



DEBT BULLETIN

FINANCE DEPARTMENT PUNJAB

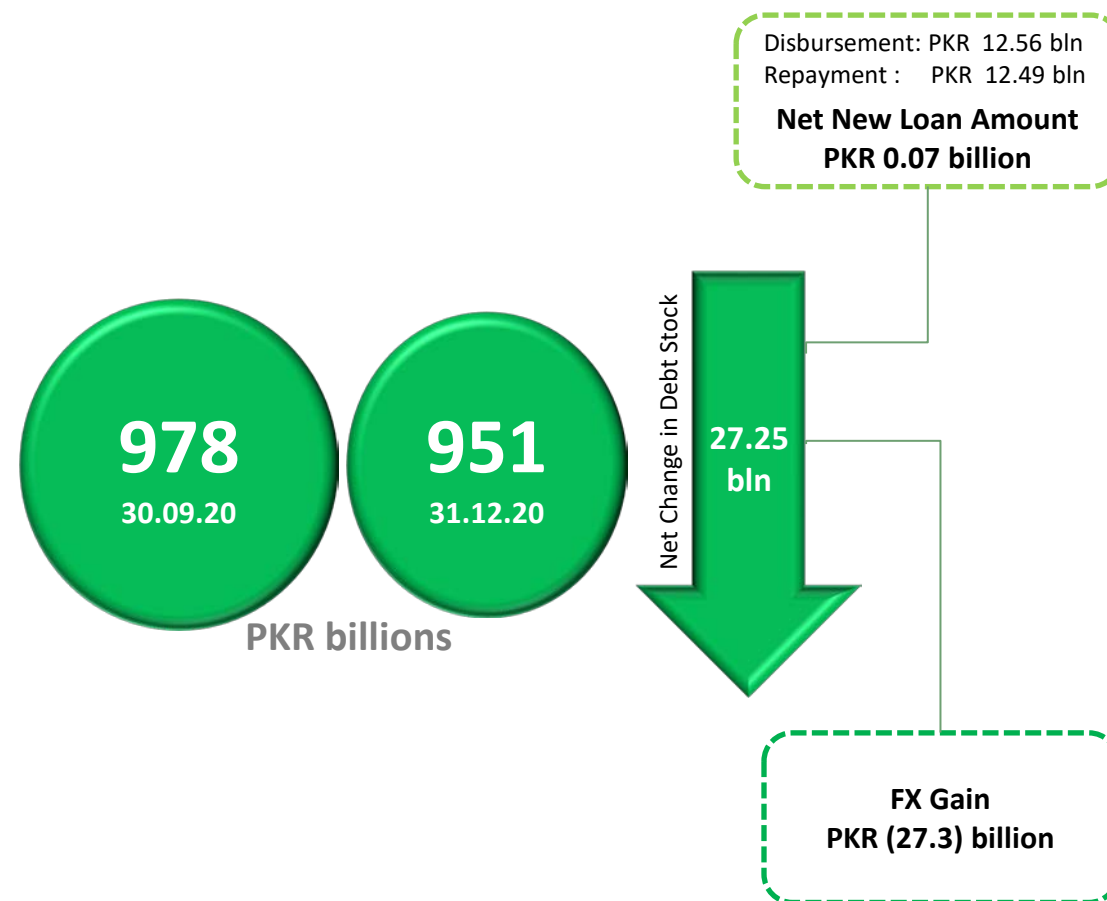
31st December 2020

DEBT STOCK - PUNJAB

Domestic vs External (as at 31.12.2020)

Type of Loan	Outstanding (mln PKR) 30.09.2020	Outstanding (mln PKR) 31.12.2020	% Growth	% of total as at 31.12.20
Domestic Loans	6,351	5,965	-6%	1%
External Loans	971,362	944,497	-3%	99%
Total	977,714	950,462	-3%	100%

Type of Loan	Outstanding (mln US\$) 31.12.2020	Outstanding (mln PKR) 31.12.2020	Variable Rate Debt	Fixed Rate Debt
Domestic Loans	37	5,965	0%	100%
External Loans	5,911	944,497	23%	77%
Total	5,949	950,462	23%	77%



- Debt stock is reconciled with lender's debt records mainly, however numbers may change subject to reconciliation with Federal Government.
- PKR figures have been computed by using the FX rate of 31.12.2020

