



# Quarterly Debt Bulletin

Issue 16

Finance Division, Ministry of Finance  
Government of the People's Republic of Bangladesh

## Abbreviations

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

### A. Government Borrowing Status (July-September FY 26)

While the government's current debt stock remains generally sustainable in relation to the nation's Gross Domestic Product (GDP), specific underlying trajectories suggest the emergence of significant fiscal pressures. Of particular concern is the escalation in debt-servicing obligations and an intensified dependency on external financing, which typically entails more stringent terms and elevated costs. For the fiscal quarter encompassing July to September 2025, aggregate net government borrowing amounted to BDT 5,010 crore, representing 2% of the total budgetary estimate for the fiscal year. Table 1 presents a summary of the borrowing from different sources during this period:

Table 1: Government Net Borrowing (July-September FY 26)

Source of Borrowing	2024-25 (July-Sep)			2025-26 (July-Sep)			Incr/Dec
	Budget (Revised)	Actual Borrowing	% of Budget	Budget	Actual Borrowing	% of Budget	
Domestic Borrowing (Net)	1,17,000	2,662	2%	1,25,000	2,322	2%	-13%
Borrowing from banking sources	99,000	4,952	5%	1,04,000	2,820	2%	-43%
Short-Term (T-Bill)	-15,163	13,020	--	-16,000	-9,213	--	--
Short-Term (WMA & OD)	--	-40,377	--	--	1,309	--	--
Long-Term (T- Bond, Sukuk)	1,14,163	32,309	28%	1,20,000	10,724	9%	-67%
Borrowing from non-banking sources	18,000	-2,290	--	21,000	-498	--	--
NSC	14,000	-845	--	12,500	1,945	16%	--
Others (GPF)	4000	-1,445	--	8,500	-2,443	--	--
External Borrowing (Net)	1,04,600	284	0.27%	96,000	2,688	3%	846%
<b>Total Borrowing</b>	<b>2,21,600</b>	<b>2,946</b>	<b>1%</b>	<b>2,21,000</b>	<b>5,010</b>	<b>2%</b>	<b>70%</b>

Source: BB, NSD, ERD.

- Domestic and external borrowing was 2 per cent and 3 per cent of the budget, respectively;
- Domestic borrowing remained the primary source of financing during the period under review. The majority of 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 (July-September FY 26)

#### Instrument-wise

Table 2(a): Instrument-wise Borrowing: Treasury Bills (July-September FY 26)

Crore BDT				
Instrument	Gross Borrowing	Redemption	Net Borrowing	As % of total of T-bill
91-day T-Bill	31,196	46,335	(15,139)	--
182-day T-Bill	22,334	20,603	1,731	--
364-day T-Bill	14,499	15,285	(786)	--
14-day T-Bill	29,880	24,899	4,981	--
<b>Total</b>	<b>97,908</b>	<b>1,07,121</b>	<b>(9,213)</b>	<b>--</b>

Source: BB.

Table 2(b): Instrument-wise Borrowing: Treasury Bonds (July-September FY 26)

Crore BDT				
Instrument	Gross Borrowing	Redemption	Net Borrowing	As % of total of T-Bond
2 YR BGTB	9,141	11,596	(2,456)	-23%
3 YR BGTB	1,500	0.00	1,500	14%
5 YR BGTB	7,000	4,500	2,500	23%
10 YR BGTB	6,600	3,000	3,600	34%
15 YR BGTB	3,000	420	2,580	24%
20 YR BGTB	3,000	0.00	3,000	28%
Special Bond	0.00	0.00	0.00	-
Sukuk	0.00	0.00	0.00	-
<b>Total</b>	<b>30,241</b>	<b>19,516</b>	<b>10,724</b>	<b>-</b>

Source: BB.

- Net financing through T-Bill was BDT (9,213) crore up to first quarter of FY26;
- Long-term instrument (T-bond) continued to be the preferred instrument. Up to the first quarter of FY26, net borrowing from long-term instruments amounted to BDT 10,724 crore. The 10 YR BGTB emerged as the largest net borrowing source within the T-Bond category, contributing 34% of the total net T-Bond borrowing.

Table 3: Month-wise borrowing through the Government Securities (July-September FY 26)

Month	Treasury Bill			Treasury Bond		
	Gross Issuance	Redemption	Net Borrowing (% of total T-bill)	Gross Issuance	Redemption	Net Borrowing (% of total T-bond)
Jul-25	32,678	36,587	-3,908 (42%)	12,641	10,640	2,000 (19%)
Aug-25	30,475	31,104	-629 (7%)	8,600	3,140	5,460 (51%)
Sep-25	34,755	39,430	-4,675 (51%)	9,000	5,736	3,264 (30%)
<b>Total</b>	<b>97,908</b>	<b>1,07,121</b>	<b>-9,213</b>	<b>30,241</b>	<b>19,516</b>	<b>10,724</b>

Source: BB.

