



DEBT BULLETIN

FINANCE DEPARTMENT PUNJAB

[MARCH 2022]

PUNJAB`S DEBT STOCK @ March'2022

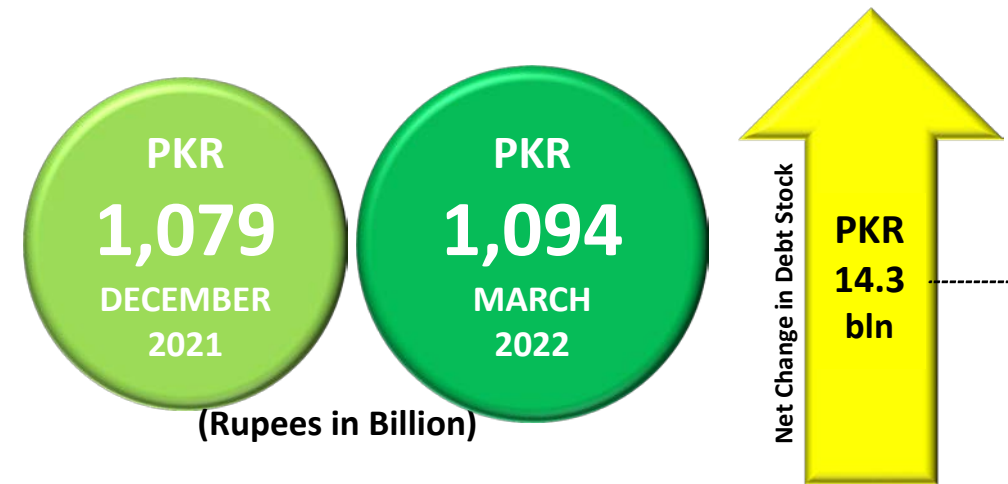
Domestic vs External *(Rupees in Million)*

Type of Loan	Outstanding (31.12.2021)	Outstanding (31.03.2022)	% Growth/ Reduction	% of total Debt
Domestic Loans	4,381	3,975	-9.3%	0.4%
External Loans	1,074,799	1,089,498	1.4%	99.6%
Total	1,079,180	1,093,473	1.3%	100%

Fixed vs Variable rate debt *(Rupees in Million)*

Type of Loan	Outstanding (PKR)	Variable Rate Debt	Fixed Rate Debt
Domestic Loans	3,975	0%	100%
External Loans	1,089,498	25%	75%
Total	1,093,473	25%	75%

Loan Receipts: PKR 5.1 bln
Repayment : PKR 12.2 bln
Net New Debt
PKR (7.1) bln



FX Loss
PKR 21.4 bln

Important Note:

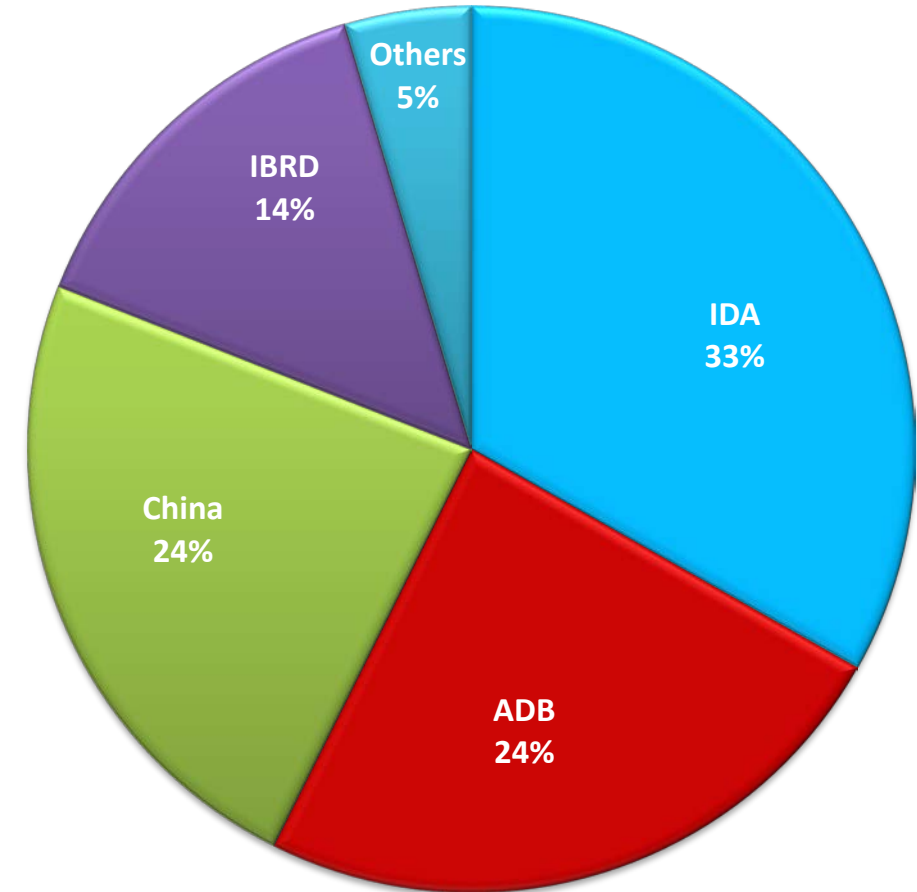
- Debt stock is reconciled with lender`s debt records mainly, however numbers may change subject to reconciliation with Federal Government
- Above given debt stock is exclusive of Wheat Debt amounting to PKR 455 bln (as on 31.03.2022) against the coverage of wheat stock amounting to PKR 73 bln only
- Stock of Provincial Guarantees outstanding at 31.03.2022 amounts to PKR 48.91 bln.
- PKR figures have been computed by using the FX rates of 31.03.2022

