



DEBT BULLETIN

FINANCE DEPARTMENT PUNJAB

[30th SEPTEMBER 2021]

DEBT STOCK - PUNJAB

(Amount in Million)

Domestic vs External (as at 30.09.21)

Type of Loan	Outstanding (PKR) 30.06.2021	Outstanding (PKR) 30.09.2021	% Growth	% of total as at 30.09.2021
Domestic Loans	5,192	4,787	-8%	0.5%
External Loans	949,335	1,026,849	8%	99.5%
Total	954,528	1,031,635	8%	100%

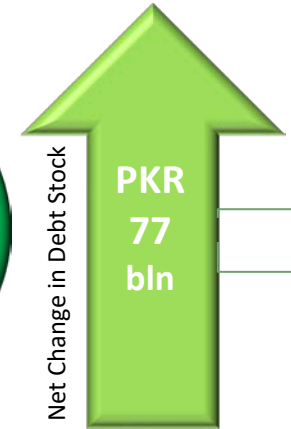
(Amount in Million)

Type of Loan	Outstanding (US\$) 30.09.2021	Outstanding (PKR) 30.09.2021	Variable Rate Debt	Fixed Rate Debt
Domestic Loans	28	4,787	0%	100%
External Loans	6,010	1,026,849	27%	73%
Total	6,038	1,031,635	27%	73%



(Amount in Billion)

Receipts: PKR 13.2 bln
Repayment: PKR 12.2 bln
Net New Debt
PKR 1.0 billion



FX Loss
PKR 76 billion

- 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 30.09.2021

COMMENTARY ON DEBT STOCK

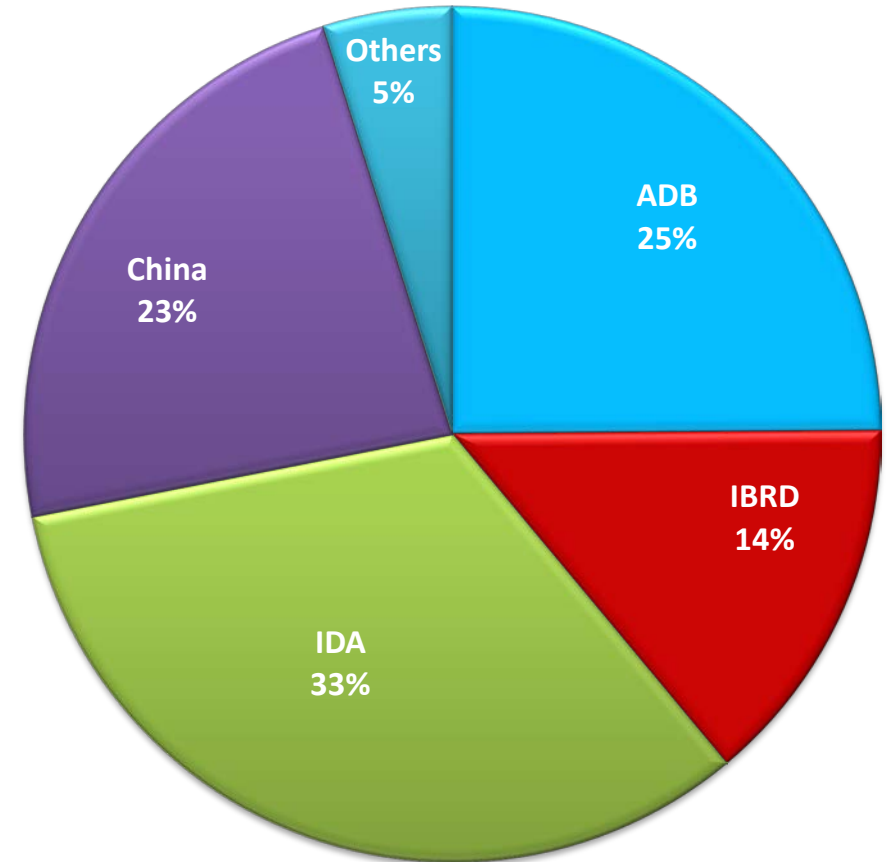
- Debt Stock of 30th September 2021 has shown increase by 8% i.e. PKR 77 billion from the debt Stock of 30th June 2021. This growth is attributed to:
 - **FX Loss** (increase in debt due to rupee devaluation) of PKR 76 billion and,
 - **Net New Debt** (loan receipts – loan repayments) of PKR 1.0 billion.
- Outstanding Debt reported in this bulletin is exclusive of Guarantees amount awarded to various projects/ entities of Government of the Punjab. Total amount of Guarantees outstanding stands at PKR 48.75 billion as on 30th September 2021.
- Wheat debt of Punjab stands at *PKR 540 billion as on 30th September 2021 and it is not included in the direct debt of Punjab i.e. PKR 1,032 billion. Wheat debt is secured by wheat stock and guarantee of Federal Government; the value of wheat stock amounts to *PKR 175 billion as on 30th September 2021 against the debt stock of PKR 540 billion.

