74	6,062.96	0.83%
13	Others	2,236.13	4,932.74	7,168.87	0.99%
Total		170,212.85	557,105.18	727,318.03	100.00%

3.2. Bangladesh Government Investment Sukuk (BGIS)

The ownership structure of the Bangladesh Government Investment Sukuk (BGIS) reflects participation from a diverse group of investors. Shariah-based banks remain the primary holders of Sukuk, followed by Islamic banking branches and windows, conventional banks, and other eligible investors. This broad investor base underscores the increasing demand for Shariah-compliant instruments in the domestic market. The detailed ownership distribution of Sukuk is presented in the table below:

Table 5: Ownership Pattern of Sukuk							
BDT in Crore							
SL No.	Category	December, 2024		September, 2025		December, 2025	
		Amount	%	Amount	%	Amount	%
1	Shariah Based Banks	12352.58	65.01	15790.52	65.79	16175.16	67.40
2	Islamic Branches and Windows of Conventional Banks	2515.62	13.24	3777.48	15.74	4913.34	20.47
3	Conventional Banks	2813.34	14.81	2811.84	11.72	1723.65	7.18
4	Individual & Others	255.37	1.34	557.07	2.32	429.80	1.79
5	Bangladesh Bank	1063.09	5.60	1063.09	4.43	758.05	3.16
	Total	19000.00	100	24000.00	100	24000.00	100

3.3. Special Purpose Treasury Bonds (SPTBs)

Special Purpose Treasury Bonds (SPTBs) are mainly held by banks and financial institutions, reflecting their primary role in managing government-guaranteed liabilities. As of the end of December 2025, the outstanding amount of SPTBs stood at BDT 51,120.86 crore. Since SPTBs are issued primarily for specific settlement purposes, banks and financial institutions typically receive these bonds in exchange for their outstanding claims on the government.

E. Secondary Trading of Govt. Securities

Since June 2024, the Bangladesh Bank (BB) has been operating an updated Financial Market Infrastructure (FMI) system for the automated auction, secondary trading, and settlement of these securities. This system is the backbone of the interbank market for G-Sec. In a significant development to broaden market access, Treasury Bonds (T-bonds) have also been traded on the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) platforms since October 2022.

1. Secondary Market Yield Curve

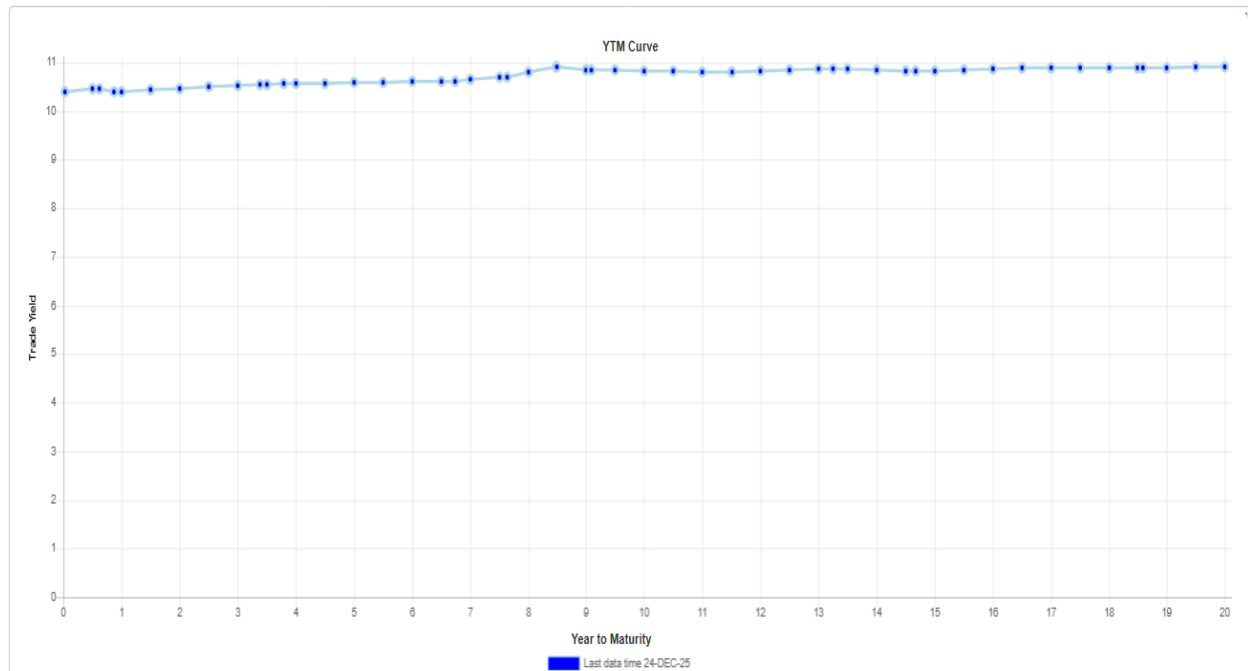
Bangladesh Bank publishes secondary market yield curve for Treasury Bonds (T-bonds) at daily basis. This curve is based on data from several sources- trades on the Over-the-Counter (OTC), Government Securities Order-Matching (GSOM) platforms, stock exchange trade and two way price quotes from Primary Dealer banks. Since June 4, 2024, all banks in Bangladesh must use this specific curve to determine the weekly value of their T-bonds that are held for trading. In contrast, Treasury Bills (T-bills) are still valued using the primary market yield curve.

