



# DEBT BULLETIN

**FINANCE DEPARTMENT PUNJAB**

[JUNE 2022]

# PUNJAB`S DEBT STOCK @ June'2022

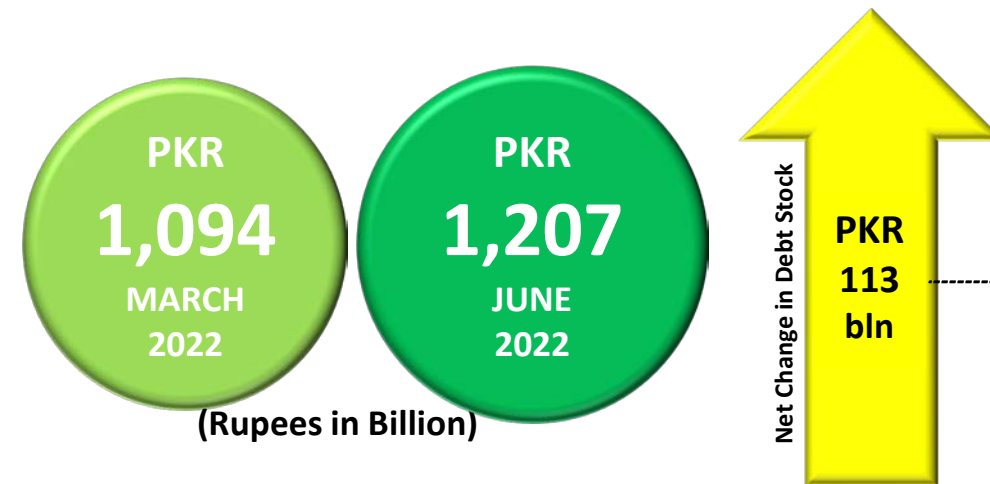
## Domestic vs External *(Rupees in Million)*

Type of Loan	Outstanding (31.03.2022)	Outstanding (30.06.2022)	% Growth/ Reduction	% of total Debt
Domestic Loans	3,975	3,569	(10.2%)	0.3%
External Loans	1,089,498	1,203,095	10.4%	99.7%
<b>Total</b>	<b>1,093,473</b>	<b>1,206,664</b>	<b>10.4%</b>	<b>100%</b>

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

Type of Loan	Outstanding (PKR)	Variable Rate Debt	Fixed Rate Debt
Domestic Loans	3,569	0%	100%
External Loans	1,203,095	25%	75%
<b>Total</b>	<b>1,206,664</b>	<b>25%</b>	<b>75%</b>

Loan Receipts: PKR 17.4 bln  
 Repayment : PKR 15.8 bln  
**Net New Debt**  
 PKR 1.6 bln



**FX Loss**  
 PKR 111.6 bln

### Important Note:

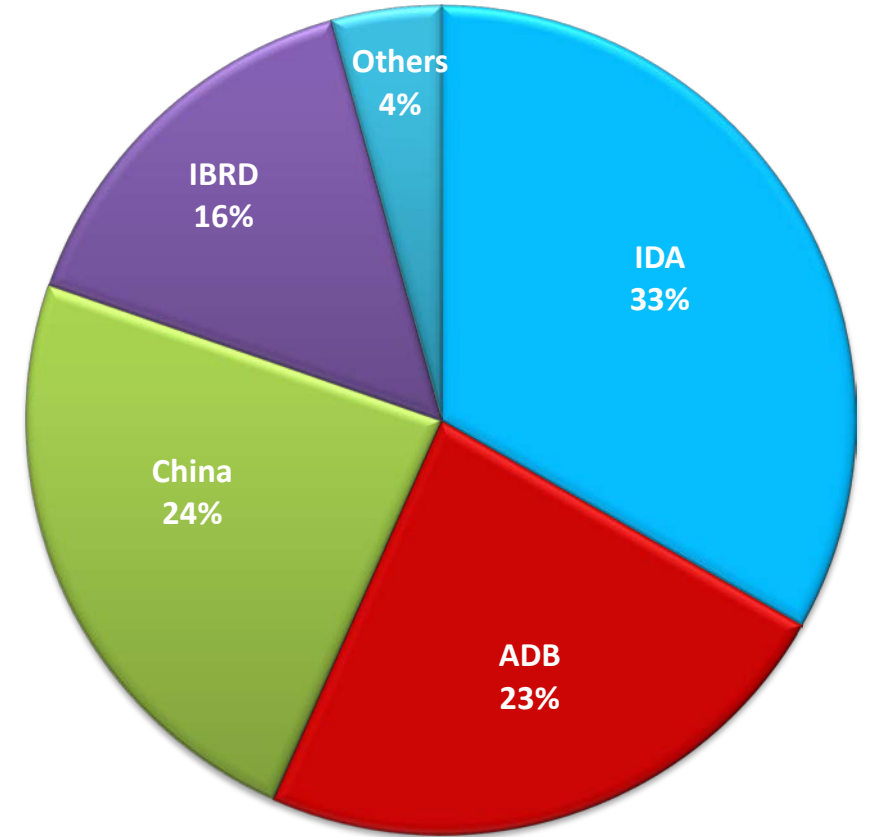
- Debt stock is reconciled with lender`s debt records, however numbers may change subject to reconciliation with Federal Government
- Above given debt stock is exclusive of Wheat Debt amounting to PKR 629 bln (as on 30.06.2022) against the coverage of wheat stock amounting to PKR 265 bln only
- Stock of Provincial Guarantees outstanding at 30.06.2022 amounts to PKR 48.91 bln.
- PKR figures have been computed by using the FX rates of 30.06.2022

