



DEBT BULLETIN

FINANCE DEPARTMENT PUNJAB

[DECEMBER 2021]

PUNJAB`S DEBT STOCK @ December`2021

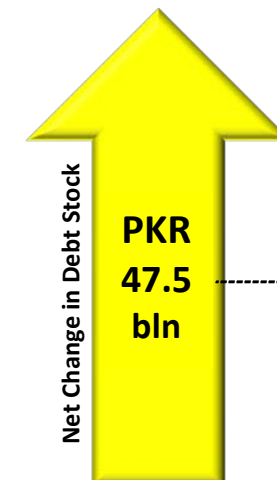
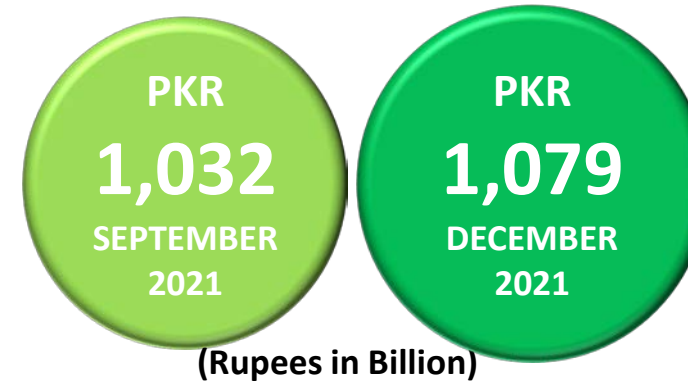
Domestic vs External *(Rupees in Million)*

Type of Loan	Outstanding (30.09.2021)	Outstanding (31.12.2021)	% Growth/ Reduction	% of total Debt
Domestic Loans	4,787	4,381	-8.5%	0.4%
External Loans	1,026,849	1,074,799	4.7%	99.6%
Total	1,031,635	1,079,180	4.6%	100%

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

Type of Loan	Outstanding (PKR)	Variable Rate Debt	Fixed Rate Debt
Domestic Loans	4,381	0%	100%
External Loans	1,074,799	27%	73%
Total	1,079,180	27%	73%

Loan Receipts: PKR 16.6 bln
 Repayment : PKR 12.2 bln
Net New Debt
 PKR 4.3 bln



FX Loss
 PKR 43.2 bln

Important Note:

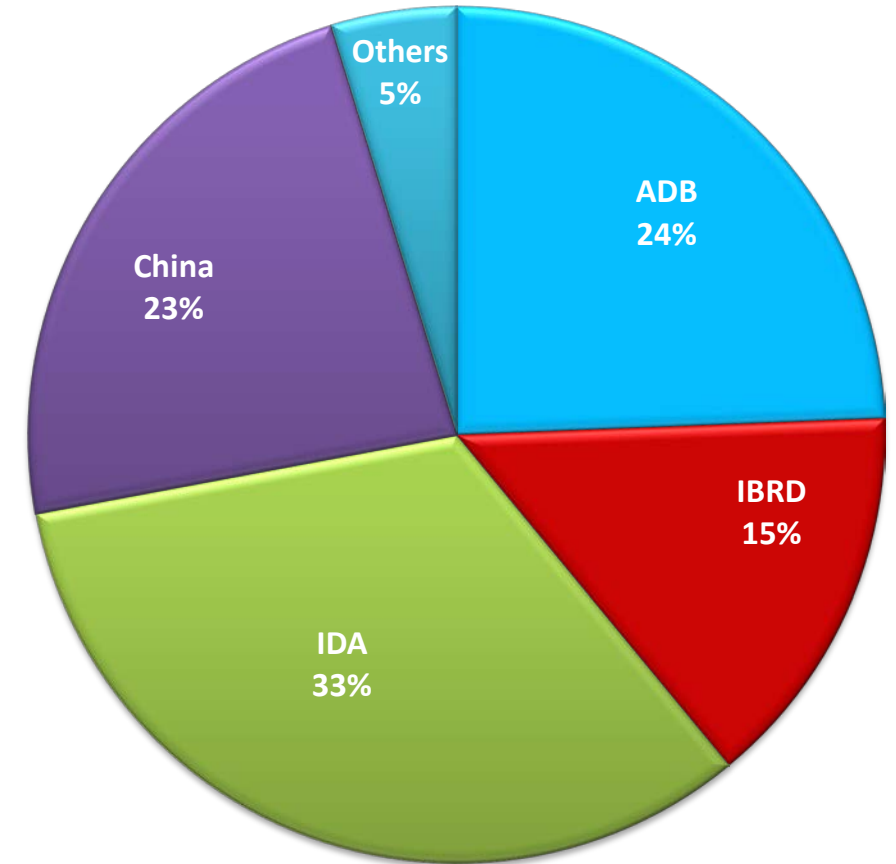
- Debt stock is reconciled with lender`s debt records mainly, however numbers may change subject to reconciliation with Federal Government
- Above given debt stock is exclusive of Wheat Debt amounting to PKR 489 bln (as on 15.12.2021) against the coverage of wheat stock amounting to PKR 122 bln only
- Stock of Provincial Guarantees outstanding at 31.12.2021 amounts to PKR PKR 48.91 billion
- PKR figures have been computed by using the FX rates of 31.12.2021

