



# Quarterly Debt Bulletin

## Issue 15

### Finance Division, Ministry of Finance

### Government of the People's Republic of Bangladesh

## Abbreviations

|   |   |
|---|---|
| <i>AiIB- Asian Infrastructure Investment Bank</i> | <i>IDA- International Development Association</i> |
| <i>ADB- Asian Development Bank</i>                | <i>IPP- Independent Power Producer</i>            |
| <i>ALS- Assured Liquidity Support</i>             | <i>IMF- International Monetary Fund</i>           |
| <i>BB- Bangladesh Bank</i>                        | <i>IRD- Internal Resources Division</i>           |
| <i>BDT- Bangladesh Taka</i>                       | <i>IMF- International Monetary Fund</i>           |
| <i>BGTB- Bangladesh Government Treasury Bond</i>  | <i>NSC- National Savings Certificate</i>          |
| <i>BBS- Bangladesh Bureau of Statistics</i>       | <i>NSD- Department of National Savings</i>        |
| <i>CRR- Cash Reserve Ratio</i>                    | <i>SLR- Statutory Liquidity Ratio</i>             |
| <i>DSE- Dhaka Stock Exchange</i>                  | <i>SOE- State-Owned Enterprise</i>                |
| <i>ERD- Economic Relations Division</i>           | <i>SPTB- Special Purpose Treasury Bond</i>        |
| <i>FD- Finance Division</i>                       | <i>WB- World Bank</i>                             |
| <i>GDP- Gross Domestic Product</i>                |   |

## A. Government Borrowing Status in FY 2024-25

The government's current level of borrowing remains broadly manageable when assessed relative to the overall size of the economy. However, certain underlying trends indicate emerging fiscal pressures. These include, notably, a rise in debt servicing costs and an increased reliance on external financing, which often comes with higher associated costs. The aggregate net government borrowing for the fiscal period spanning July'24 to June'25 stood at BDT 1,89,134 crore. This figure represents 85% of the revised budget estimate for the fiscal year. Table 1 presents a summary of the borrowing from different sources during this period:

Table 1: Government Net Borrowing in FY 2024-25

| (Crore BDT)                        |                |                      |                          |                        |
|------------------------------------|----------------|----------------------|--------------------------|------------------------|
| Source of Borrowing                | Budget 2024-25 | Revised budget 24-25 | Actual Borrowing 2024-25 | As % of revised Budget |
| Domestic Borrowing (Net)           | 1,60,900       | 1,17,000             | 1,18,158                 | 101%                   |
| Borrowing from banking sources     | 1,37,500       | 99,000               | 1,18,584                 | 120%                   |
| Short-Term (T-Bill, WMA & OD)      | 64,818         | -15,163              | -9,003                   | 59%                    |
| Long-Term (T- Bond, Sukuk, S-bond) | 72,682         | 1,14,163             | 1,27,587                 | 112%                   |
| Borrowing from non-banking sources | 23,400         | 18,000               | -426                     | --                     |
| National Savings Certificate (NSC) | 15,400         | 14,000               | -6,063                   | --                     |
| Others (GPF)                       | 8,000          | 4,000                | 5,637                    | 140%                   |
| External Borrowing (Net)           | 90,700         | 1,04,600             | 70,976                   | 68%                    |
| Total Borrowing                    | 2,51,600       | 2,21,600             | 1,89,134                 | 85%                    |

Source: BB, NSD, ERD.

- Domestic and external borrowing was 101 per cent and 68 per cent of the revised budget, respectively;
- Net Domestic borrowing was the predominant source of financing, surpassing net borrowing from external sources during the period. The majority of this net domestic financing was mobilized through the government securities market. Notably, the government's strategy prioritized long-term debt: borrowing via Treasury Bonds substantially exceeded the financing derived from short-term instruments, specifically Treasury Bills and National Savings Schemes (NSS).

### Domestic Borrowing: Government Securities in FY 2024-25

#### Instrument-wise

Table 2(a): Instrument-wise Borrowing: Treasury Bills (July-June FY25)

Core BDT

| Instrument     | Gross Borrowing | Redemption      | Net Borrowing | As % of total of T-bill |
|----------------|-----------------|-----------------|---------------|-------------------------|
| 91-day T-Bill  | 2,11,354        | 2,27,137        | -15,784       | -38                     |
| 182-day T-Bill | 89,454          | 54,833          | 34,621        | 83                      |
| 364-day T-Bill | 80,314          | 57,467          | 22,848        | 55                      |
| <b>Total</b>   | <b>3,81,122</b> | <b>3,39,437</b> | <b>41,685</b> | <b>--</b>               |

Source: BB.

