

Jul-Sept, 2016

Quarterly Infrastructure Finance Review

**Infrastructure Housing &
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1. Infrastructure Finance Overview

Infrastructure projects have recently seen increase in financing from Banks and Development Finance Institutions (DFIs). The Quarterly Infrastructure Finance Review (Jul-Sept, 2016) is prepared based on quarterly data received from banks and DFIs. It includes infrastructure projects financed (both fund & non-fund based) by banks & DFIs, as defined in the IPF Guidelines. An analysis of the infrastructure financing portfolio of banks & DFIs for Q1 of FY-17 depicts the following trends:

At the end of Sept-16, amount outstanding against infrastructure sectors reached Rs 452.4

billion, witnessing growth of Rs 34 billion or 8.3% as compared to the preceding quarter (Apr-June, 2016).

Non-performing loans (NPLs) as a percentage of gross outstanding loan portfolio decreased from 3.39% to 2.76%, QoQ basis and from 4.75% to 2.76% on YoY basis.

During the quarter (Jul-Sept, 2016) banks & DFIs disbursed Rs 28.2 billion mainly to power generation, power transmission, oil & gas and road infrastructure sectors.

Table A: Infrastructure Project Financing Portfolio of Banks & DFIs

(Amount in Billion Rupees)				% Change	
	Sept-15	Jun-16	Sept-16	QoQ	YoY
Amount Outstanding	334.0	417.8	452.4	8.3%	35.4%
NPLs	15.86	14.16	12.5	-11.8%	-21.3%
NPLs as %age of Amount Outstanding	4.75%	3.39%	2.76%		
Disbursements during the Quarter	11.50	53.25	28.2	-47.1%	144.8%
Cumulative Disbursements	395.3	518.8	569.8	9.8%	44.1%
Total Amount Sanctioned	640.0	1024.4	1125.7	9.9%	75.9%
YoY - Year on Year					
Note: Corrections made in Amount Outstanding and NPLs as %age of Amount Outstanding for Jun-16					

2. Outstanding Loan Portfolio

The total amount outstanding, against infrastructure finance, at the end of Sept-2016 reached Rs 452.4 billion, recording an increase of 8.3%, when compared with Rs 417.8 billion at the end of Jun-16. Infrastructure Project Financing (IPF) portfolio of banks & DFIs has witnessed substantial growth since December 2013.

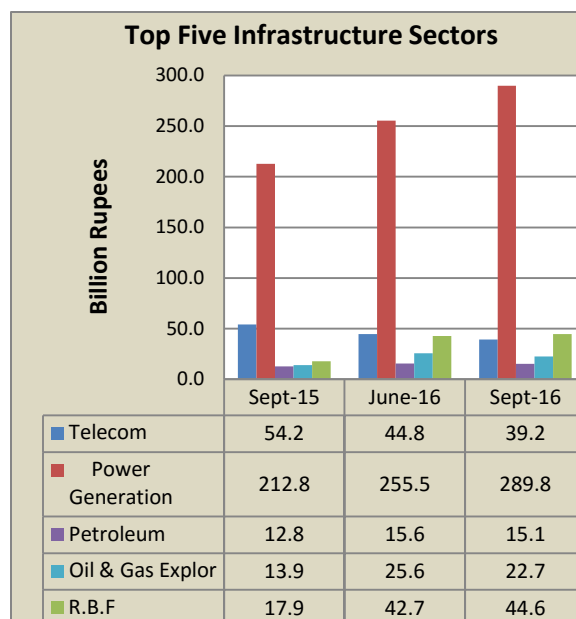
Power generation, power transmission and roads have noticed a growth in outstanding portfolio on QoQ basis. Following is the list of top infrastructure sectors where lending has been provided by banks/DFIs:-

- a) Power Generation (PG)
- b) Telecom
- c) Road, Bridge, Flyover (RBF)
- d) Oil & Gas (O&G) Exploration/Distribution
- e) Petroleum
- f) Power Transmission (PT)
- g) Other sectors

On YoY basis, outstanding amount increased by Rs 118 billion or 35%. Most of the sectors except telecom witnessed growth in outstanding financing.

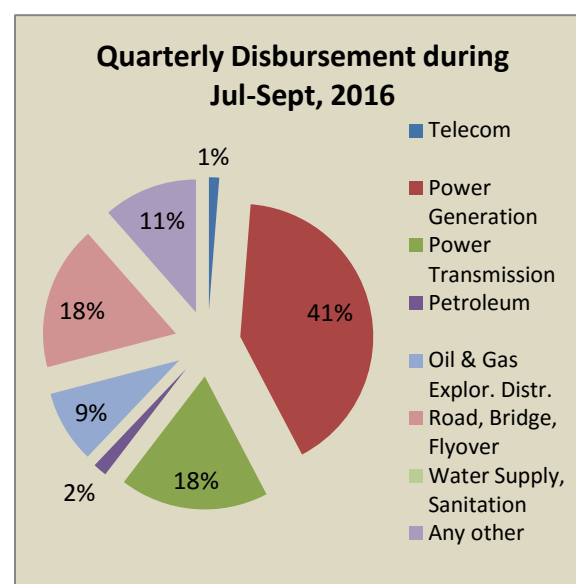
3. Non Performing Loans

Non-performing loans (NPLs) as a percentage of Gross Outstanding decreased from 3.39% to 2.76%, QoQ basis and from 4.75% to 2.76% on YoY basis.