## Domestic Borrowing: Retail Instruments (July-September FY 26)

Table 4: Borrowing from NSCs

Creore BDT

Month	Gross Issuance	Redemption	Net Borrowing
July-25	7,916	6,623	1,293
Aug-25	7,861	7,582	279
Sep-25	8,633	8,260	373
Total	24,409	22,464	1,945

Source: NSD

- 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

Creore BDT

Month	Borrowing	Principal Payment	Net Borrowing	% of total external borrowing
July-25	2,469	3,997	-1,528	-57%
Aug-25	6,554	1,961	4,593	171%
Sep-25	3,619	3,996	-376	14%
Total	12,641	9,953	2,688	--

Source: ERD.

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

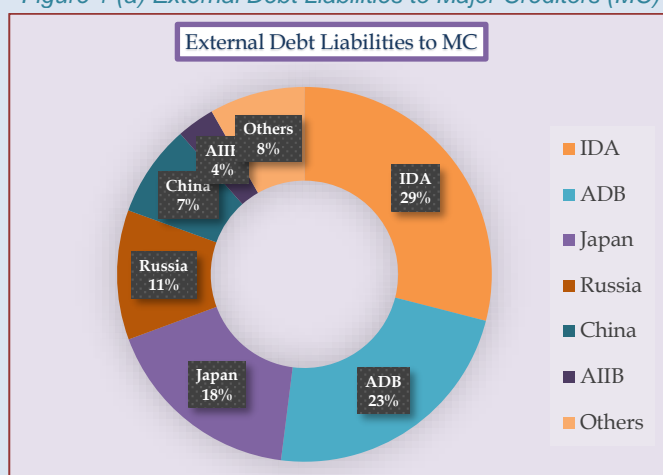


Figure 1 (b) Currency Composition of external Debt

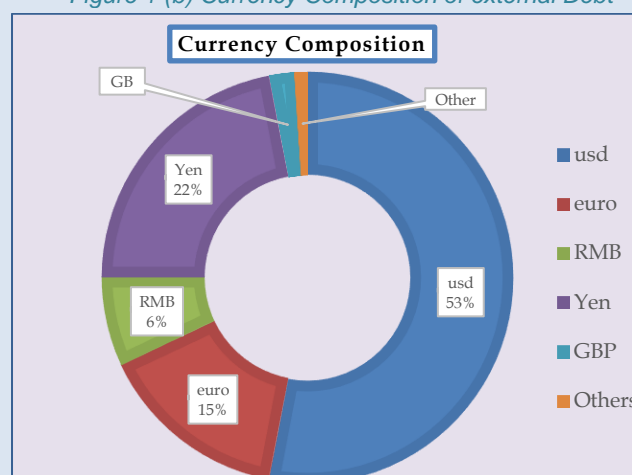
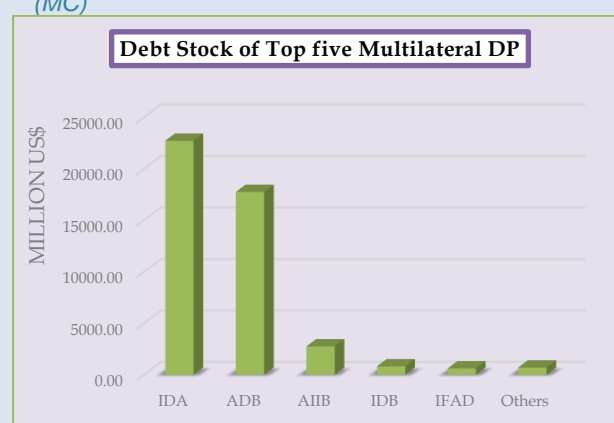


Figure 1 (c) Debt Stock of Top five Bilateral Creditors (BC)



Source: ERD.

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



- During the 1<sup>st</sup> quarter of FY26, Bangladesh provisionally secured BDT 2,688 crore net external financing;
- 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 53% 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.

## B. Structures and Dynamics of the Government Debt

Table 6: Government Debt Stock

Source of Borrowing	Crore BDT				
	As of 30 June 2022	As of 30 June 2023	As of 30 June 2024	As of 30 June 2025	As of 30 Sep 2025
A. Domestic Debt (1+2)	8,48,650	9,61,850	10,76,700	11,94,853	11,97,175
1. Debt from Banking Sources	4,20,350	5,28,280	6,56,330	7,74,909	7,77,729
1.1. Central Bank Facilities	730	17,800	56,750	6,057	7,366
1.2. Treasury Bills	77,020	1,23,680	1,33,450	1,75,135	1,65,922
1.3. Treasury Bonds & SPTB	3,24,600	3,68,800	4,47,130	5,69,717	5,80,441
1.4. Sukuk	18,000	18,000	19,000	24,000	24,000
2. Debt from non-bank sources	4,28,300	4,33,570	4,20,370	4,19,944	4,19,446
2.1. Debt from NSCs	3,65,560	3,62,230	3,41,140	3,35,077	3,37,022
2.2. Others (GPF)	62,740	71,340	79,230	84,867	82,424
B. External Debt*	4,95,793	6,72,978	8,12,077	9,49,181	9,51,869
C. Total Debt (A+B)	13,44,443	16,34,828	18,88,787	21,44,034	21,49,044
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	--