▪ Information pertaining to Debt Stock of commodity financing is obtained from Food Department – Government of Punjab

CREDITOR WISE COMPOSITION OF DEBT STOCK

Creditor wise Composition of outstanding debt stock (as at 30.09.21)

Creditor	Outstanding (million PKR)	% of total
IDA	340,240	33%
ADB	256,657	25%
China	239,484	23%
IBRD	145,111	14%
JICA	27,344	3%
IFAD	13,870	1%
Federal Government	4,787	0%
France	4,030	0.4%
IDB	113	0.01%
	1,031,635	100%



Creditor Wise Debt Stock
%age of Total Debt

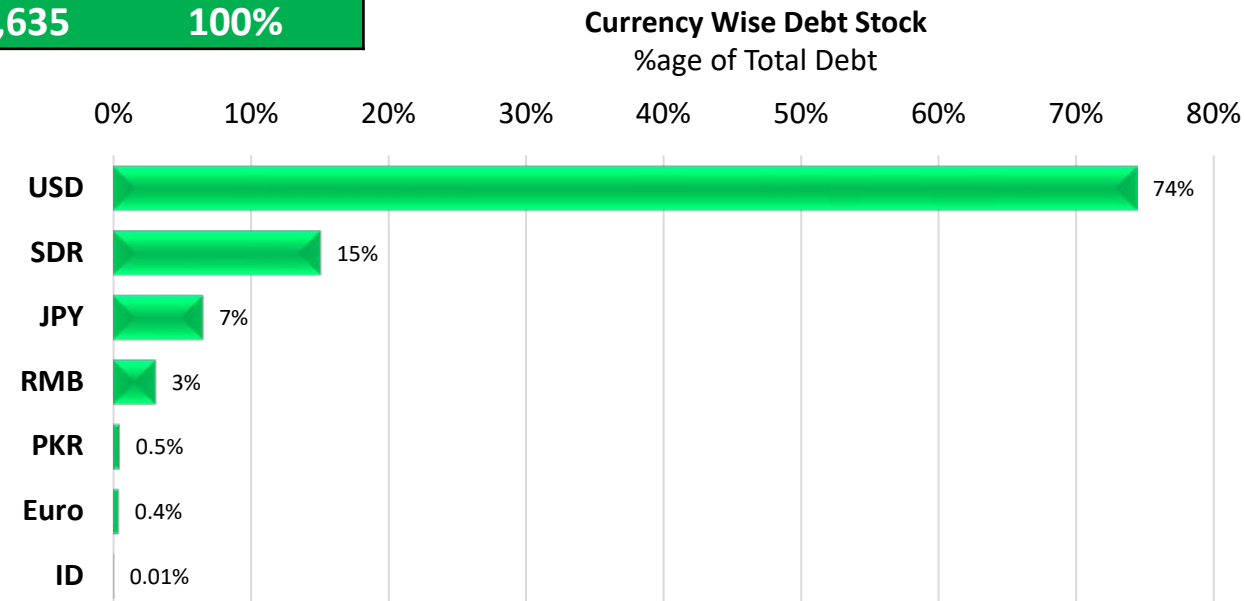
- PKR figures have been computed by using the FX rate of 30.09.2021
- Borrowing from Federal Government is in PKR while all other creditors lend in FC (Foreign Currencies)

CURRENCY WISE COMPOSITION OF DEBT STOCK

Currency wise Composition of outstanding Debt Stock (as at 30.09.21)

Currency	No. of Loans	Outstanding (million * FC)	Exchange Rate (PKR/FC)	Outstanding (million PKR)	% of total
USD	124	4,495	170.85	767,956	74%
SDR	12	648	240.09	155,611	15%
JPY	9	44,127	1.53	67,350	7%
RMB	1	1,200	26.49	31,788	3%
PKR	1	4,787	1.00	4,787	0.5%
Euro	2	20	198.24	4,030	0.4%
ID	1	0	240.09	113	0.01%
Total	150			1,031,635	100%

