Monthly Report On

Government Domestic Borrowing[1]

August 2026

Research Department
Money and Banking Wing
Bangladesh Bank

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Highlights of Government Domestic Borrowing, August 2026

- **Government Domestic Borrowing** has been set at BDT 127000.0 crore in the national budget for FY27. Of which:
  - **Borrowing from the banking system:** BDT 112000.0 crore.
  - **Borrowing from the non-banking sources:** BDT 15000.0 crore (including BDT 8500.0 crore through net sales of National Savings Schemes).

- Government net borrowing from the **banking system** stood at BDT 13990.7 crore during July-August of FY27 whereas the net repayment was BDT 9792.8 crore during the same period of FY26.

- Government net borrowing from **non-bank sources** stood at BDT 5928.7 crore during July-August of FY27, compared with BDT 9173.2 crore during the corresponding period of the previous fiscal year.

- Therefore, government **total net domestic borrowing** (both from the banking and non-banking sources) stood at BDT 19919.3 crore (15.7 percent of the budget target) during July-August of FY27. On the other hand, the government repaid (net) was BDT 619.7 crore (-0.5 percent of the budget target) during the same period of FY26.

- Government net borrowing through the national savings schemes stood at BDT 2463.1 crore during July-August of FY27, compared with BDT 1572.3 crore during the same period of FY26.

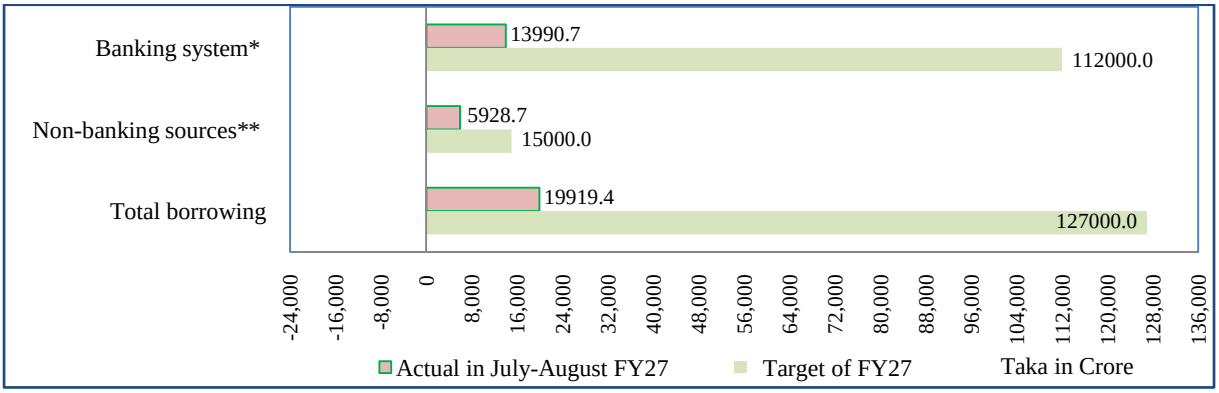
Government Domestic Borrowing, August 2026

Government borrows to finance its budget deficit mainly from two domestic sources: banking system and non-banking sources. Government borrowing from the banking system consists of borrowing from Bangladesh Bank and the scheduled banks. Government Borrows from the banking system 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 in the banking system are net out from borrowing. On the other hand, the components of government borrowing from the non-banking sources are savings schemes introduced by the Department of National Savings (NSD) and T-bills and T-bonds held by non-bank finance companies, insurance companies, individual investors, etc.

1. Government Domestic Borrowing Target for FY27

In the national budget[2], the target of total domestic borrowing has been set at BDT 1,27,000.0 crore for FY27, of which BDT 1,12,000.0 crore was planned to borrow from the banking system and the rest BDT 15,000.0 crore from the non-banking sources. As per the latest available data, government domestic borrowing (net) stood at BDT 19919.4 crore during July-August of FY27 (Chart-1).