CREDITOR WISE COMPOSITION OF DEBT STOCK @ March'2022

Creditor	Outstanding (million PKR)	% of total
IDA	363,150	33%
ADB	264,281	24%
China	258,093	24%
IBRD	157,482	14%
JICA	25,982	2%
IFAD	16,442	2%
Federal Government	3,975	0%
France	3,972	0.4%
IDB	95	0.01%
Total	1,093,473	100%

Note:

- World Bank (IDA+IBRD) is leading with 48% share followed by ADB at 24% of the total debt stock.
- Borrowing from Federal Government is in PKR while all other creditors lend in foreign currencies.



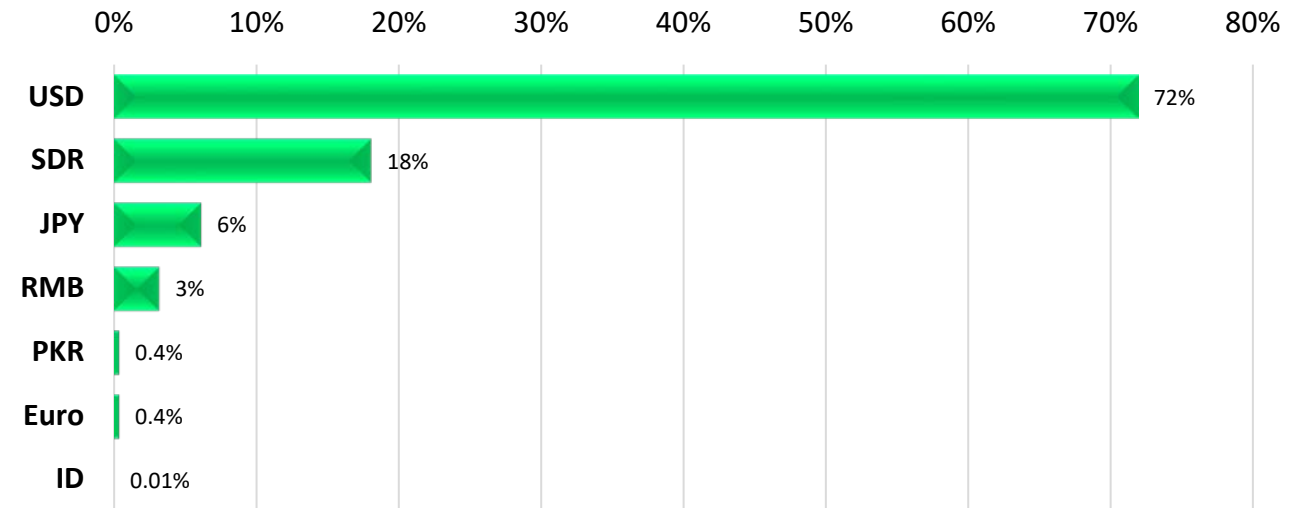
Creditor Wise Debt Stock

%age of Total Debt

CURRENCY WISE COMPOSITION OF DEBT STOCK @ March'2022

Currency	No. of Loans	Outstanding (Foreign Currency in Million)	Exchange Rate (31 st Mar`22)	Outstanding (million PKR)	% of total
USD	123	4,280	183.73	786,315	72%
SDR	13	788	250.66	197,449	18%
JPY	9	44,415	1.51	66,928	6%
RMB	1	1,200	28.95	34,740	3%
PKR	1	3,975	1.00	3,975	0.4%
Euro	4	19	205.16	3,972	0.4%
ID	1	0.38	250.66	95	0.01%
Total	152			1,093,473	100%