4. Disbursements

Disbursements during the quarter reached Rs 28.2 billion. The sectors where disbursements were made during the quarter include power generation, telecom, oil & gas, power transmission and road infrastructure sectors. The figure below shows share of these sectors in quarterly disbursements during Jul-Sept, 2016.

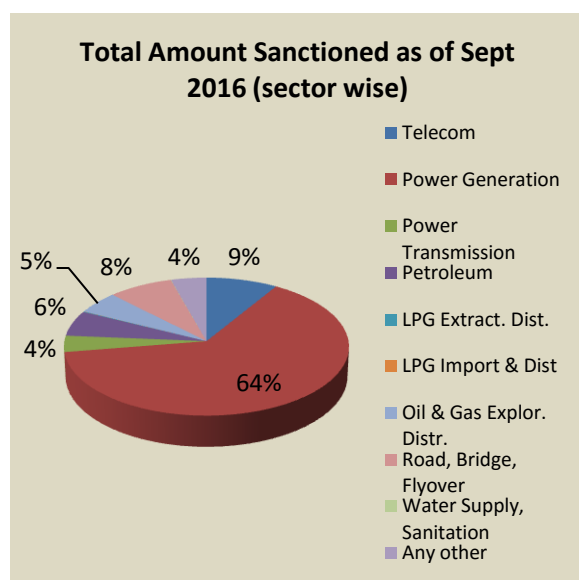


The cumulative amount disbursed as of Sept-2016 increased by 9.8% on quarterly basis to reach Rs 570 billion.

5. Amount Sanctioned

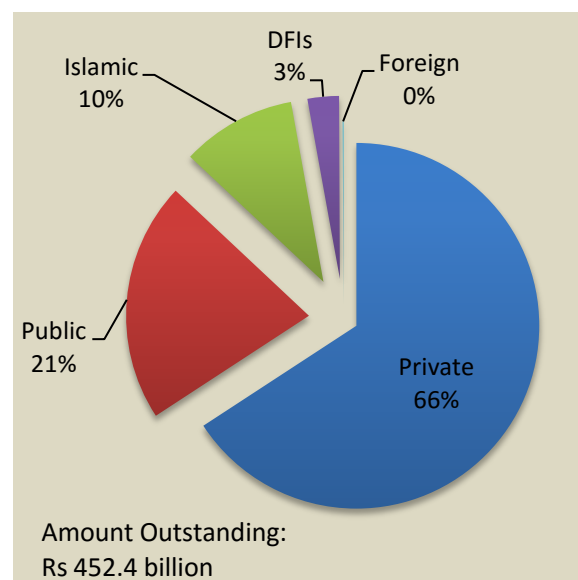
At the end of the period under review, the total amount sanctioned by Banks & DFIs for infrastructure projects reached Rs 1,125 billion, recording a growth of 9.9% compared to the previous quarter. A similar trend was observed when compared on yearly basis, where a 76% increase was observed.

The sectors witnessing growth in sanctioned amount during the quarter are power generation, power transmission, petroleum, and O&G.



6. Banking-sector wise share

The institutional share in outstanding portfolio has largely remained the same with a large share resting with private sector banks followed by public sector banks (figure below).



Infrastructure financing portfolio of banks & DFIs has shown encouraging growth since December 2013 when it was at Rs 255 billion.

Annexure

Table B: Infrastructure Project Financing Trend Over the Years

(Amount in Rs. Billions)	Periods						
	Dec-10	Dec-11	Dec-12	Dec-13	Dec-14	Dec-15	Sept-16
Amount Outstanding (as on)	298.5	265.5	289.3	255.2	297.8	368.4	452.4
NPLs (as on)	10.4	17.1	17.5	19.4	16.1	14.11	12.5
Yearly Disbursements (Jan – Dec)	-	-	-	51.2	76.6	76.4	101.1*
Disbursements (Cumulative-As on)	349.0	356.2	356.3	351.9	367.7	453.2	569.8
Total Sanctioned Amount (as on)	520.3	482.6	493.5	502.9	591.2	706.9	1125.7
<i>*disbursements for the period Jan-Sept, 2016</i>							

Acronyms

<i>IPF</i>	<i>Infrastructure Project Financing</i>
<i>DFI</i>	<i>Development Finance Institution</i>
<i>QoQ</i>	<i>Quarter-on-Quarter</i>
<i>YoY</i>	<i>Year-on-Year</i>
<i>PG</i>	<i>Power Generation</i>
<i>O&G</i>	<i>Oil and Gas</i>
<i>RB&F</i>	<i>Road, Bridge & Flyover</i>
<i>PT</i>	<i>Power Transmission</i>
<i>WSS</i>	<i>Water Supply & Sanitation</i>
<i>NPLs</i>	<i>Non-Performing Loans</i>
<i>FY</i>	<i>Fiscal Year</i>
<i>LPG</i>	<i>Liquefied Petroleum Gas</i>