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1. Infrastructure Finance Overview

Infrastructure projects have recently seen an 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 % 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% |

Note: Corrections made in Amount Outstanding and NPLs as % 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**

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<tbody>
<tr>
<td>Amount Outstanding (as on)</td>
<td>298.5</td>
<td>265.5</td>
<td>289.3</td>
<td>255.2</td>
<td>297.8</td>
<td>368.4</td>
<td>452.4</td>
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<tr>
<td>NPLs (as on)</td>
<td>10.4</td>
<td>17.1</td>
<td>17.5</td>
<td>19.4</td>
<td>16.1</td>
<td>14.11</td>
<td>12.5</td>
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<td>Yearly Disbursements (Jan – Dec)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>51.2</td>
<td>76.6</td>
<td>76.4</td>
<td>101.1*</td>
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<tr>
<td>Disbursements (Cumulative-As on)</td>
<td>349.0</td>
<td>356.2</td>
<td>356.3</td>
<td>351.9</td>
<td>367.7</td>
<td>453.2</td>
<td>569.8</td>
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<tr>
<td>Total Sanctioned Amount (as on)</td>
<td>520.3</td>
<td>482.6</td>
<td>493.5</td>
<td>502.9</td>
<td>591.2</td>
<td>706.9</td>
<td>1125.7</td>
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</tbody>
</table>

*Disbursements for the period Jan-Sept, 2016

### Acronyms

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