Currency Wise Debt Stock
%age of Total Debt



Note:

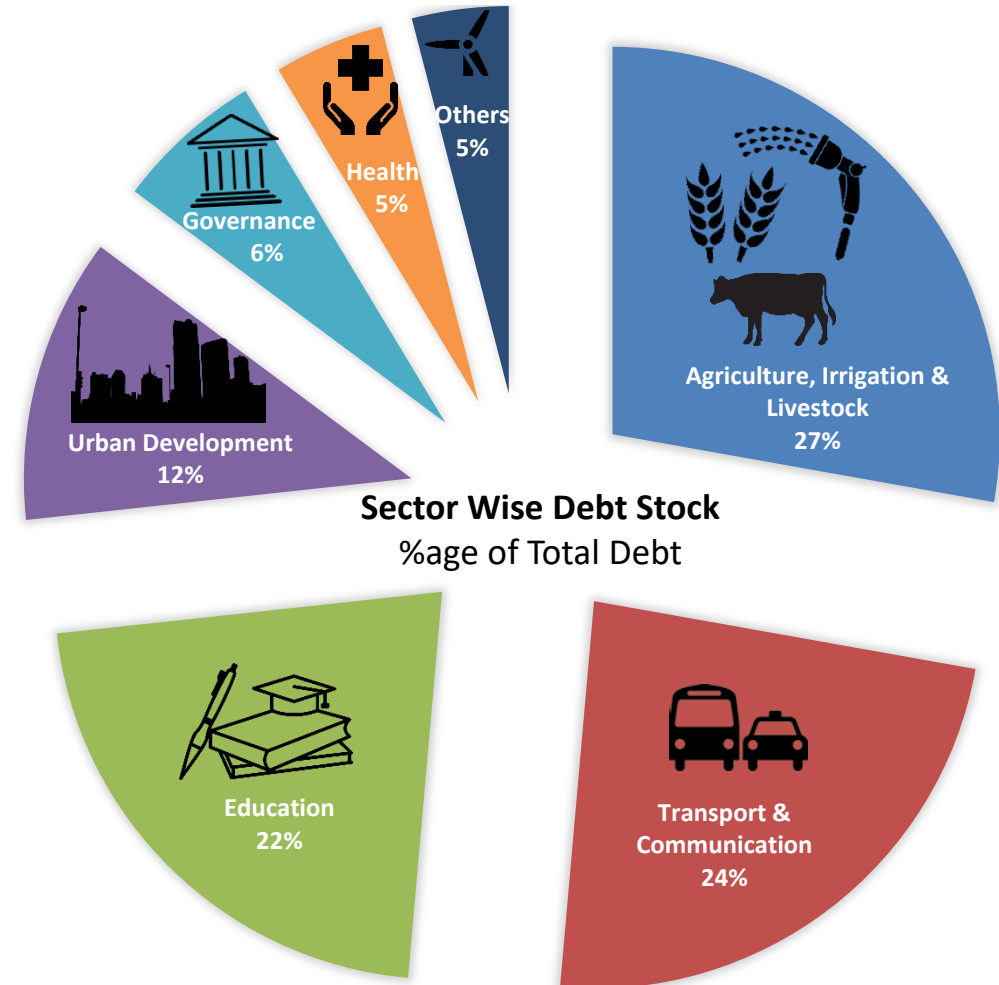
- Total loans count stands at 152 loan out of which 24 loans are active for disbursement while remaining 128 loans are being repaid only.
- CDLs and Scarp Loans obtained from Federal Government are considered as single loan for counting purpose and have been reflected against "PKR".