# CREDITOR WISE COMPOSITION OF DEBT STOCK @ June'2022

Creditor	Outstanding (million PKR)	% of total
IDA	400,959	33%
China	285,257	24%
ADB	282,653	23%
IBRD	186,122	16%
JICA	25,505	2%
IFAD	18,586	2%
Federal Government	3,569	0.3%
France	3,937	0.3%
IDB	78	0.01%
<b>Total</b>	<b>1,206,664</b>	<b>100%</b>

**Note:**

- Share of Borrowing from World Bank (IBRD+IDA) constitute 49%, followed by China at 24% of the total debt stock.
- Borrowing from Federal Government is in PKR while all external borrowing is in foreign currencies.

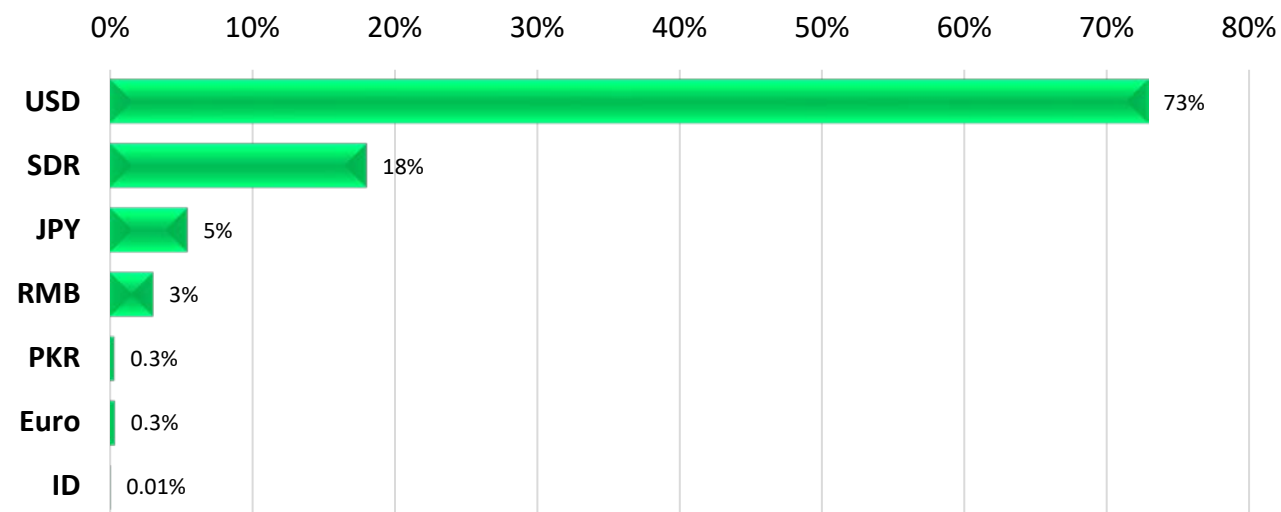


**Creditor Wise Debt Stock**  
%age of Total Debt

# CURRENCY WISE COMPOSITION OF DEBT STOCK @ June'2022

Currency	No. of Loans	Outstanding (Foreign Currency in Million)	Exchange Rate (30 <sup>th</sup> Jun`22)	Outstanding (million PKR)	% of total
USD	123	4,299	204.59	879,571	73%
SDR	13	794	273.65	217,395	18%
JPY	9	43,696	1.50	65,575	5%
RMB	1	1,200	30.45	36,540	3%
PKR	1	3,569	1.00	3,569	0.3%
Euro	4	18	214.03	3,937	0.3%
ID	1	0.28	273.65	78	0.01%
<b>Total</b>	<b>152</b>			<b>1,206,664</b>	<b>100%</b>