Chart-1: Target and Actual Government Domestic Borrowing (net), July-August FY27



*Notes: *Banking system includes Bangladesh Bank and Scheduled banks,*
***Non-banking sources include national savings schemes and T-bills & T-Bonds held by other than banks.*
Sources: Debt Management Department, Statistics Department, Bangladesh Bank; Department of National Savings; and Ministry of Finance (MoF).

2. Borrowing from the Banking System

During July-August of FY27, government borrowing (net) from the banking system stood at BDT 13990.7 crore, whereas, the government repaid BDT 9792.8 crore during the same period of the preceding year, reflecting a sharp increase.

3. Borrowing from the Non-banking Sources

During July-August of FY27, government borrowed BDT 3465.6 crore (net) from different institutions and individuals other than banks through T-bills, T-bonds and BGIS. Moreover, sale and principal repayment of national savings schemes stood at BDT 18576.6 crore and BDT 16113.4 crore, respectively, during the same period of FY27, resulting in the net

[2] *Budget in Brief, 2026-2027, Ministry of Finance*

borrowing through national savings schemes of BDT 2463.1 crore. Thus, borrowing (net) from the non-banking sources stood at BDT 5928.7 crore during July-August of FY27 whereas government borrowed (net) BDT 9173.2 crore during the same period of the previous fiscal year.

4. Total Domestic Borrowing

Government borrowed BDT 19919.3 crore (net) from its domestic sources during July-August of FY27. Source and instrument-wise outstanding and flow of net government domestic borrowings are shown in Table-1 and Chart-2, respectively.

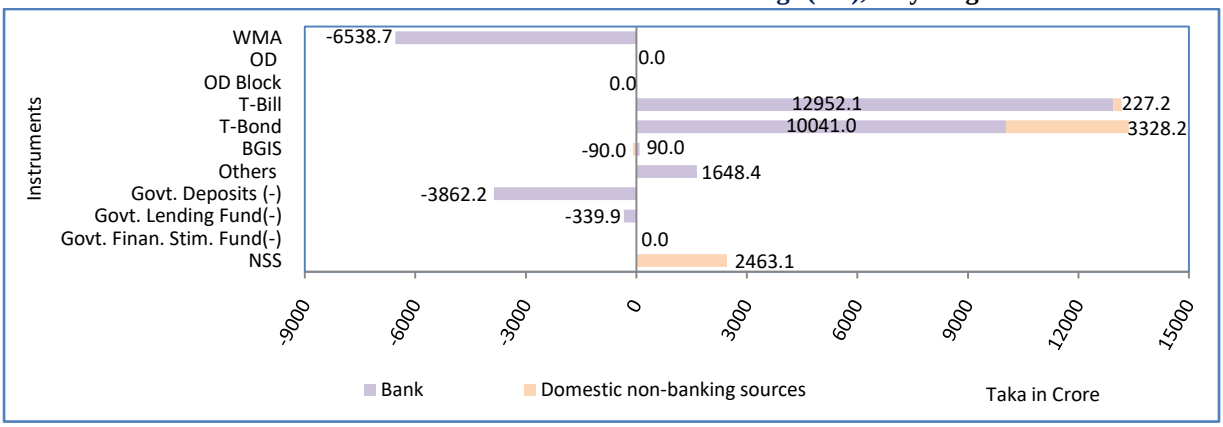
Table 1: Source-wise Outstanding and Flow of Net Government Domestic Borrowings

(BDT in Crore)

Sources	FY27		FY26		% Changes[@] (August'26 Over June'26[#])	% Changes[@] (August'25 over June'25[##])
	Outstanding at the end of August 2026	August' FY27	Outstanding at the end of August 2025	August'FY26		
Banks[*]	694013.4	13990.7	536236.8	-9792.8	2.1	-1.8
Non-banking sources [**]	482508.4	6615.9	484874.0	9173.2	1.4	1.9
Total	1176521.8	20606.5	1021110.8	-619.6	1.8	-0.1

*Notes: *Banks include 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 2026, outstanding net government domestic borrowing was BDT 1156602.4 *crore,*
[##]In June 2025, outstanding net government domestic borrowing was BDT 1021730.5 *crore,*
Sources: Debt Management Department, Statistics Department, Bangladesh Bank; and Department of National Savings.