- Out of total 150 loans, 28 loans are active for loan receipts/ disbursement while the remaining 122 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" currency
- 'FC' means Foreign Currency

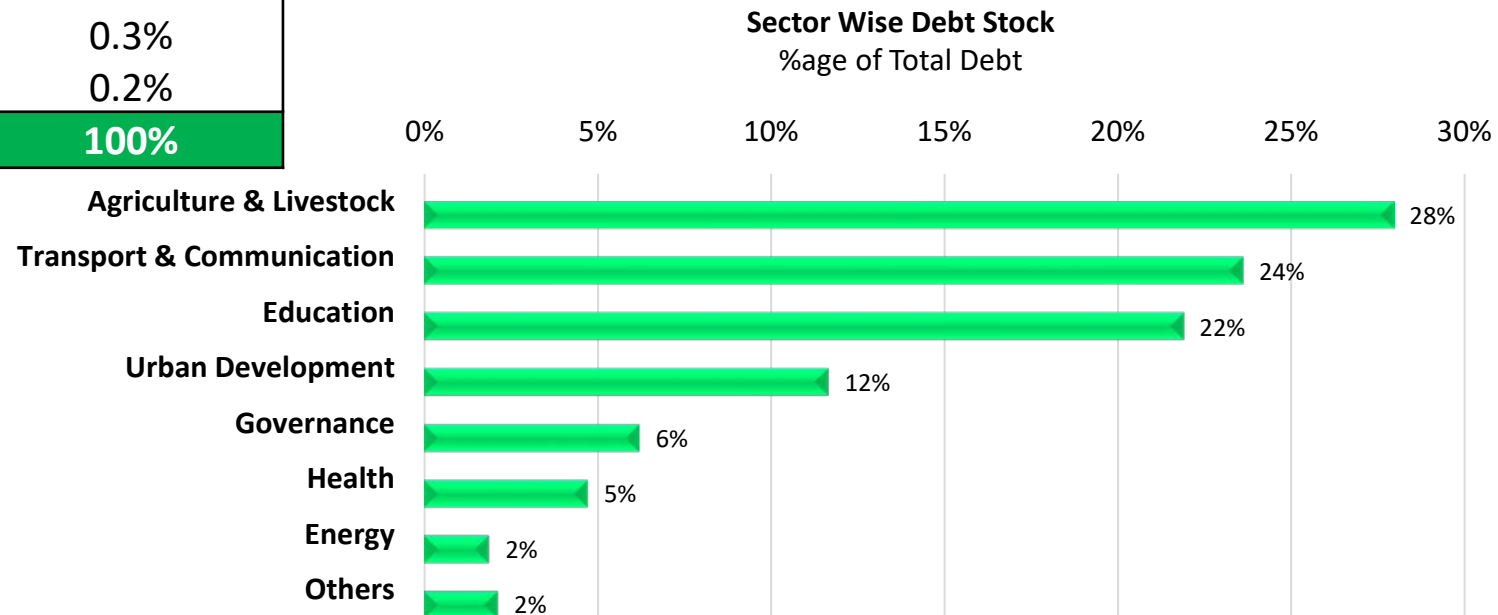


SECTOR WISE COMPOSITION OF DEBT STOCK

Sector wise Composition of outstanding debt stock (as at 30.09.21)

*Sector	Outstanding (million PKR)	% of total debt
Agriculture & Livestock	288,349	28%
Transport & Communication	243,541	24%
Education	225,852	22%
Urban & Community Development	120,207	12%
Governance	63,986	6%
Health	48,626	5%
Energy	19,224	2%
Industries & Infrastructure	17,237	2%
Tourism	2,763	0.3%
Environment	1,850	0.2%
Total	1,031,635	100%

- Above classification (Sector wise) is made on the basis of Project nature and scope