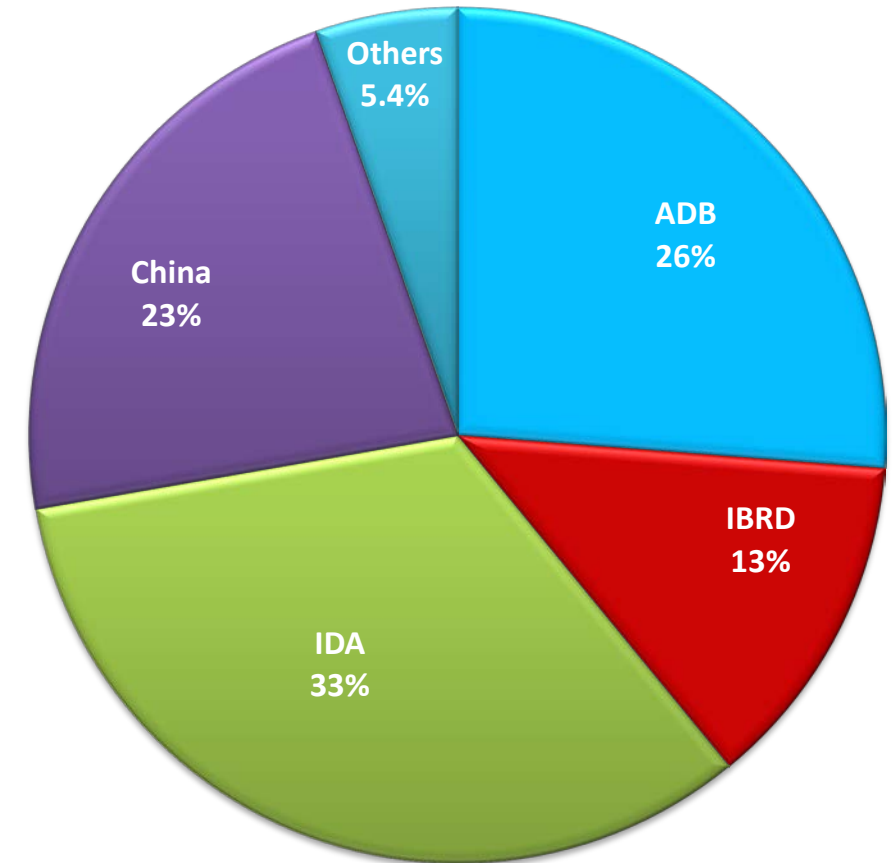
COMMENTARY ON DEBT STOCK

- Outstanding Debt Stock as on 31.12.2020 is exclusive of Guarantees amount awarded to various projects/entities of Government of the Punjab. Domestic borrowing limit awarded by National Economic Council (NEC) to Punjab is utilized to offer such Guarantees. Total amount of Guarantees outstanding as at Dec'20 is Rs.77 billion approximately. However, this amount of outstanding Guarantees may reduce in future by Rs. 30 billion subject to completion of conditional precedents of PTPL Financial Close
- Debt Stock of Dec'20 has shown negative growth (decline in debt stock) of 3% i.e. Rs. 27.25 billion from the debt Stock of Sep'20. This reduction in debt stock is mainly due to FX gain of Rs. 27.3 billion realized during last three months period of Oct-Dec'20, moreover the amount of net new debt received during the same period amounts to Rs. 0.07 billion
- Commodity Financing Debt Stock amounting Rs. 408 billion on 31.12.2020 is not included in above given debt stock of Rs. 951 billion. Commodity Financing is raised on the security of wheat stocks and the Guarantee of Federal Government. Repayment of this loan along with incidentals (including markup) is made from sale proceeds of the purchased wheat stock. Provincial Government is supposed to pay subsidy amount only which is the gap of purchasing cost and the sale price. Debt Stock of commodity financing is obtained from Food Department's presentation to Finance Minister dated: 28.12.2020

CREDITOR WISE COMPOSITION OF DEBT STOCK

Creditor wise Composition of outstanding debt stock (as at 31.12.2020)

Creditor	Outstanding (million PKR)	% of total
IDA	315,397	33%
ADB	249,362	26%
China	212,828	22%
IBRD	121,873	13%
JICA	29,451	3%
IFAD	11,273	1%
Federal Government	5,965	1%
France	4,182	0.4%
IDB	131	0.01%
Total	950,462	100%