**Currency Wise Debt Stock**  
%age of Total Debt



## Note:

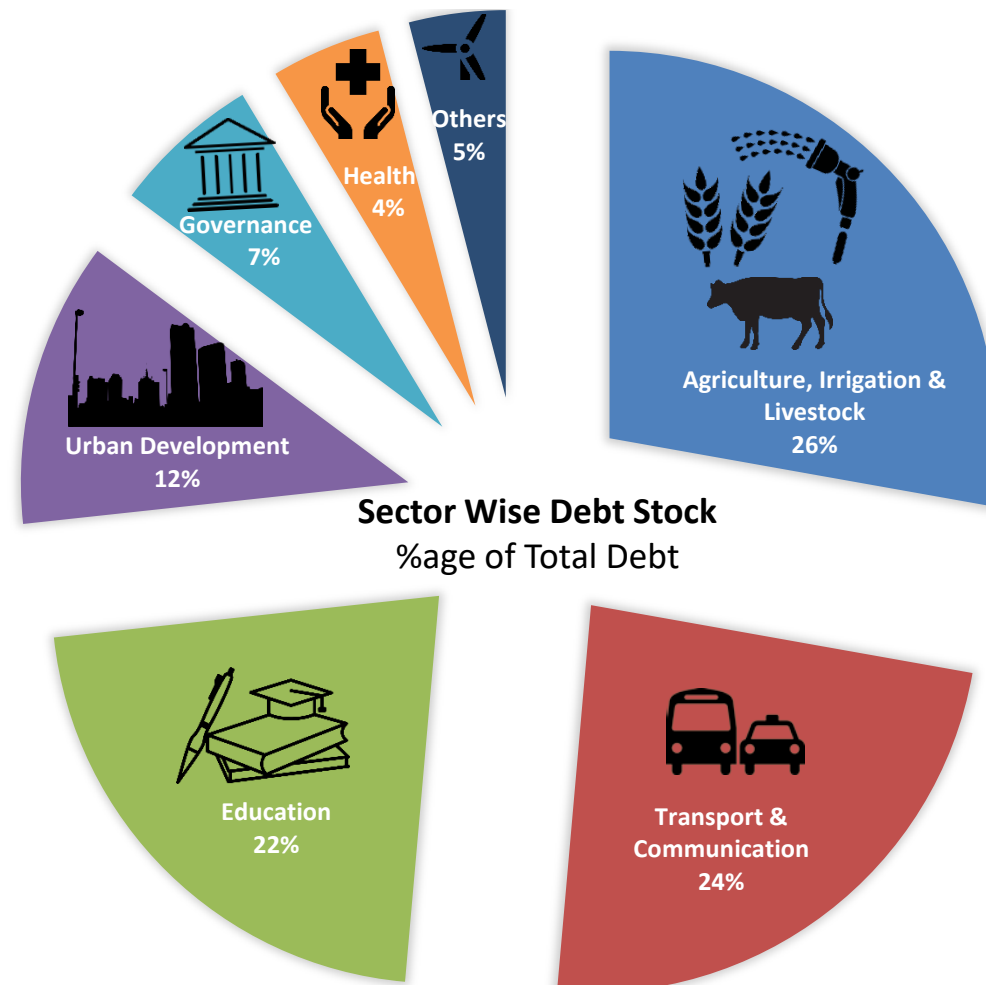
- Total number of loans stand at 152 out of which 22 loans are active for disbursement while remaining 130 loans are being repaid only.
- CDLs and Scarp Loans obtained from Federal Government are considered as single loan for counting purpose and have been reflected against "PKR".