SECTOR WISE COMPOSITION OF DEBT STOCK @March'2022

Sector	Outstanding (million PKR)	% of total debt
Agriculture, Irrigation & Livestock	292,991	27%
Transport & Communication	266,049	24%
Education	239,015	22%
Urban & Community Development	132,248	12%
Governance	68,554	6%
Health	49,999	5%
Energy	20,948	2%
Industries & Infrastructure	17,958	2%
Tourism	3,797	0.3%
Environment	1,914	0.2%
Total	1,093,473	100%

Note:

- Above sector wise classification is made on the basis of project nature and scope.



DEBT SERVICING (on the basis of March`22 debt stock)

Debt Servicing	Actual Debt Servicing for FY 2020-21	Projected Debt Servicing for FY 2021-22
Principal Repayment (PKR Million)	48,297	49,531
Interest Payment (PKR Million)	14,277	13,199
Total (PKR Million)	62,573	62,730

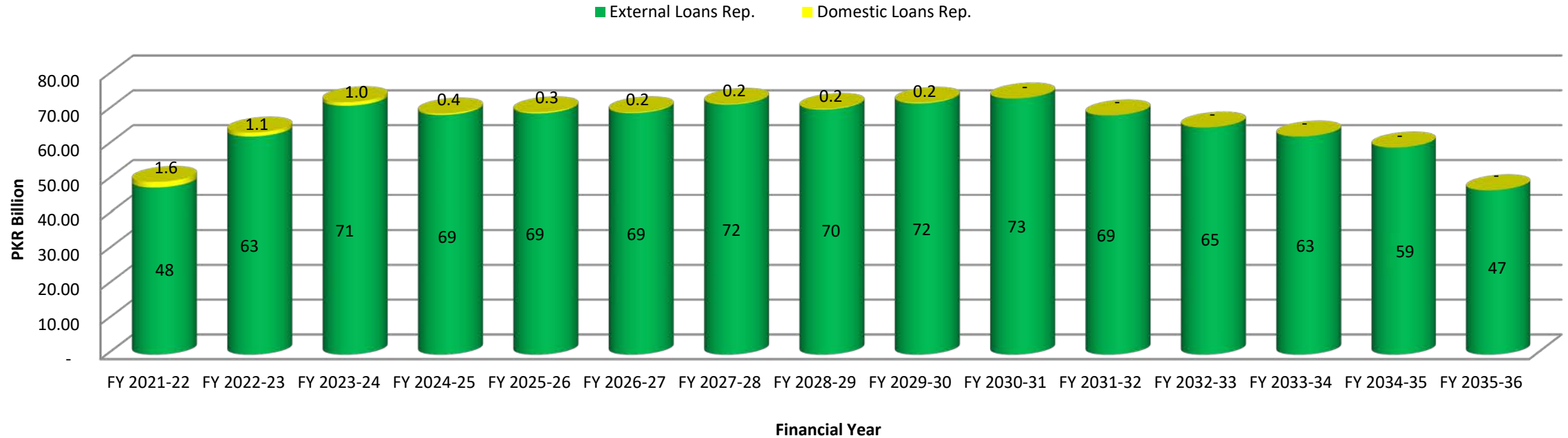
Note:

- Projected debt servicing is calculated on the exchange rates of 31.03.2022.
- Libor Rate of 31st March 2022 is used for projected debt servicing of floating rate loans.
- Amount of PKR 63 billion was budgeted for debt servicing of FY2021-22 but due to Rupee depreciation in CFY actual debt servicing may differ from the budgeted amounts.

Debt Servicing	FY 2021-22		
	July`21 to Dec`21 (Actual)	Jan`22 to Mar`21 (Actual)	(Apr`22 to Jun`22) Projected
Principal Repayment (PKR Million)	24,529	12,265	12,737
Interest Payment (PKR Million)	6,903	3,452	2,844
Total (PKR Million)	31,432	15,716	15,581

PROJECT DEBT RETIREMENT (on the basis of March`22 debt stock)

Redemption Profile of Principal Amount (PKR Billion)