Table 2(b): Instrument-wise Borrowing: Treasury Bonds (July- June FY25)

Core BDT

| Instrument   | Gross Borrowing | Redemption    | Net Borrowing   | As % of total of T-Bond |
|--------------|-----------------|---------------|-----------------|-------------------------|
| 2 YR BGTB    | 46,460          | 26,500        | 19,960          | 16                      |
| 3 YR BGTB    | 4,118           | 0             | 4,118           | 3                       |
| 5 YR BGTB    | 45,338          | 20,500        | 24,838          | 20                      |
| 10 YR BGTB   | 38,183          | 6,240         | 31,943          | 25                      |
| 15 YR BGTB   | 14,157          | 1,261         | 12,895          | 10                      |
| 20 YR BGTB   | 17,008          | 0             | 17,008          | 13                      |
| Special Bond | 12,542          | 716           | 11,825          | 9                       |
| Sukuk        | 5,000           | 0             | 5,000           | 4                       |
| <b>Total</b> | <b>1,82,806</b> | <b>55,218</b> | <b>1,27,587</b> | <b>--</b>               |

Source: BB.

- Net financing through T-Bill was BDT 41,685 crore up to the end of FY25; The data indicates that while the 182-day and 364-day T-Bills contributed positively to the net borrowing, the 91-day T-Bill category experienced a negative net borrowing of BDT -15,784 crore, signifying that the amount maturing exceeded the amount newly issued or rolled over during the period.
- Long-term instrument (T-bond) continued to be the preferred instrument as per the Medium-Term Debt Strategy of the government. Up to the end of FY25, net borrowing from long-term instruments amounted to BDT 1,27,587 crore. The 10 YR BGTB emerged as the largest net borrowing source within the T-Bond category, contributing 25% of the total net T-Bond borrowing. Several instruments, including the 3 YR BGTB, 20 YR BGTB, and Sukuk, had no recorded maturities during this period, resulting in their Gross Borrowing being equal to their Net Borrowing.

Table 3: Month-wise borrowing through the Government Securities (July- June FY25)

Crore BDT

| Month   | Treasury Bill  |            |                                   | Treasury Bond  |            |                                   |
|---------|----------------|------------|-----------------------------------|----------------|------------|-----------------------------------|
|         | Gross Issuance | Redemption | Net Borrowing (% of total T-bill) | Gross Issuance | Redemption | Net Borrowing (% of total T-bond) |
| Jul-24  | 34,858         | 29,480     | 5,377 (13%)                       | 7,674          | 8,750      | -1,075 (-.5%)                     |
| Aug-24  | 30,873         | 30,796     | 77 (0.5%)                         | 16,180         | 150        | 16,030 (13%)                      |
| Sep-24  | 42,499         | 34,933     | 7,566 (18%)                       | 17,486         | 131        | 17,355 (14%)                      |
| Oct-24  | 30,509         | 31,291     | -782 (-2%)                        | 20,503         | 5,367      | 15,136 (12%)                      |
| Nov-24  | 27,468         | 26,510     | 958 (2.5%)                        | 11,449         | 1,840      | 9,609 (8%)                        |
| Dec-24  | 36,269         | 30,745     | 5,524(13%)                        | 11,800         | 4,650      | 7,150 (6%)                        |
| Jan-25  | 28,346         | 26,313     | 2,034(6%)                         | 15,388         | 10,100     | 5,288(4%)                         |
| Feb-25  | 26,303         | 24,380     | 1,922(4%)                         | 15,500         | 100        | 15,400(13%)                       |
| Mar-25  | 25,637         | 32,524     | -6,887(-17%)                      | 16,000         | 6,100      | 9,900 (8%)                        |
| Apr-25  | 34,024         | 24,021     | 10,003(24%)                       | 14,000         | 7,380      | 6,620 (5%)                        |
| May-25  | 28,491         | 21,207     | 7,284(17%)                        | 16,500         | 6,075      | 10,425(8%)                        |
| June-25 | 35,846         | 27,238     | 8,608 (21%)                       | 15,325         | 4,575      | 10,750(9.5%)                      |
| Total   | 3,81,123       | 3,39,437   | 41,685                            | 1,77,806       | 55,218     | 1,22,588                          |

Source: BB.