Creditor Wise Debt Stock
%age of Total Debt

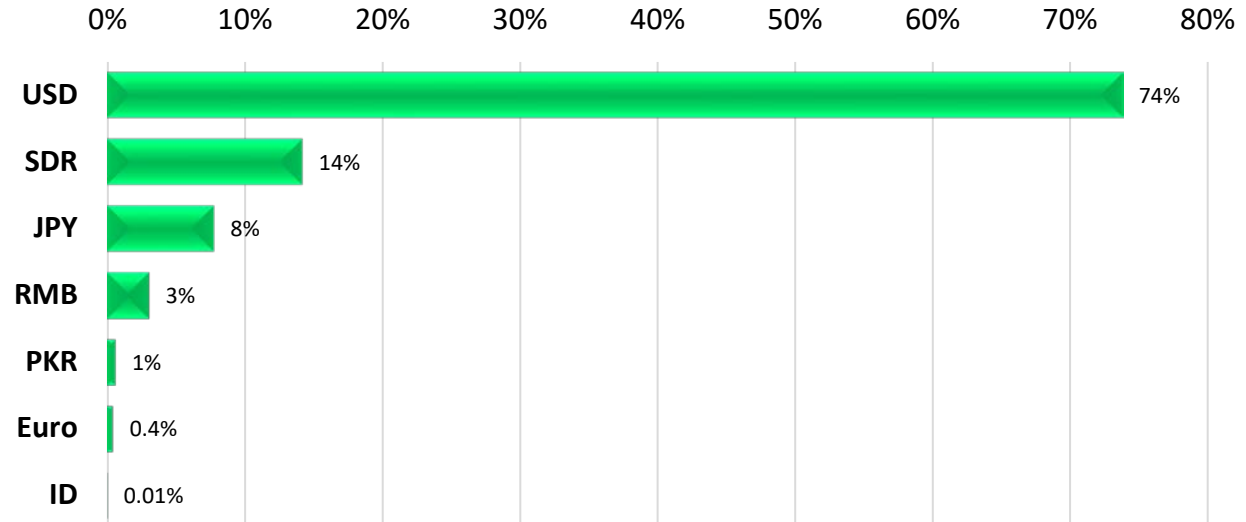
- PKR figures have been computed by using the FX rate of 31.12.2020.
- Borrowing from Federal Government is in PKR while all other creditors lend in FX.

CURRENCY WISE COMPOSITION OF DEBT STOCK

Currency wise Composition of outstanding Debt Stock (as at 31.12.2020)

Currency	No. of Loans	Outstanding (million FC)	Exchange Rate (PKR/FC)	Outstanding (million PKR)	% of total
USD	122	4,392	159.77	701,773	74%
SDR	11	583	231.88	135,082	14%
JPY	9	47,780	1.55	74,013	8%
RMB	1	1,200	24.43	29,316	3%
PKR	1	5,965	1.00	5,965	1%
Euro	2	21	196.35	4,182	0.4%
ID	1	1	231.88	131	0.01%
Total	147			950,462	100%