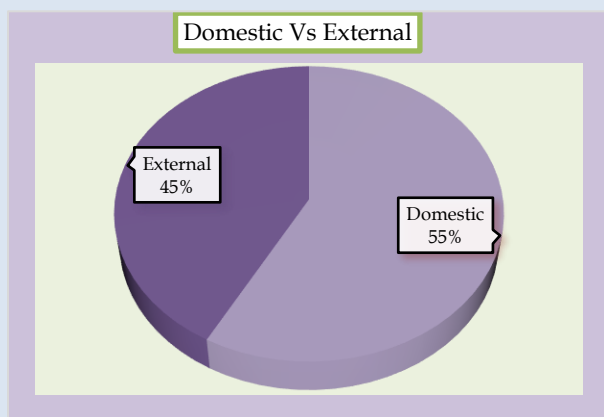
Source: BB, NSD, ERD.

\* The debt-to-GDP ratio has not been published as GDP figures for FY26 is yet to be finalized.

- 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 Sep FY26

Figure 2: Debt Stock: Domestic vs External

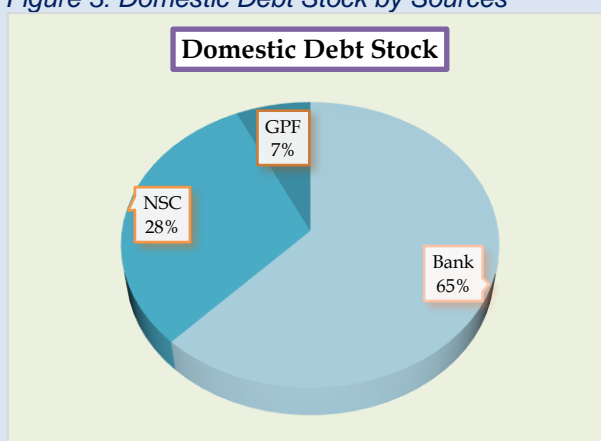


- Domestic borrowing fundamentally constitutes the predominant component of the Government's overall debt portfolio;
- Specifically, on September 30, 2025, the domestic and external liabilities constituted 55% per cent and 45% per cent of the total Government Debt Stock, respectively, underscoring the enduring significance of domestic markets in public finance.

## Total Domestic Debt Stock up to Sep FY26: Contribution from different sources

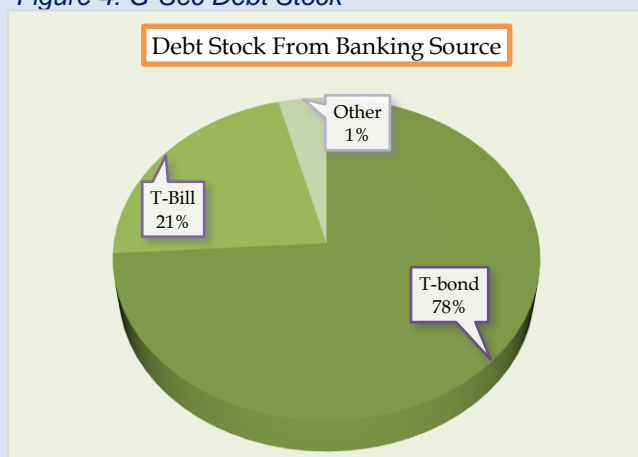
Figure 3: Domestic Debt Stock by Sources

- 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.



## Composition of Banking Sector Debt Stock up to Sep FY26: 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 78% 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 (July-September FY 26)

Source of Borrowing	2024-25	2025-26	Budget (25-26)	Inc/Dec	Rate of In/dec
Interest on Domestic Borrowing	21,832	25,990	1,00,000	4,158	19%
Treasury Securities	13,450	16,253	49,000	2,803	21%
NSC	8,382	9,737	43,000	1,355	16%
Interest on External Borrowing	3,136	5,639	22,000	2,503	80%
Total Interest Expenses	24,968	31,629	1,22,000	6,661	27%