## Domestic Borrowing: Retail Instruments in FY 2024-25)

Table 4: Borrowing from NSCs

Crore BDT

| Month    | Gross Issuance | Redemption | Net Borrowing |
|----------|----------------|------------|---------------|
| July-24  | 4,912          | 2,724      | 2,187         |
| Aug-24   | 4,112          | 2,076      | 2,036         |
| Sep-24   | 5,968          | 1,859      | 4,109         |
| Oct-24   | 5,859          | 9,084      | -3,225        |
| Nov-24   | 4,719          | 8,150      | -3,431        |
| Dec-24   | 4,540          | 8,461      | -3,921        |
| Jan-25   | 6,353          | 11,122     | -4,769        |
| Feb-25   | 7,560          | 9,318      | -1,758        |
| Mar-25   | 6,199          | 6,118      | 81            |
| April-25 | 5,770          | 4,510      | 1,260         |
| May-25   | 5,690          | 4,153      | 1,537         |
| June-25  | 6,757          | 6,927      | -169          |
| Total    | 68,439         | 74,502     | -6,063        |

Source: NSD

- The NSC is now more market-based interest-bearing tool rather than regulated, subsidized interest-bearing instrument. Notwithstanding, the aggregate net outflow (which is a fiscal outcome driven by policy and high redemptions), the NSC remains the most compelling choice for risk-averse retail investors, cementing its position as the most attractive safe investment option for the public. The inherent safety, guaranteed principal and superior returns- especially when benchmarked against inflation and the banking sector's offerings- confirm the enduring structural demand for NSCs among the retail segment as an essential, risk-mitigating investment instrument.

## External Borrowing

Table 5: Month-wise External Borrowing

Crore BDT

| Month        | Borrowing       | Principal Payment | Net Borrowing | % of total external borrowing |
|--------------|-----------------|-------------------|---------------|-------------------------------|
| July-24      | 2,857           | 3,664             | -806          | -1                            |
| Aug-24       | 1,246           | 1,724             | -478          | -1                            |
| Sep-24       | 3,317           | 1,748             | 1,569         | 2                             |
| Oct-24       | 5,008           | 3,829             | 1,179         | 2                             |
| Nov-24       | 3,985           | 1,910             | 2,075         | 3                             |
| Dec-24       | 24,801          | 2,196             | 22,605        | 32                            |
| Jan-25       | 5,548           | 4,175             | 1,373         | 2                             |
| Feb-25       | 2,355           | 1,776             | 579           | 1                             |
| Mar-25       | 6,795           | 3,847             | 2,948         | 4                             |
| Apr-25       | 5,729           | 1,554             | 4,175         | 6                             |
| May-25       | 4,968           | 3,172             | 1,795         | 3                             |
| June-25      | 35,950          | 1,989             | 33,962        | 47                            |
| <b>Total</b> | <b>1,02,559</b> | <b>31,584</b>     | <b>70,976</b> | <b>--</b>                     |

Source: ERD.

Figure 1 (a) External Debt Liabilities to Major Creditors (MC)