DEBT SERVICING FY 2021-22

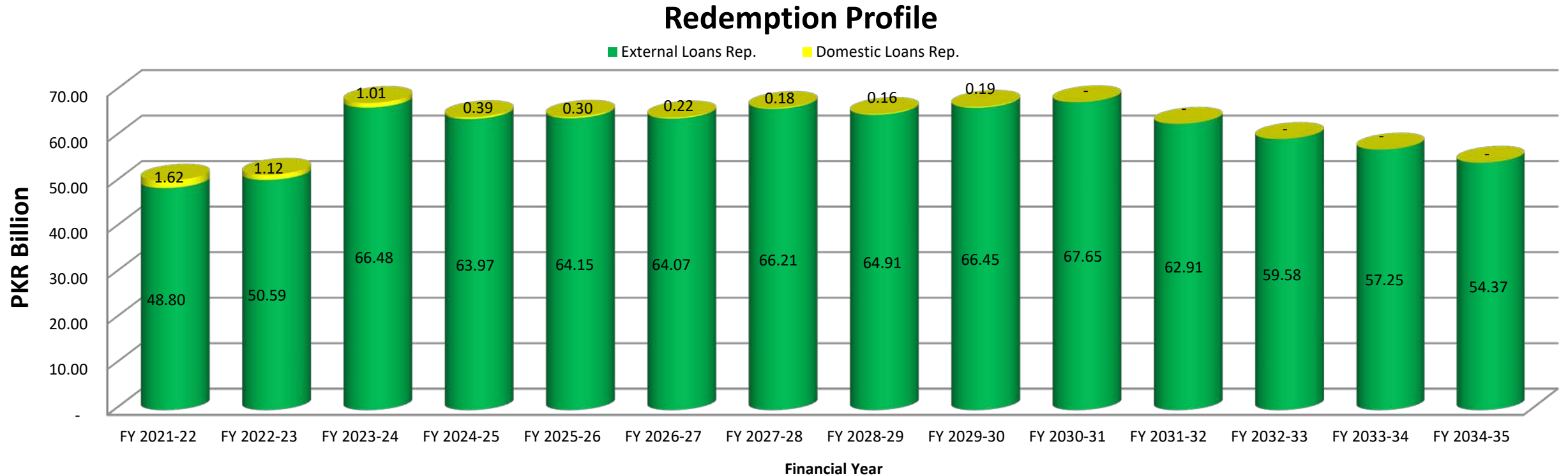
(Amount in Million)

Creditor	Projected Debt Servicing for the Period (Oct`21 to Dec`21)		
	Principal Repayment (PKR)	Interest Payment (PKR)	Total Debt Servicing (PKR)
ADB	8,196	872	9,069
IBRD	-	216	216
IDA	2,215	923	3,138
JICA	378	84	462
France	192	20	213
IFAD	106	49	155
IDB	23	1	24
China	-	-	-
Federal Govt.	406	138	544
Total	11,516	2,304	13,820

Debt Servicing	Actual Debt Servicing for FY 2020-21	Projected Debt Servicing for FY 2021-22
Principal Repayment (PKR)	49,058	50,410
Interest Payment (PKR)	13,807	13,399
Total	62,865	63,809

- FX Rate of 30.09.2021 is used for conversion of Foreign Currencies into PKR
- Libor Rate of 30.09.2021 is considered for Projected Debt Servicing of floating rate loans

PROJECT DEBT RETIREMENT



- For medium to long term visibility of loan retirement pattern of Punjab's debt portfolio, a forecasted redemption profile of next 14 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 FY2036.
- Approximately PKR 18 billion is the estimated amount of yearly loan repayment (without interest) of the Lahore Orange Line Loan (based on FX rate of 30.09.2021).

COST & RISK INDICATORS

Cost Indicators		As on 30.09.21
Outstanding debt as % of Punjab`s GDP		3.5%
Interest payment as % of Punjab`s GDP		0.05%
Actual Outstanding Debt to Avg. Revenue of Last 3 Financial Years		68%
Debt Service (Principal + Interest) as % of Avg. Revenue of Last 3 Financial Years		4.2%
Interest payment as % of Avg. Revenue of Last 3 Financial Years		0.9%
Share of External/FX debt		99.5%
Risk Indicators		As on 30.09.21
Refinancing Risk	Debt maturing in 1yr (% of total)	5.1%
	Avg. Time to Maturity (ATM) External Portfolio (years)	8.7
	Avg. Time to Maturity (ATM) Domestic Portfolio (years)	2.5
	ATM Total Portfolio (years)	8.7
Interest Rate Risk	Fixed rate debt (% of total)	73%
	ATR of Total Portfolio (years)	6.5
	Debt Refixing in 1yr (% of total)	30%

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)

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.

- FY2022: Pakistan`s GDP is *Rs. 53,867 billion and Punjab GDP is estimated at 55% of Pakistan`s GDP i.e. Rs. 29,627 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 99.5% of the total outstanding stock is denominated in foreign currency