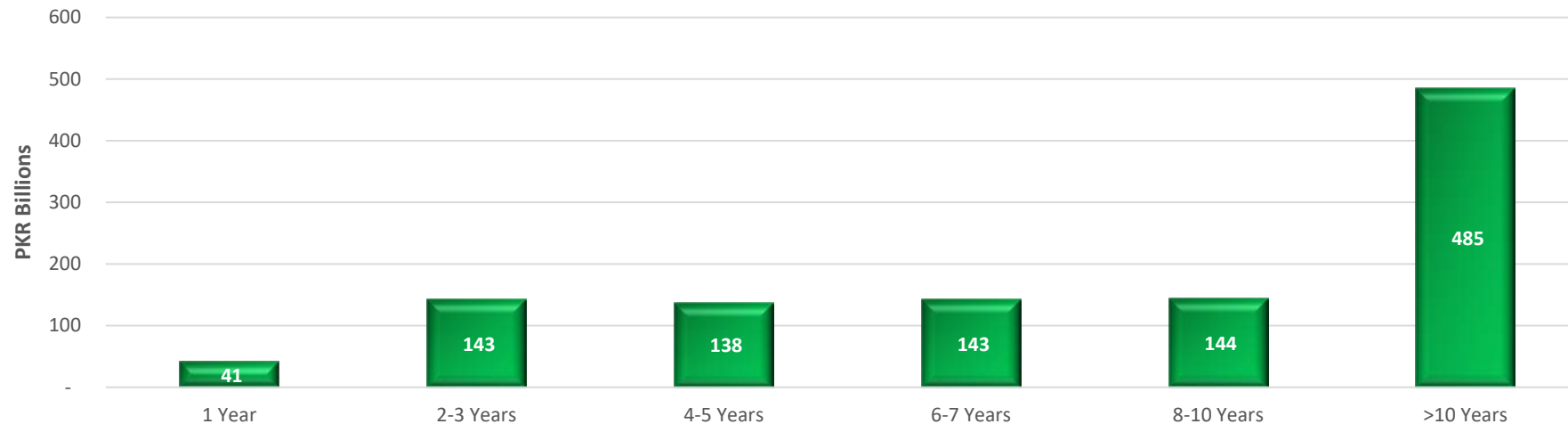
- For medium to long term visibility of loan retirement pattern of Punjab's debt portfolio, a forecasted redemption profile of next 15 years is given above; however, the total loan portfolio of Punjab gets retire by Jun'2057.
- Redemption Profile is smooth till FY2022, a sudden spike/ increase in repayment is evident from FY2023 onward which is mainly due to start of repayment of Lahore Orange Line Loan which will end-up by FY 2036.
- Approximately PKR 10 billion is the estimated amount of yearly loan repayment (without interest) of the Lahore Orange Line Loan (based on FX rate of 31.03.2022).

PUBLIC DEBT AGING PROFILE (on the basis of March`22 debt stock)

(In Percent of Total Debt)

As at 31.03.2022	1 Year	2-3 Years	4-5 Years	6-7 Years	8-10 Years	>10 Years	Total
Public Debt	3.8%	13.1%	12.6%	13.1%	13.14%	44.4%	100%
Foreign Debt	3.7%	12.9%	12.52%	13.033%	13.12%	44.4%	99.64%
Domestic Debt	0.1%	0.2%	0.056%	0.034%	0.025%	0.0%	0.36%

Public Debt Aging Profile



COST & RISK INDICATORS @ March'2022

Cost Indicators		
Outstanding debt as % of Punjab`s GDP		3.1%
Actual Outstanding Debt to Avg. Revenue of Last 3 Financial Years		71%
Debt Service (Principal + Interest) as % of Avg. Revenue of Last 3 Financial Years		4.1%
Interest payment as % of Avg. Revenue of Last 3 Financial Years		1.0%
Share of External/FX debt		99.6%
Risk Indicators		
Refinancing Risk	Debt maturing in 1yr (% of total)	6.1%
	Avg. Time to Maturity (ATM) External Portfolio (years)	8.4 Years
	Avg. Time to Maturity (ATM) Domestic Portfolio (years)	2.4 Years
	ATM Total Portfolio (years)	8.4 Years
Interest Rate Risk	Fixed rate debt (% of total)	75%
	ATR of Total Portfolio (years)	6.5 Years

Average Time to Maturity (ATM)

ATM is average time to repay a loan. It considers payment weight and time to provide an estimation of how quickly a loan is repaid.

Average Time to Refixing (ATR)

Fixed 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.

- Punjab`s GDP is assumed as 55% of Pakistan`s GDP i.e. Rs. 63,978 billion for FY22.

Findings:

- Foreign exchange risk refers to the exposure of the debt portfolio to changes in exchange rate. Government of Punjab`s debt is highly exposed to FX Risk as 99.6% of the total outstanding stock is denominated in foreign currency.