Figure 1 (b) Currency Composition of external Debt

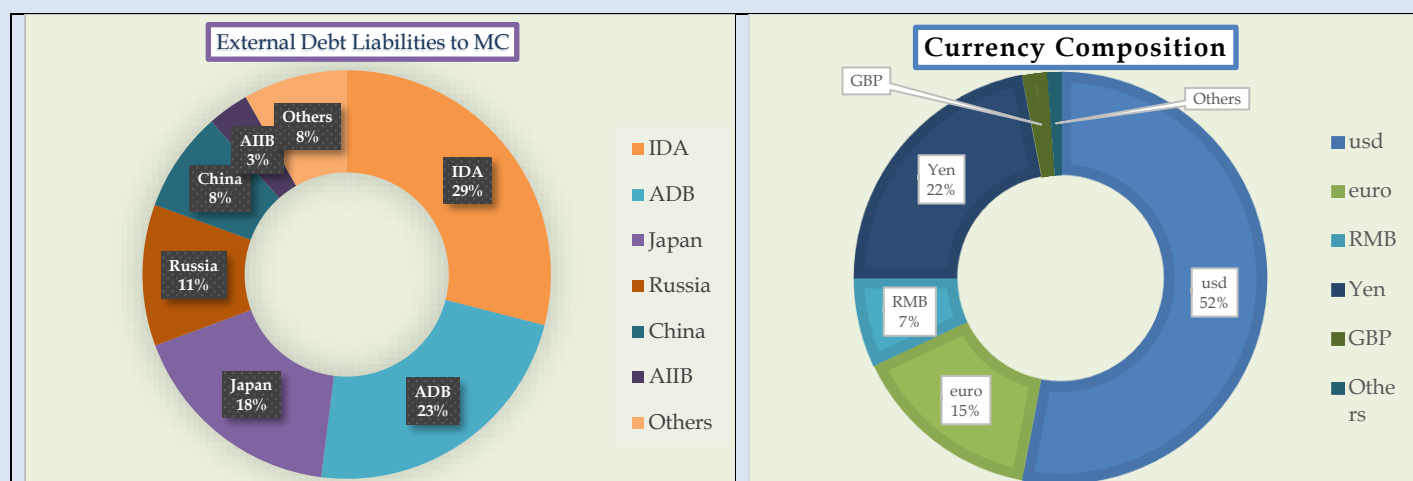
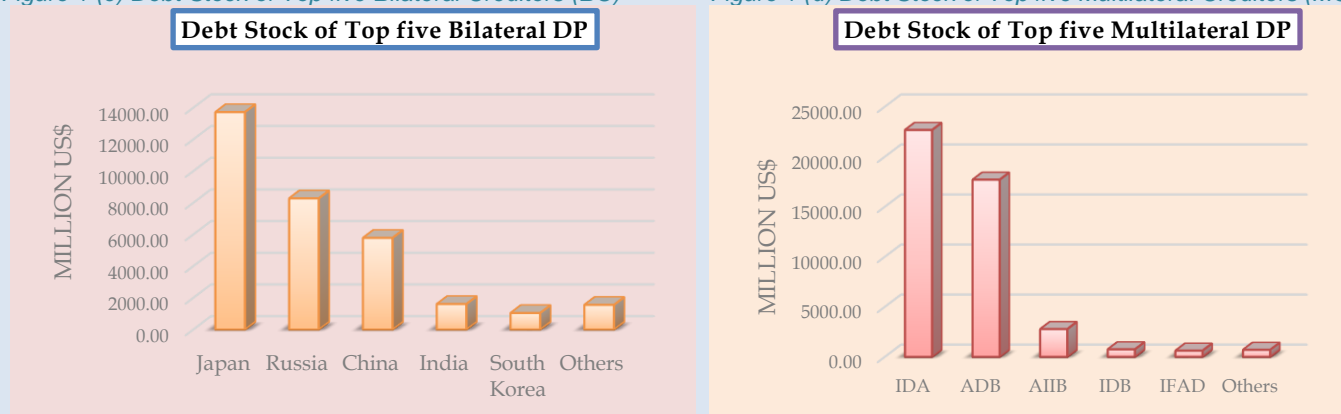


Figure 1 (c) Debt Stock of Top five Bilateral Creditors (BC)

Figure 1 (d) Debt Stock of Top five Multilateral Creditors (MC)



Source: ERD.

- During the Fiscal Year 2024-25, Bangladesh provisionally secured BDT 70,976 crore net external financing, a total that incorporates both highly concessional and non-concessional debt streams;

- Top external creditor of Bangladesh is World Bank (IDA) followed by ADB, Japan and Russia. The currency composition of the total external debt stock reflects a measured strategy for foreign exchange risk management. The US Dollar (USD) accounts for approximately 52% of the outstanding external debt, with the remainder strategically diversified across key international currencies, notably the Japanese Yen (JPY), the Euro and the Chinese Renminbi (RMB). This deliberate currency allocation aims to effectively balance exchange rate exposures;
- Notwithstanding the fact that Bangladesh's external debt-to-GDP ratio remains moderate and within the IMF's designated "safe zone," several contemporary economic factors are signalling caution. Ensuring long-term debt sustainability requires mandatory policy action across several fronts: stringent and prudent debt management, rigorous scrutiny and careful selection of new development projects, substantial improvements in project execution efficiency and robust, accelerated domestic resource mobilization, increased and diversified export earnings efforts are crucial to ensure long-term debt sustainability.