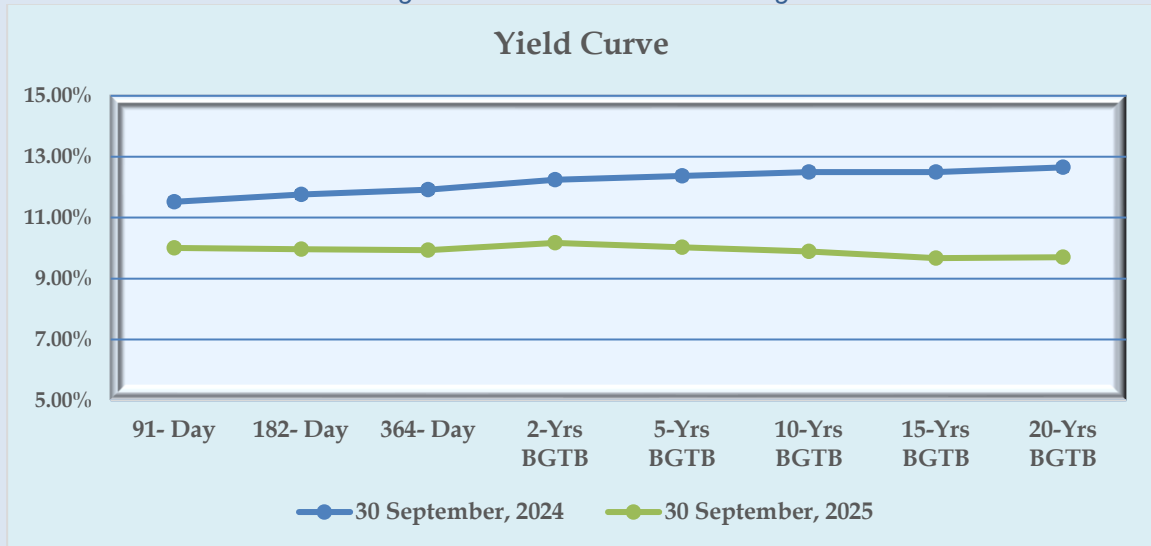
Crore BDT

\*Interest on GPF is 8,000 crore BDT which will be calculated at the end of FY.

- Up-to 1st quarter of FY26, interest expense was 27% higher compared to the same time of FY25. Interest expenses of treasury securities was increased by 21% compared to the same time of FY25;
- External interest payment increased by 80% during July-Sep, FY26 relative to the same period in FY25.

### 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 during the 1st quarter of FY26 vis-à-vis the same period in FY25.

## D. Contingent Liability

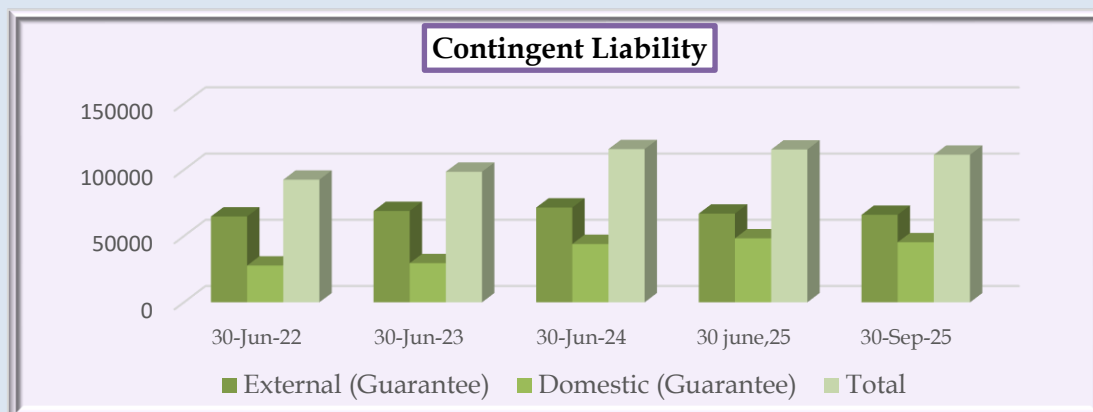
Table 8: Contingent Liability

Contingent liability	30 June-22	30 June-23	30 June-24	30 June-25	30 Sep-25
a) External (Guarantee)	64,821	69,014	71,586	67,006	66,065
% of GDP	1.63%	1.55%	1.42%	1.19%	--
b) Domestic (Guarantee)	27,780	29,577	44,050	48,364	45,366
% of GDP	0.70%	0.66%	0.87%	0.86%	--
Total (a+b)	92,601	98,591	1,15,636	1,15,370	1,11,431
% of GDP(Total)	2.33%	2.22%	2.29%	2.06%	--

Crore BDT

Source: FD.

Figure 6 Contingent Liability (FY21 to FY25\*)



Source: FD. \*July-Sep FY26

- As of 30 September 2025, the outstanding stock of government guarantee was BDT 1,11,431 crore. Among this contingent liability, BDT 66,065 crore originated from external sources while BDT 45,366 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

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

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