# SECTOR WISE COMPOSITION OF DEBT STOCK @June'2022

Sector	Outstanding (million PKR)	% of total debt
Agriculture, Irrigation & Livestock	317,123	26%
Transport & Communication	294,116	24%
Education	265,235	22%
Urban & Community Development	147,556	12%
Governance	80,269	7%
Health	54,252	4%
Energy	22,010	2%
Industries & Infrastructure	19,997	2%
Tourism	4,061	0.3%
Environment	2,044	0.2%
<b>Total</b>	<b>1,206,664</b>	<b>100.0%</b>

**Note:**

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



# DEBT SERVICING (on basis of June`22 debt stock)

Debt Servicing	Actual Debt Servicing for FY 2021-22	Projected Debt Servicing for FY 2022-23
Principal Repayment (PKR Million)	52,638	69,845
Interest Payment (PKR Million)	15,755	22,664
<b>Total (PKR Million)</b>	<b>68,393</b>	<b>92,509</b>

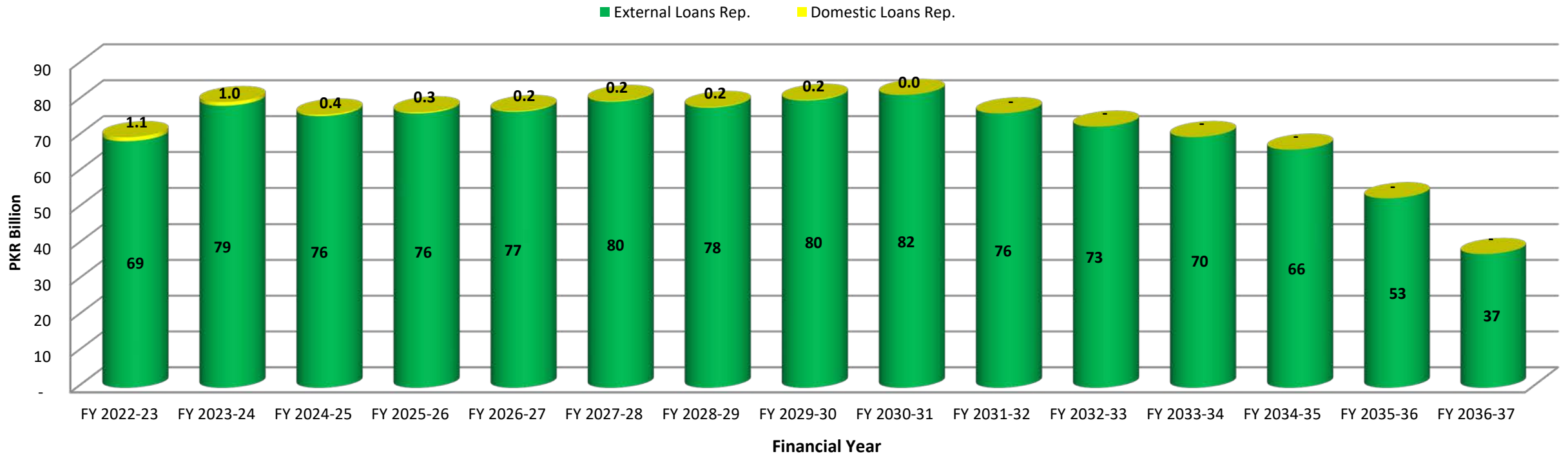
**Note:**

- Projected debt servicing is calculated on the exchange rates of 30.06.2022.
- Libor Rate of 30<sup>th</sup> June 2022 & avg. SOFR for the month of Jun'22 was used for projected debt servicing of floating rate loans.

Debt Servicing	Projected Debt Servicing for 1 <sup>st</sup> Quarter of FY 2022-23 (Jul'22-Sep'22)	Projected Debt Servicing for 2 <sup>nd</sup> Quarter of FY 2022-23 (Oct'22-Dec'22)
Principal Repayment (PKR Million)	16,949	14,098
Interest Payment (PKR Million)	7,438	3,993
<b>Total (PKR Million)</b>	<b>24,387</b>	<b>18,091</b>