Chart-2: Instrument-wise Government Domestic Borrowings (net), July-August of FY27



Notes: WMA=Ways and Means Advances, OD=Overdraft, BGIS=Bangladesh Govt. Investment 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; Department of National Savings.

5. Government Islamic Securities

i) Bangladesh Government Islamic Investment Bond (BGIIB)[3]

For facilitating *Shariah*-based Islamic banks and windows which are not participants in the conventional money market, Bangladesh Government Islamic Investment Bond (BGIIB) was

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

initiated in 2004 to meet their liquidity needs. During July-August of FY27, investments in BGIIB fund by Islamic banks[4] was decreased to BDT 1948.1 crore while the amount borrowed from the same fund was BDT 3120.0 crore. Thus, Islamic banks' net balances of BGIIB fund was BDT 1171.9 crore during July-August of FY27.

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

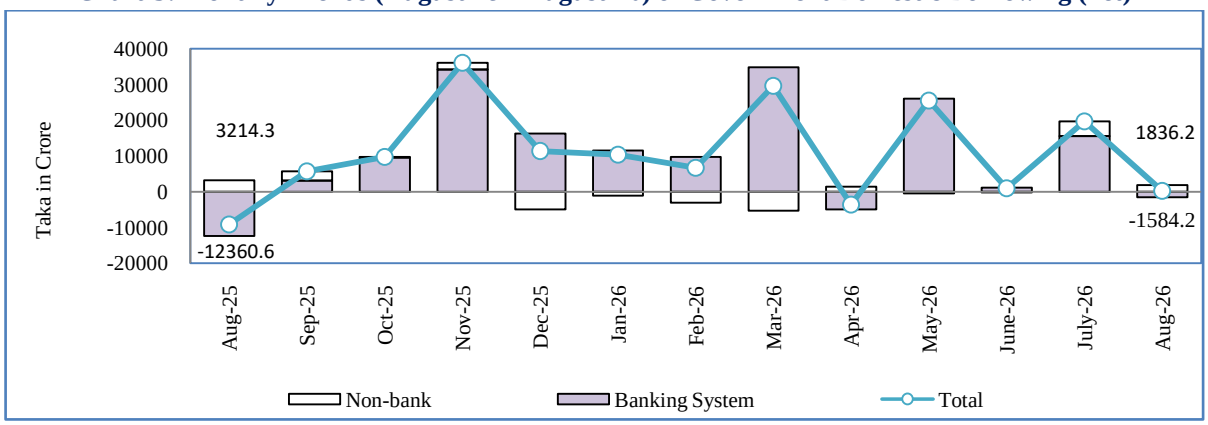
To support *Shariah*-based development finances, Bangladesh Government Investment *Sukuk* (BGIS) Bond was introduced in December 2020. So far, government issued eleven *Sukuk* (BGIS) bonds under *Ijarah*, *Istisna and Sale* mode. The outstanding amount of *Sukuk* (BGIS) increased to BDT 53,500.0 crore as of end August, 2026.

6. Monthly Movements of Domestic Borrowing (August, 2026)

In August 2026, the government borrowed BDT 16044.1 crore from the banking system and repaid BDT 17628.3 crore, resulting in a repayment (net) of BDT 1584.2 crore. However, in August 2025, government repayment (net) to the banking system stood at BDT 12360.6 crore, of which the borrowing amount was BDT 6254.5 crore and the repayment amount was BDT 18615.1 crore (Chart-3).

On the other hand, in August 2026, government borrowing (net) was BDT 1836.2 crore from non-banking sources where borrowing amount was BDT 11186.2 crore and repayment amount was BDT 9350.0 crore. In August 2025, government borrowed BDT 10796.1 crore and repaid BDT 7581.8 crore, leading to a borrowing (net) of BDT 3214.3 crore from the same sources (Chart-3).