## B. Structures and Dynamics of the Government Debt

Table 6: Government Debt Stock

Crore BDT

| Source of Borrowing           | As of 30 June 2022, R* | As of 30 June 2023R, * | As of 30 June 2024, R* | As of 30 June 2025 |
|-------------------------------|------------------------|------------------------|------------------------|--------------------|
| A. Domestic Debt (1+2)        | 8,48,650               | 9,61,850               | 10,76,700              | 11,94,853          |
| 1. Debt from Banking Sources  | 4,20,350               | 5,28,280               | 6,56,330               | 7,74,909           |
| 1.1. Central Bank Facilities  | 730                    | 17,800                 | 56,750                 | 6,057              |
| 1.2. Treasury Bills           | 77,020                 | 1,23,680               | 1,33,450               | 1,75,135           |
| 1.3. Treasury Bonds & SPTB    | 3,24,600               | 3,68,800               | 4,47,130               | 5,69,717           |
| 1.4. Sukuk                    | 18,000                 | 18,000                 | 19,000                 | 24,000             |
| 2. Debt from non-bank sources | 4,28,300               | 4,33,570               | 4,20,370               | 4,19,944           |
| 2.1. Debt from NSCs           | 3,65,560               | 3,62,230               | 3,41,140               | 3,35,077           |
| 2.2. Others (GPF)             | 62,740                 | 71,340                 | 79,230                 | 84,867             |
| B. External Debt*             | 4,95,793               | 6,72,978               | 8,12,077               | 9,49,181           |
| C. Total Debt (A+B)           | 13,44,443              | 16,34,828              | 18,88,787              | 21,44,034          |
| Debt to GDP (%)               | 33.79                  | 36.34                  | 36.30                  | 38.61              |
| Domestic Debt to GDP (%)      | 21.32                  | 21.22                  | 20.21                  | 21.51              |
| External Debt to GDP (%)      | 12.47                  | 15.12                  | 16.09                  | 17.10              |

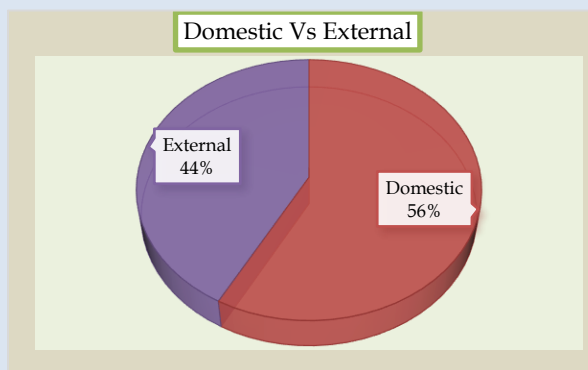
Source: BB, NSD, ERD. R\*-Revised

\*External debt is calculated after adjusting exchange rate fluctuation.

The historical distribution of domestic and external debt indicates a sustained reliance on domestic borrowing. This trend is consistent with the Government's strategic objective to deepen the domestic debt market as a crucial measure to mitigate foreign currency exposure risk.

## Total Debt Stock: Domestic vs. External up to FY25

Figure 2: Debt Stock: Domestic vs External

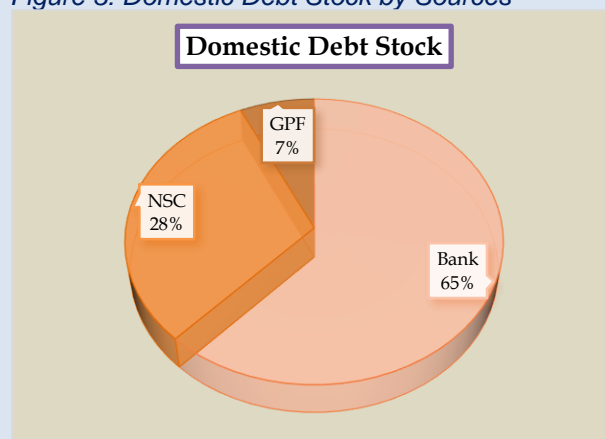


- Domestic borrowing fundamentally constitutes the predominant component of the Government's overall debt portfolio;
- Specifically, on June 30, 2025, the domestic and external liabilities constituted 56% per cent and 44% per cent of the total Government Debt Stock, respectively, underscoring the enduring significance of domestic markets in public finance.