CREDITOR WISE COMPOSITION OF DEBT STOCK @ December'2021

Creditor	Outstanding (million PKR)	% of total
IDA	356,539	33%
ADB	263,110	24%
China	250,423	23%
IBRD	158,008	15%
JICA	27,524	3%
IFAD	15,193	1%
Federal Government	4,381	0.41%
France	3,908	0.36%
IDB	94	0.01%
Total	1,079,180	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.

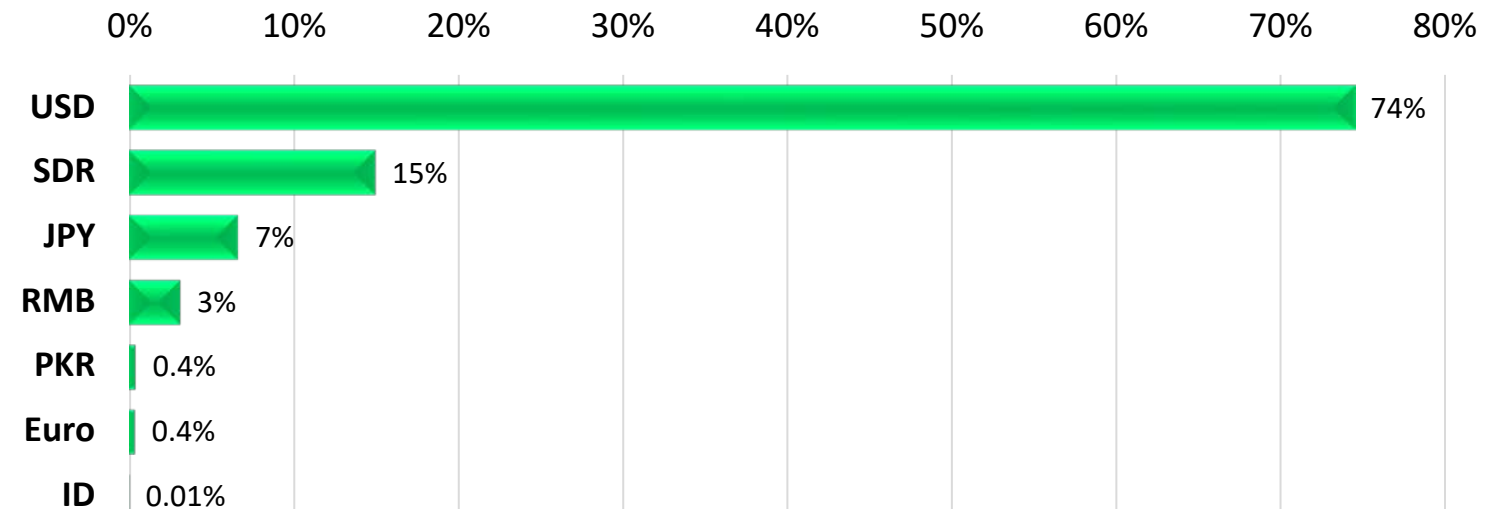


Creditor Wise Debt Stock
%age of Total Debt

CURRENCY WISE COMPOSITION OF DEBT STOCK @ December'2021

Currency	No. of Loans	Outstanding (Foreign Cncy in Million)	Exchange Rate (31 st Dec`21)	Outstanding (million PKR)	% of total
USD	124	4,508	178.31	803,925	74%
SDR	12	649	249.03	161,658	15%
JPY	9	45,938	1.56	71,566	7%
RMB	1	1,200	28.04	33,648	3%
PKR	1	4,381	1.00	4,381	0.4%
Euro	2	19	201.84	3,908	0.4%
ID	1	0.38	249.03	94	0.01%
Total	150			1,079,180	100%