Currency Wise Debt Stock
%age of Total Debt

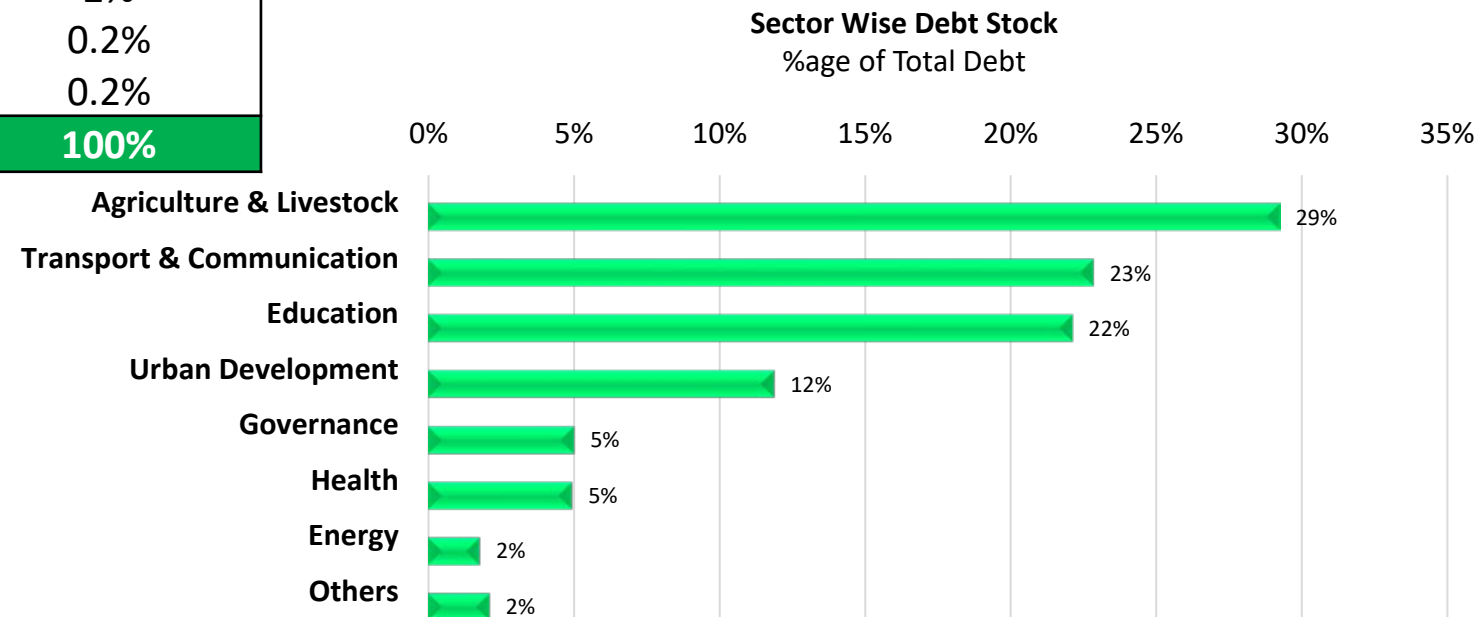


- Out of total 147 loans, 23 loans are active for loan receipts/ withdrawal while the remaining 123 are being repaid only
- CDLs and Scarp Loans obtained from Federal Government are reflected against "PKR" currency as single loan

SECTOR WISE COMPOSITION OF DEBT STOCK

Sector wise Composition of outstanding debt stock (as at 31.12.2020)

Creditor	Outstanding (million PKR)	% of total debt
Agriculture & Livestock	278,039	29%
Transport & Communication	217,255	23%
Education	210,391	22%
Urban & Community Development	112,993	12%
Governance	47,721	5%
Health	47,016	5%
Energy	16,948	2%
Industries & Infrastructure	16,831	2%
Tourism	1,474	0.2%
Environment	1,794	0.2%
Total	950,462	100%



DEBT SERVICING FY 2020-21

Creditor	Projected Debt Servicing for the period (Jan`21 to Mar`21)			Projected Debt Servicing for the period (Apr`21 to Jun`21)		
	Principal Repayment (million PKR)	Interest Payment (million PKR)	Total Debt Servicing (million PKR)	Principal Repayment (million PKR)	Interest Payment (million PKR)	Total Debt Servicing (million PKR)
ADB	3,840	491	4,331	7,518	780	8,298
IBRD	3,710	416	4,126	-	144	144
IDA	4,230	1,391	5,621	2,013	804	2,817
JICA	658	119	777	383	87	470
France	-	-	-	190	21	211
IFAD	44	6	50	99	37	136
IDB	-	-	-	22	2	24
China	-	2,288	2,288	-	-	-
Federal Govt.	386	180	566	386	180	566
Total	12,869	4,890	17,759	10,612	2,053	12,665