G-Sec YTM Curve Construction Methodology

Date * 24/12/2025

Previous Date

Show Result



2. Secondary Trading Pattern of G-Sec

During Q2 of FY 2025-26, total secondary trading of government securities reached BDT 228,984.30 crore, the highest quarterly volume. This marks a significant increase from BDT 133,586.82 crore in Q1 of FY 2025-26 and BDT 83,710.88 crore in Q2 of FY 2024-25, reflecting strong secondary market growth.

The expansion was driven mainly by OTC transactions, which rose to BDT 204,003.74 crore, with Treasury Bonds at BDT 135,759.40 crore and Treasury Bills at BDT 68,244.34 crore. Order-matching transactions also grew sharply to BDT 24,980.56 crore, up from BDT 6,951.64 crore in Q1 of FY 2025-26, highlighting improved exchange-based trading and price discovery.

Overall, the trend indicates robust secondary market activity, stronger liquidity, and growing investor confidence in both Treasury Bonds and Treasury Bills, signaling continued deepening of Bangladesh's G-Sec market. The table below presents the secondary trading scenario of government securities:

(Taka in Crore)							
Period	OTC			Order Matching			Grand Total
	T-Bonds	T-Bills	Total	T-Bonds	T-Bills	Total	
Q2 (FY 2025-26)	135,759.40	68,244.34	204,003.74	24,580.56	400.00	24,980.56	228,984.30
Q1 (FY 2025-26)	52,405.26	74,229.92	126,635.18	6,081.88	869.76	6,951.64	133,586.82
Q2 (FY 2024-25)	54,741.50	28,931.38	83,672.88	38.00	-	38.00	83,710.88

3. Maturity Pattern of Secondary Trading

The maturity-wise breakdown in Q2 of FY 2025-26 shows significant growth across medium and long-term instruments, alongside continued activity in short-term securities. Transactions in the less than 1-year bucket remained the largest at BDT 78,735.48 crore, slightly below Q1's BDT 79,799.56 crore, reflecting strong short-term liquidity. Activity in the 1-2 year and 2-5 year segments rose sharply to BDT 27,965.64 crore and BDT 23,891.48 crore, respectively, compared to BDT 21,184.06 crore and BDT 3,661.18 crore in Q1. Medium- and long-term trading also surged, with the 5-10 year bucket nearly tripling to BDT 36,373.86 crore, the 10-15 year segment rising to BDT 23,977.84 crore, and the 15-20 year segment reaching BDT 38,040.00 crore.

Overall, the distribution reflects a shift toward medium- and long-term maturities, indicating stronger investor confidence and improved depth in the government securities market. The table below presents the maturity distribution of T-bonds transactions:

(Taka in Crore)			
Maturity Bucket	Q2 (FY 2024-25)	Q1 (FY 2025-26)	Q2 (FY 2025-26)
Less than 1 Year	35,576.40	79,799.56	78,735.48
1-2 Year	2,440.16	21,184.06	27,965.64
2-5 Year	6,792.66	3,661.18	23,891.48
5-10 Year	22,153.86	12,914.58	36,373.86
10-15 Year	9,956.22	6,879.00	23,977.84
15-20 Year	6,791.58	9,148.44	38,040.00
Total	83,710.88	133,586.82	228,984.30

4. Top Member Traders

During Q2 of FY 2025-26, secondary market activity was largely driven by a concentrated group of active member institutions. The top 10 traders collectively accounted for 88.81 percent of total secondary market transactions, underscoring their dominant role in providing market liquidity and shaping trading dynamics in the government securities market.