# PROJECT DEBT RETIREMENT (on basis of June`22 debt stock)

## Redemption Profile of Principal Amount (PKR Billion)



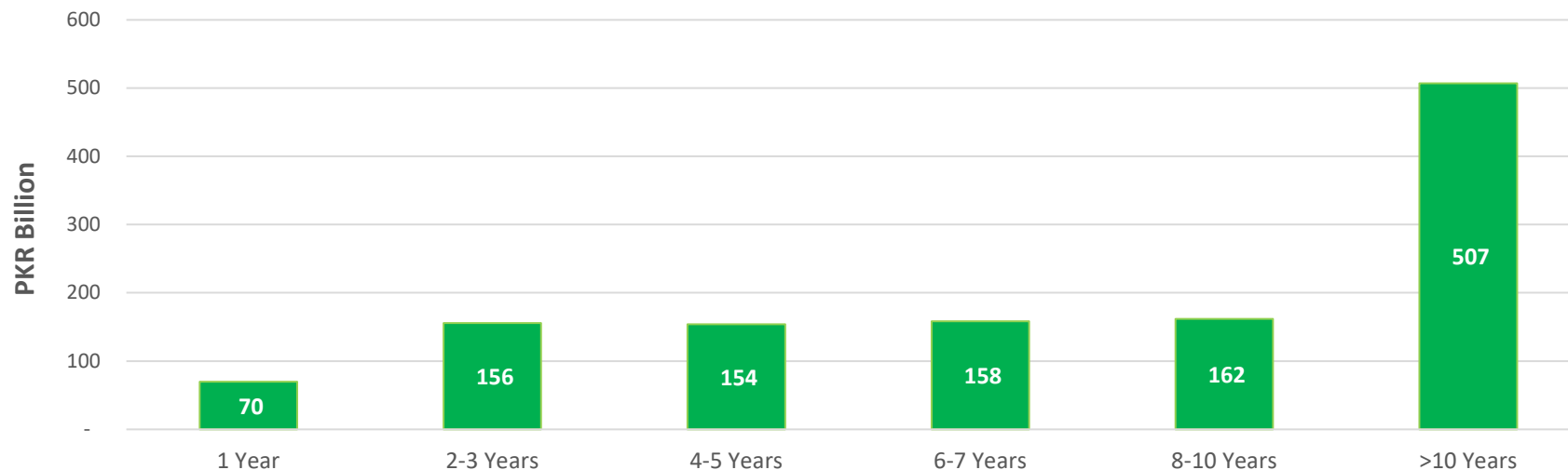
- Projected redemption profile of next 15 years is presented above; whereas, the total loan portfolio of Punjab will mature by Jun'2057.

# PUBLIC DEBT AGING PROFILE (on basis of June`22 debt stock)

*(In Percent of Total Debt)*

	1 Year	2-3 Years	4-5 Years	6-7 Years	8-10 Years	>10 Years	Total
<b>Public Debt</b>	<b>6%</b>	<b>13%</b>	<b>13%</b>	<b>13%</b>	<b>13%</b>	<b>42%</b>	<b>100%</b>
Foreign Debt	6%	13%	13%	13%	13%	42%	<b>99.7%</b>
Domestic Debt	0.09%	0.12%	0.04%	0.03%	0.02%	0.00%	<b>0.3%</b>

**Debt Aging Profile**





# FOOD DEBT STOCK @ June`2022

FOOD DEBT SUMMARY (PKR Billions)		2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Opening Balance	Outstanding Amount	271	324	352	447	438	462	548
	New Borrowing	128	129	118	118	143	166	245
	Principal Repayment	(75)	(101)	(23)	(127)	(109)	(133)	(164)
	Imported Wheat	-	-	-	-	-	52.5	-
Closing Balance	Food Stock (PKR Billions)	<b>324</b>	<b>352</b>	<b>447</b>	<b>438</b>	<b>462</b>	<b>548</b>	<b>629</b>
	Interest Payment	19	19	22	35	55	36	40.7

Amount of Wheat  
PKR 265 bln

Unsecured  
PKR 364 bln

## Note:

- Wheat Debt amounting to PKR 629 bln (as on 30.06.2022) against the coverage of wheat stock amounting to PKR 265 bln = 250 (New) + 15 (CF)
- The above numbers may be subject to revision, based on future reconciliation

# COST & RISK INDICATORS @ June'2022

Cost Indicators		
Outstanding debt as % of Punjab`s GDP		3.3%
Actual Outstanding Debt to Avg. Revenue of Last 3 Financial Years		67%
Debt Service (Principal + Interest) as % of Avg. Revenue of Last 3 Financial Years		5.2%
Interest payment as % of Avg. Revenue of Last 3 Financial Years		1.3%
Share of External/FX debt		99.7%
Risk Indicators		
Refinancing Risk	Debt maturing in 1yr (% of total)	5.8%
	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)	<b>8.3 Years</b>
Interest Rate Risk	Fixed rate debt (% of total)	75%
	ATR of Total Portfolio (years)	<b>6.3 Years</b>

## 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 (Rs 36,823 billion) 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 99.7% of the total outstanding stock is denominated in foreign currency.