## Total Domestic Debt Stock up to FY25: Contribution from different sources

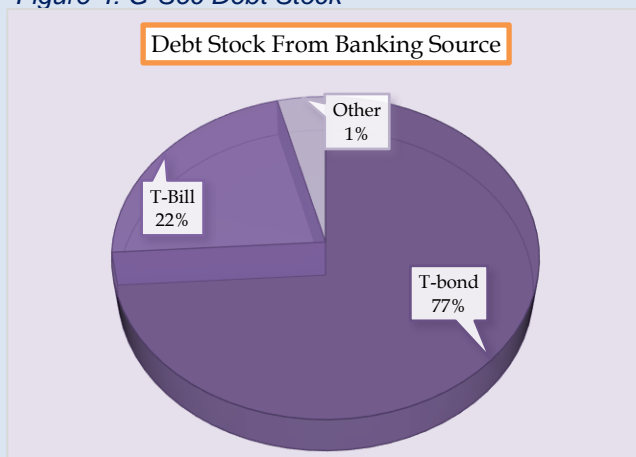
- Financing from the Banking sector constitutes 65 per cent of the total domestic debt followed by NSCs, 28 per cent and the rest were financed from the GPF.
- The reforms in the NSC will gradually reduce fiscal pressure & promote a balanced debt portfolio.

Figure 3: Domestic Debt Stock by Sources



## Composition of Banking Sector Debt Stock up to FY25: Government Securities

Figure 4: G-Sec Debt Stock



- The primary composition of debt financing secured through G-Sec is highly concentrated in long-term instruments, with approximately 77% originating specifically from T-Bonds and SPTBs. This distribution signifies the government's explicit strategic preference for long-duration instruments to secure stable, sustained fiscal financing and to reduce refinancing risk.
- Conversely, T-Bills are issued predominantly for efficient short-term cash management and liquidity adjustment, thereby ensuring a balanced and optimized distribution between the government's short-term and long-term financing streams.



## C. Interest Expenditure

Table 7: Interest Expenditure

Cröre BDT

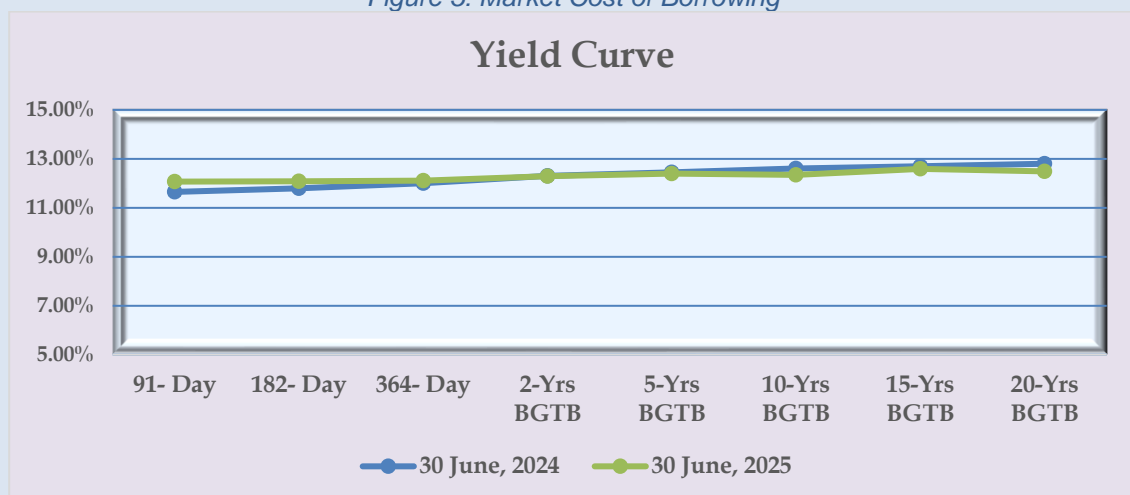
| Source of Borrowing            | 2023-24  | 2024-25  | Increase/Decrease | Rate of In/decrease |
|--------------------------------|----------|----------|-------------------|---------------------|
| Interest on Domestic Borrowing | 98,235   | 1,14,333 | 16,098            | 16%                 |
| Treasury Securities            | 43,112   | 61,679   | 18,567            | 43%                 |
| NSC*                           | 46,259   | 43,142   | -3,117            | -7%                 |
| GPF                            | 8,864    | 9,512    | 648               | 7%                  |
| Interest on External Borrowing | 14,984   | 18,127   | 3,143             | 21%                 |
| Total Interest Expenses        | 1,13,219 | 1,32,460 | 19,241            | 17%                 |

\*NSD's data

- Up-to 4<sup>th</sup> quarter of FY25, interest expense was 17% higher compared to the same time of FY24. Interest expenses of treasury securities was increased by 43% compared to the same time of FY24;
- External interest payment increased by 21% during July-June FY25 relative to the same period in FY24. So effective management of interest expenses on government borrowing is not just a matter of sound financial management for Bangladesh; it is fundamental to ensuring macroeconomic stability, protecting its foreign exchange reserves, fostering sustainable economic growth, maintaining international creditworthiness securing its future development prospects and addressing inter-generational equity.