United Commercial Bank Plc emerged as the leading participant, contributing 20.98 percent of total trades, closely followed by BRAC Bank Plc with 16.92 percent. Mutual Trust Bank PLC ranked third, accounting for 10.78 percent of total trading volume. Together, the top three institutions represented over 48 percent of total market activity, highlighting a high degree of concentration at the upper end of the market.

This distribution reflects the prominent role of a few large banks in the secondary trading of government securities, while also indicating active participation by other member institutions that collectively support overall market depth and liquidity.

SL No.	Bank Name	% Of Total Trade Q2 (FY 2025-2026)
1	United Commercial Bank Plc	20.98%
2	BRAC Bank Plc	16.92%
3	Mutual Trust Bank Plc	10.78%
4	National Credit & Commerce Bank Plc	9.72%
5	City Bank Plc	7.89%
6	Eastern Bank Plc	7.43%
7	Jamuna Bank Plc	6.16%
8	Prime Bank Plc	3.48%
9	Mercantile Bank Plc	2.85%
10	Standard Chartered Bank	2.60%

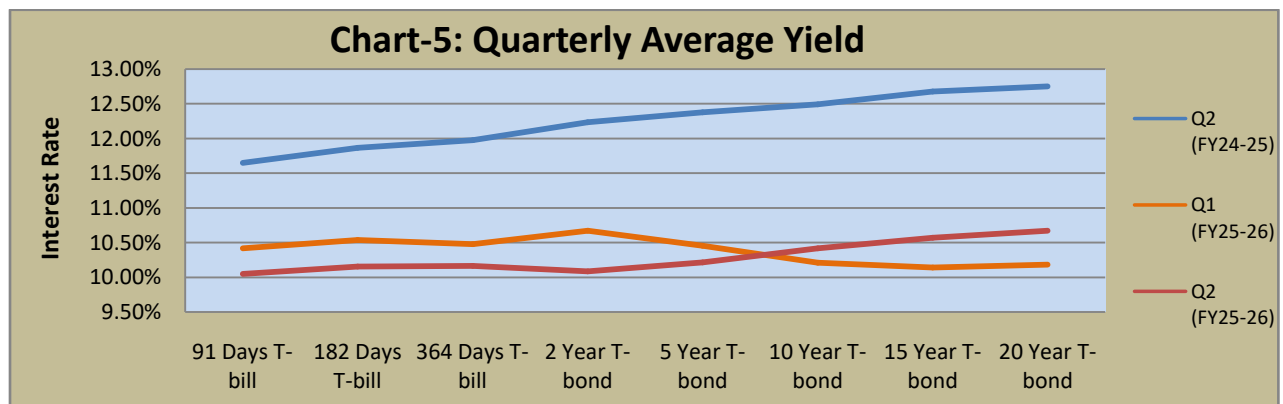
F. Market Trend

1. Primary Market Yield Trends

The month-wise average yields during this quarter exhibited a mixed movement compared to the previous quarter. While yields on Treasury Bills declined marginally, yields on Treasury Bonds showed a slight upward adjustment, reflecting changes in liquidity conditions and evolving market expectations. After an initial easing, yields remained broadly stable over the remainder of the quarter as market conditions normalized. The month-wise yields of Treasury Bills and Bonds for this quarter and the corresponding quarter are presented in the table below.

Period	Months	91 Day T-bills	182 Day T-bills	364 Day T-bills	2 Year T-bonds	5 Year T-bonds	10 Year T-bonds	15 Year T-bonds	20 Year T-bonds
Q2 (FY 25-26)	Oct-25	9.54%	9.80%	9.71%	9.44%	9.34%	9.99%	10.09%	10.30%
	Nov-25	10.13%	10.15%	10.09%	10.10%	10.47%	10.39%	10.74%	10.82%
	Dec-25	10.48%	10.52%	10.70%	10.72%	10.84%	10.87%	10.89%	10.90%
	Average	10.05%	10.16%	10.17%	10.09%	10.22%	10.42%	10.57%	10.67%
Q1 (FY 25-26)	Jul-25	11.08%	11.27%	11.08%	11.60%	11.05%	10.48%	10.48%	10.55%
	Aug-25	10.17%	10.38%	10.42%	10.24%	10.28%	10.26%	10.28%	10.30%
	Sep-25	10.00%	9.96%	9.93%	10.17%	10.03%	9.89%	9.67%	9.70%
	Average	10.42%	10.54%	10.48%	10.67%	10.45%	10.21%	10.14%	10.18%
Q2 (FY 24-25)	Oct-24	11.60%	11.81%	11.94%	12.20%	12.30%	12.44%	12.70%	12.79%
	Nov-24	11.75%	11.90%	11.99%	12.20%	12.45%	12.55%	12.69%	12.78%
	Dec-24	11.59%	11.89%	11.99%	12.30%	12.38%	12.48%	12.63%	12.68%
	Average	11.65%	11.87%	11.97%	12.23%	12.38%	12.49%	12.67%	12.75%

The following chart presents a comparison of quarterly average yields of Treasury Bills and Bonds between this quarter with the previous quarter and corresponding quarter of last Year.