Chart-3: Monthly Trends (August'25 - August'26) of Government Domestic Borrowing (net)



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

7. Concluding Remarks

Government domestic borrowing from the banking system during July-August of FY27 showed significantly higher growth compared to the same months of FY26, owing to financing mainly through government securities. However, government borrowing from the non-banking sources during the reported period was lower than that in the corresponding month of FY26.

[4] *Including Islamic branches and windows of the conventional banks*

Table I : Government Domestic Borrowing from the Banking System in July-August, FY27

Annex-1

(Taka in Crore)

Sl. No.	Particulars	Issue & Maturity date	Objectives	Outstanding as on 30 June 2026	Outstanding as on 31 July 2026	Outstanding as on 31 August 2026	Changes	
							August 2026	July-August 2026
1	2	3	4	5	6	7	8=(7-6)	9=(7-5)
A.	**Bangladesh Bank**							
1.	Ways and Means Advances		To increase Government cash balance	6538.70	5362.30	0.00	-5362.30	-6538.7
2.	Overdraft			0.00	0.00	0.00	0.00	0.0
3.	Overdraft Block			0.00	0.00	0.00	0.00	0.0
4.	Devolvement			68113.0	67959.5	67959.5	0.0	-153.5
	a) Treasury Bills			0.00	0.00	0.00	0.00	0.0
	b) Treasury Bonds			67354.94	67201.44	67201.44	0.00	-153.5
	c) Other Bonds/BGIS			758.05	758.05	758.05	0.00	0.0
5.	Government Currency Liabilities			2026.3	2026.3	2026.3	0.0	0.0
6.	Advances to Govt. against RFI from IMF			17158.6	17158.6	17158.6	0.0	0.0
7.	Advances to Autonomous and Semi-autonomous Bodies			0.0	0.0	0.0	0.0	0.0
8.	Accured Interest			1077.7	746.7	1435.8	689.1	358.1
9.	Government Deposits[@/] (-)			-32.00	-46.10	-4308.50	-4262.40	-4276.5
10.	Balances of GIIB Fund in BB (-)			-9235.20	-8186.80	-9539.80	-1353.00	-304.6
11.	Govt. Lending Fund(-)			-6037.20	-6054.00	-6185.20	-131.20	-148.0
A.	**Total : (1 +...+ 11)**			**79609.9**	**78966.5**	**68546.7**	**-10419.8**	**-11063.2**
B.	**Scheduled Banks (SBs)**							
1.	Government Treasury Bills			165612.7	170529.6	178564.8	8035.2	12952.1
	i) Treasury Bills (Less than 1 year)		To increase Government cash balance	165612.7	170529.6	178564.8	8035.2	12952.1
2.	Bangladesh Govt. Treasury Bonds (BGTB)			423556.6	430302.1	433751.1	3449.0	10194.5
	i) 2-years Bangladesh Govt.Treasury Bonds		To increase long-term investment of different Banks, NBFIs and employees GF of different companies	53718.3	53229.9	47134.3	-6095.6	-6584.1
	ii) 3-years(FRTB) Bangladesh Govt.Treasury Bonds			9004.0	9437.2	9953.1	515.9	949.2
	iii) 5-years Bangladesh Govt.Treasury Bonds			90946.5	94242.1	94356.1	114.0	3409.6
	iv) 10-years Bangladesh Govt.Treasury Bonds			125805.6	127715.3	136364.2	8649.0	10558.6