## Market cost of borrowing from government securities

Figure 5: Market Cost of Borrowing



- Yield curves reflect a slight declining cost of borrowing through government securities up to 4<sup>th</sup> quarter of FY25 vis-à-vis the same period in FY24.

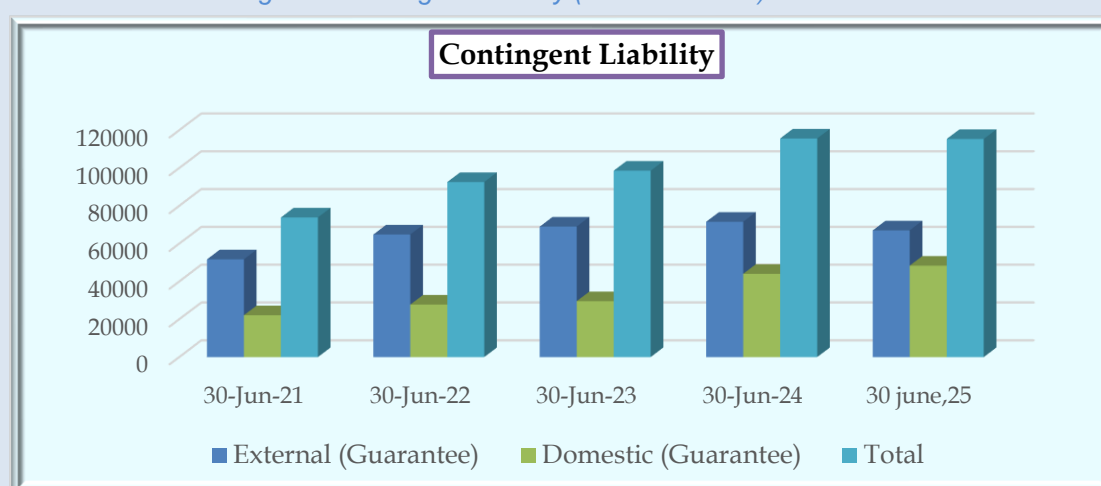
## D. Contingent Liability

Table 8: Contingent Liability

|                         | Crore BDT  |            |            |            |            |
|-------------------------|------------|------------|------------|------------|------------|
| Contingent liability    | 30 June-21 | 30 June-22 | 30 June-23 | 30 June-24 | 30 June-25 |
| a) External (Guarantee) | 51,685     | 64,821     | 69,014     | 71,586     | 67,006     |
| % of GDP                | 1.46%      | 1.63%      | 1.55%      | 1.42%      | 1.21%      |
| b) Domestic (Guarantee) | 22,151     | 27,780     | 29,577     | 44,050     | 48,364     |
| % of GDP                | 0.63%      | 0.70%      | 0.66%      | 0.87%      | 0.87%      |
| Total (a+b)             | 73,836     | 92,601     | 98,591     | 1,15,636   | 1,15,370   |
| % of GDP(Total)         | 2.09%      | 2.33%      | 2.22%      | 2.29%      | 2.08%      |

Source: FD.

Figure 6 Contingent Liability (FY21 to FY25\*)



Source: FD. \*July-June FY25

- As of 30 June 2025, the outstanding stock of government guarantee was BDT 1,15,370 crore. Among this contingent liability, BDT 67,006 crore originated from external sources while BDT 48,364 crore came from domestic sources;
- These sovereign guarantees were primarily issued to entities operating in crucial infrastructure and strategic sectors, including power generation and mineral production and supply, fertilizer manufacturing and public corporations such as Bangladesh Biman and the Trading Corporation of Bangladesh (TCB).

## E. Upcoming events

- Liability Management Operation (LMO);
- Debt Sustainability Analysis (DSA) Report;



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