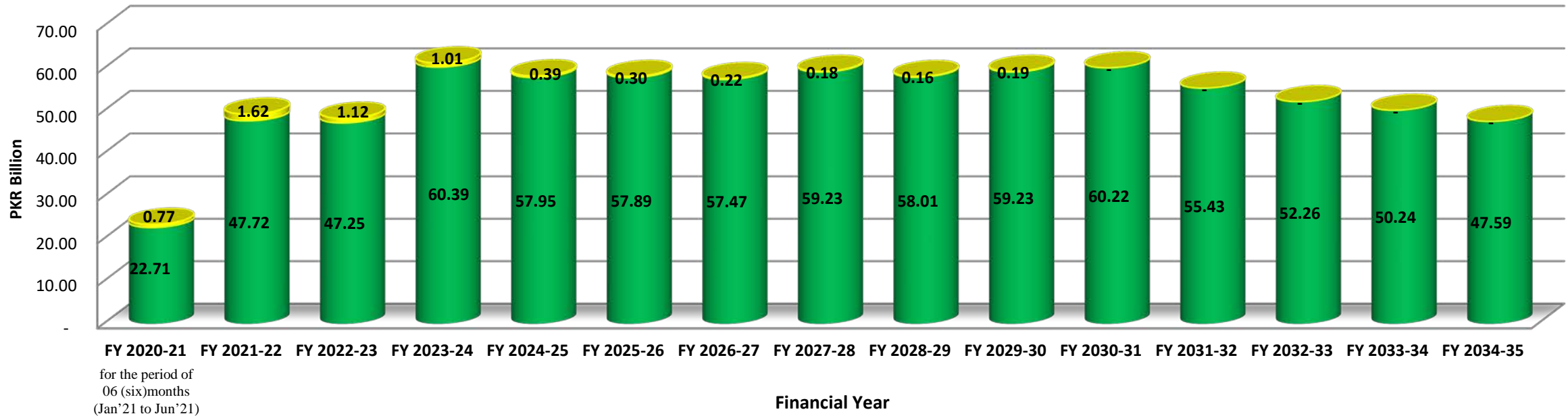
- Libor Rate of 31.12.2020 is considered for projected Debt Servicing of variable rate loans
- Amount paid in the account of Debt Servicing for the period of 06 (Six) months (Jul - Dec'20):

Principal Repayment:	PKR 24,992 million
Interest Payment:	PKR 8,007 million
Total Debt Servicing:	PKR 32,999 million

PROJECT DEBT RETIREMENT

Redemption Profile of Principal Amount (PKR Billion)

■ External Loans Rep. ■ Domestic Loans Rep.



- Above Redemption Profile shows retirement trend of principal amount for the next 15 years, however the total loan portfolio of Punjab retires on Jun'2057.
- Redemption Profile is smooth till FY 2023, a sudden spike/ increase in repayment is evident from FY 2024 onward which is mainly due to start of repayment of Orange Line Loan which will end-up by FY 2036. Approximately PKR 16 billion is the estimated amount of yearly loan repayment installment of the Orange Line Loan (based on FX rate of 31.12.2020)

DEBT STOCK & SERVICING RELATED INDICATORS

Risk Indicators	As on 31.12.2020
Outstanding debt as % of Punjab`s GDP	3.8%
Interest payment as % of Punjab`s GDP	0.1%
Actual Outstanding Debt to Avg. Revenue of Last 3 Financial Years	67.6%
Debt Service (Principal + Interest) as % of Avg. Revenue of Last 3 Financial Years	4.5%
Interest payment as % of Avg. Revenue of Last 3 Financial Years	1.1%
Share of External/FX debt	99.4%

- FY 2021^{budgeted}: Pakistan`s GDP is Rs. 45,467 billion and Punjab GDP is estimated at 55% of Pakistan`s GDP i.e. Rs. 25,062 billion
- Foreign exchange risk refers to the exposure of the debt portfolio to changes in exchange rate
- Government of Punjab debt is highly exposed to FX Risk as 99% of the total outstanding stock is denominated in foreign currency

RISK INDICATORS

Average Time to Maturity (ATM)

Average Time to Maturity (ATM) is an indicator of re-financing/ roll over risk i.e. the risk of re-financing retired portion of the debt at the higher interest rate, ATM shows the weighted average time to retirement of the debt stock. Shorter ATM implies higher re-financing risk.

Average Time to Refixing (ATR)

Fix rate debt is less risky as it is not exposed to interest rate fluctuations during its life. Average Time to Refixing (ATR) indicates the average time period after which the interest rate for entire debt portfolio is required to reset.

Risk Indicators		As on 31.12.2020
Refinancing Risk	Debt maturing in 1yr (% of total)	5%
	Avg. Time to Maturity (ATM) External Portfolio (years)	9.0
	Avg. Time to Maturity (ATM) Domestic Portfolio (years)	2.7
	ATM Total Portfolio (years)	8.9
Interest Rate Risk	Fixed rate debt (% of total)	77%
	ATR of Total Portfolio (years)	7.1
	Debt Refixing in 1yr (% of total)	26%