	v) 15-years Bangladesh Govt.Treasury Bonds			64881.0	64741.9	64658.1	-83.8	-222.9
	vi) 20-years Bangladesh Govt.Treasury Bonds			79201.2	80935.8	81285.3	349.5	2084.1
3.	Others Treasury Bonds			51120.9	51120.9	51120.9	0.0	0.0
	a) 1 Year and above but less than 5 years (Specialized Bonds)			0.0	0.0	0.0	0.0	0.0
	b) 5 Years and above (Specialized Bonds)			51120.9	51120.9	51120.9	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 30 Sep-2026	To repay the loan of Hanif Flyover	1438.5	1438.5	1438.5	0.0	0.0
	iii) Fertilizer[2/]		Funds to be used to clear dues to fertiliser importers	23432.2	23432.2	23432.2	0.0	0.0
	iv) Electricity[3/]		Funds to be used to clear dues to Power producers	25696.1	25696.1	25696.1	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 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)[#]			51312.7	53500.0	51402.6	-2097.4	90.0
	05 Years Bangladesh Govt. Investment *Sukuk* (*Ijarah Sukuk*)	Issued 29 Dec-2020, 06 June-2021 and maturity 29 Dec-2025, and issued 30 Dec-2021 and maturity 30 Dec-2026, issued 20 Apr-2022 and maturity 20 Apr-2027	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)',	51312.7	53500.0	51402.6	-2097.4	90.0
		Issued 06 June-2024 and maturity 06 June-2029, issued 13 Mar-2025 and maturity 13 Mar-2032, issued 20 May-2025 and maturity 20 May-2032	Chattogram Division Upazila & Union Road Widening & Strengthening Project (CDWSP)', 'Construction of Important Bridges on Rural Roads (Phase-II) (CIBRR-2)', 'Rajshahi Division Important Upazila & Union Road Widening & Strengthening Project (RDIRWSP)'					
5.	**Sub-Total : (1+2+3+4)**			691602.8	705452.5	714839.4	9386.8	23236.6
6.	Prize Bond			49.2	22.7	49.0	26.3	-0.2
7.	Advances to Food Ministry			1988.5	2717.3	2276.7	-440.6	288.2
8.	Advances to Other Ministries			414.2	405.0	395.3	-9.7	-18.9
9.	Advances to Auto./Semi-Autonomous Bodies			19497.9	20401.4	19181.3	-1220.1	-316.6
10.	Accrued Interest			8670.5	8767.8	9141.0	373.2	470.5
11.	Deposits of Ministries and Departments (-)			-43572.7	-43437.6	-43186.3	251.3	386.4
12.	Deposits of Auto./Semi-Autonomous Bodies (-)			-83143.6	-81422.5	-83115.7	-1693.2	27.9
13.	SBs's Balances of GIIB Fund (i+ii)			**7266.2**	**6207.4**	**8438.1**	**2230.7**	**1171.9**
	i) Investment to GIIB Fund			22159.5	21200.7	20211.4	-989.3	-1948.1
	ii) Borrowing from GIIB Fund (-)			-14893.3	-14993.3	-11773.3	3220.0	3120.0
14.	Borrowing from Govt. on Lending(-)			-2360.1	-2482.9	-2552.0	-69.1	-191.9
15.	Borrowing from Govt. Financial Stimulus Fund(-)			0.0	0.0	0.0	0.0	0.0
	B. Total : (5+...+15)[&]			**600412.9**	**616631.1**	**625466.8**	**8835.6**	**25053.9**
	Grand Total : (A+B)[*]			**680022.8**	**695597.6**	**694013.4**	**-1584.2**	**13990.7**