Currency Wise Debt Stock
%age of Total Debt



Note:

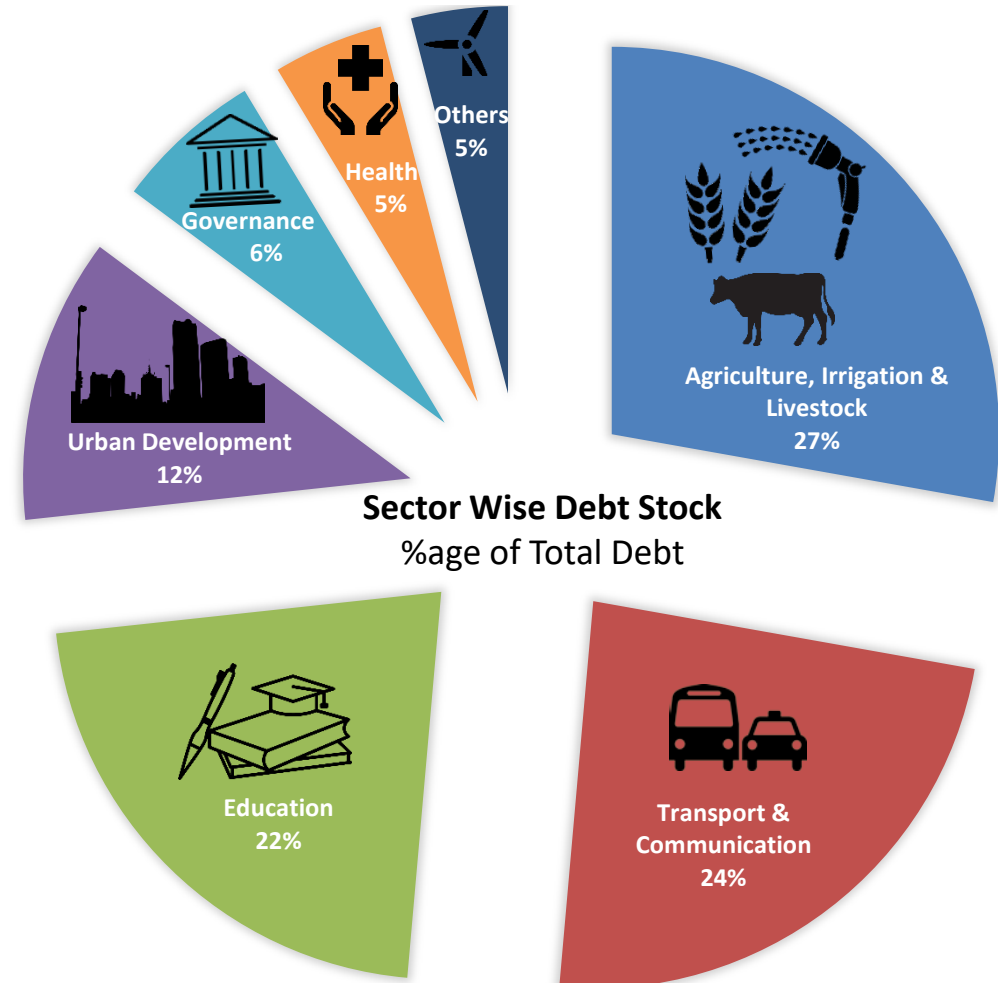
- Total loans count stands at 150 loan out of which 21 loans are active for disbursement while remaining 129 loans are being repaid only.
- CDLs and Scarp Loans obtained from Federal Government are considered as single loan for counting purpose and have been reflected against "PKR".

SECTOR WISE COMPOSITION OF DEBT STOCK @December'2021

Sector	Outstanding (million PKR)	% of total debt
Agriculture, Irrigation & Livestock	293,564	27%
Transport & Communication	258,723	24%
Education	236,173	22%
Urban & Community Development	130,863	12%
Governance	66,728	6%
Health	49,676	5%
Energy	20,732	2%
Industries & Infrastructure	17,991	2%
Tourism	2,873	0.3%
Environment	1,857	0.2%
Total	1,079,180	100%

Note:

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



DEBT SERVICING (on the basis of December`21 debt stock)

Debt Servicing	Actual Debt Servicing for FY 2020-21	Projected Debt Servicing for FY 2021-22
Principal Repayment (PKR Million)	48,297	52,263
Interest Payment (PKR Million)	14,277	15,115
Total (PKR Million)	62,573	67,378