2. Primary Market Bid Coverage Ratio

The primary market bid coverage ratio serves as an important indicator of market liquidity and investor demand for government securities. In Q2 of FY 2025-26, the average bid coverage ratio moderated to 2.66 from the elevated level observed in the previous quarter, reflecting some normalization following exceptionally strong demand in Q1.

Despite this moderation, the ratio remained significantly higher than that recorded in the corresponding quarter of FY 2024-25, indicating that primary market auctions for Treasury Bills and Treasury Bonds continued to attract robust investor participation, with bid volumes comfortably exceeding the offered amounts.

Period	Average Bid Coverage Ratio
Q2 (FY 2025-26)	2.66
Q1 (FY 2025-26)	3.35
Q2 (FY 2024-25)	2.07

3. Secondary Market Turnover Ratio

Secondary market activity in government securities strengthened significantly in Q2 of FY 2025-26 compared to both the previous quarter and the corresponding quarter of the previous fiscal year. During the quarter, secondary trading turnover rose to BDT 228,984.30 crore, up from BDT 133,586.82 crore in Q1 of FY 2025-26 and BDT 83,710.88 crore in Q2 of FY 2024-25.

Consequently, the turnover ratio improved markedly to 0.31 times in Q2 of FY 2025-26, from 0.19 times in the previous quarter and 0.14 times in the same quarter of the preceding fiscal year. Overall, this development data indicate a steady enhancement in secondary market liquidity and trading intensity, as reflected by the consistent rise in the turnover ratio over the times.

Period	Outstanding Balance (T-Bill and T-Bond)	Secondary trading turnover	(BDT in Crore)
			Turnover (Times)
Q2 (FY 2025-26)	727,318.03	228,984.30	0.31
Q1 (FY 2025-26)	695,236.78	133,586.82	0.19
Q2 (FY 2024-25)	612,377.54	83,710.88	0.14

G. Summary of Major Policy or Operational Changes

Effective from 06 October 2025, the tax treatment on investment income from government securities was revised. As per amendment provided in article 03 of Ordinance 52, 2025 the source tax on returns from government securities remains at 10 percent for individual investors, while the rate applicable to corporate bodies has been increased to 15 percent.

In addition to tax-related measures, the government has changed its debt issuance strategy during the quarter. The re-issuance framework for Treasury Bonds has been revised to allow bonds to be re-issued based on their remaining maturity rather than their original tenor. Furthermore, the maximum outstanding limit per Treasury Bond has been increased to BDT 20,000 crore from the previous limit of BDT 9,000 crore. This revised framework is scheduled to be implemented from January 2026 and is expected to improve liquidity distribution across maturity segments and support more effective yield curve development. The enhanced ceiling is intended to facilitate the creation of benchmark securities, deepen market liquidity, and improve price discovery in the government securities market.

The Sukuk allotment quota has been revised as follows: Shariah-based institutions 80 percent, conventional banks, finance companies, and insurance companies 5 percent, and others 15 percent.

Collectively, these policy and operational measures reflect the government's ongoing efforts to strengthen the functioning of the government securities market, ensure sustainable debt management, and promote a more efficient and resilient fixed-income market environment.

H. Conclusion

During the second quarter of FY 2025-26, Bangladesh's government securities market remained stable and orderly, marked by balanced yield movements, moderate borrowing, and strong secondary market activity. While Treasury Bill yields declined marginally, Treasury Bond yields adjusted slightly upward across maturities, contributing to a smoother and more normalized yield curve. These developments reflect evolving liquidity conditions and well-anchored market expectations amid changing macro-financial dynamics.

Primary market operations were supported by measured issuance volumes, consistent with the government's prudent financing strategy during the quarter. At the same time, secondary market activity strengthened significantly, reaching the highest quarterly turnover in recent periods. Increased participation across maturities, particularly in medium and long-term instruments, indicates improved liquidity, deeper market engagement, and growing investor confidence. Overall, the quarter demonstrated continued progress toward a more resilient, liquid, and efficient government securities market.