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

Notes:

[@/] Including other deposits.

[#/] Bangladesh Govt. Investment *Sukuk* -BGIS (*Ijarah Sukuk*) was intoduced in Dec-2020. So far, eleven *Sukuk* (BGIS) bonds has been issued under *Ijarah, Istisna and Sale* mode.

[&/] Excluding other securities of Govt.

[*] Including offer value(T-Bills) & face value(BGTBs), GIIB Fund, Govt. Lending Fund and Govt. Financial Stimulus Fund.

Table-II: Government Domestic Borrowing from Other than Bank in July-August, FY27

Annex-2

(Taka in Crore)

Sl. No.	Particulars	Sale (July-August, FY26)	Repayment (July-August, FY26)		NSS Net Sale (July-August, FY26)	Sale (July-August, FY27)	Repayment (July-August, FY27)		NSS Net Sale (July-August, FY27)
			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	0.1	0.0	-0.1	0.0	0.0	0.0	0.0
2.	5-year Bangladesh Savings Certificate	513.7	2305.0	1332.5	-1791.3	680.8	1298.8	712.7	-618.0
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	7562.8	5529.0	3951.6	2033.9	9341.5	7295.0	3835.6	2046.5
7.	3-month interest bearing Savings Certificate	5098.0	3945.4	1465.7	1152.6	5849.9	5175.8	1584.1	674.1
8.	Jamanat Savings Certificate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9.	Pensioner Savings Certificate	1666.6	927.1	740.0	739.5	1668.1	1192.9	757.1	475.2
10.	Post Office Savings Bank	672.7	964.4	280.1	-291.8	739.6	864.9	282.5	-125.3
	a) General Account	72.7	85.4	11.3	-12.8	77.5	67.9	6.4	9.6
	b) Fixed Account	600.0	879.0	268.8	-279.0	662.1	797.0	276.1	-134.9
	c) Bonus Account	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.	Postal Life Insurance	23.4	20.4	4.1	3.0	22.9	22.0	3.6	0.9
12.	Prize Bond	23.7	17.7	6.4	6.0	6.9	3.8	6.5	3.1
13.	Wage Earners' Development Bond	165.4	380.6	330.9	-215.2	204.1	195.0	232.4	9.1
14.	3-year National Investment Bond	0.0	0.1	0.0	-0.1	0.0	0.0	0.0	0.0
15.	US $ Premium Bond	18.8	9.7	3.4	9.0	11.6	7.7	4.5	3.9
16.	US $ Investment Bond	31.1	104.5	14.7	-73.4	51.2	57.5	18.4	-6.3
17.	**Flow total of NSS : (1+...+16)**	15776.1	14203.8	8129.2	1572.3	18576.6	16113.4	7437.4	2463.1
18.	**Outstanding total of NSS:**	**Outstanding as on June'25**	**Outstanding as on August'25**			**Outstanding as on June'26**	**Outstanding as on August'26**		
		335087.9	**336660.1**			**336315.2**	**338778.4**		
	Govt. Treasury Bills/Bonds/BGIS:	**Outstanding as on June'25**	**Outstanding as on August'25**		**Net Changes (July-August, FY26)**	**Outstanding as on June'26**	**Outstanding as on August'26**		**Net Changes (July-August, FY27)**
19.	**T-Bills/Bonds/BGIS[@]**	**140612.9**	**148213.8**		**7600.9**	**140264.5**	**143730.0**		3465.5
	i) Government Treasury Bills		40939.1		1968.6		28940.5		227.2
	ii) Bangladesh Govt. Treasury Bonds (BGTBs)		106717.6		**5630.9**		**113450.2**		3328.2
	a) 2-year Bangladesh Government Treasury Bonds		14920.8		2009.9		10599.1		-1696.7
	b) 3-year(FRTB) Bangladesh Government Treasury Bonds		162.0		64.4		1165.0		50.8
	c) 5-year Bangladesh Government Treasury Bonds		25857.5		1508.6		29670.9		590.4
	d) 10-year Bangladesh Government Treasury Bonds		31806.6		686.6		28771.4		2394.9
	e) 15-year Bangladesh Government Treasury Bonds		15308.4		538.1		17606.3		72.9
	f) 20-year Bangladesh Government Treasury Bonds		18662.3		823.4		25637.5		1915.9
	iii) Bangladesh Government Investment *Sukuk* (BGIS)[#]		557.1		**1.38**		1339.3		-90.0
	a) 05 Years Bangladesh Govt. Investment *Sukuk* (*Ijarah Sukuk*)		557.1		1.38		1339.3		-90.0
20.	**Flow total Non-bank Govt. Borrowing : (17 + 19)**				9173.2				5928.7
21.	**Outstanding of Non-bank Govt. Borrowing : (18 + 19)**	**Outstanding as on June'25**	**Outstanding as on August'25**			**Outstanding as on June'26**	**Outstanding as on August'26**		
		475700.8	**484874.0**			**476579.7**	**482508.4**		

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

Notes:

[#] Bangladesh Govt. Investment *Sukuk*-BGIS (*Ijarah Sukuk*) was intoduced in Dec-2020. So far, eleven *Sukuk* (BGIS) bonds has been issued underIjarah, Istisna and Sale mode.

[@] Including offer value(T-Bills) & face value(BGTBs).