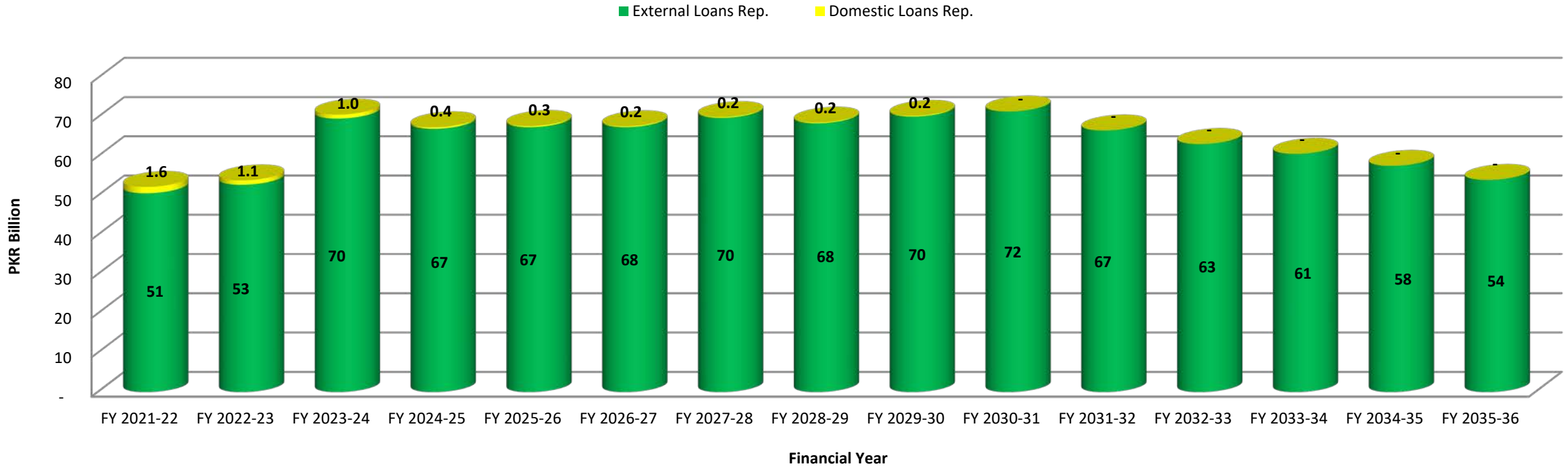
Note:

- Projected debt servicing is calculated on the exchange rates of 31.12.2021.
- Libor Rate of 31st December 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 significant 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 (Projected)	(Apr`22 to Jun`22) Projected
Principal Repayment (PKR Million)	24,529	15,249	12,485
Interest Payment (PKR Million)	6,903	5,694	2,517
Total (PKR Million)	31,432	20,944	15,002

PROJECT DEBT RETIREMENT (on the basis of December`21 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 FY2023, a sudden spike/ increase in repayment is evident from FY2024 onward which is mainly due to start of repayment of Lahore Orange Line Loan which will end-up by FY 2036.
- Approximately PKR 19 billion is the estimated amount of yearly loan repayment (without interest) of the Lahore Orange Line Loan (based on FX rate of 31.12.2021).

PUBLIC DEBT AGING PROFILE (on the basis of December`21 debt stock)

(In Percent of Total Debt)

As at 31.12.2021	1 Year	2-3 Years	4-5 Years	6-7 Years	8-10 Years	>10 Years	Total
Public Debt	5.1%	12.2%	12.4%	12.9%	12.9%	44.4%	100%
Foreign Debt	5.0%	12.0%	12.4%	12.9%	12.9%	44.4%	99.66%
Domestic Debt	0.1%	0.2%	0.1%	0.0%	0.0%	0.0%	0.34%

Public Debt Aging Profile



COST & RISK INDICATORS @ December'2021

Cost Indicators	
Outstanding debt as % of Punjab`s GDP	3.6%
Actual Outstanding Debt to Avg. Revenue of Last 3 Financial Years	70%
Debt Service (Principal + Interest) as % of Avg. Revenue of Last 3 Financial Years	4.4%
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)	5.1%
	Avg. Time to Maturity (ATM) External Portfolio (years)	8.6 Years
	Avg. Time to Maturity (ATM) Domestic Portfolio (years)	2.4 Years
	ATM Total Portfolio (years)	8.6 Years
Interest Rate Risk	Fixed rate debt (% of total)	72%
	ATR of Total Portfolio (years)	6.3 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. 53,867 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.