

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED

Analyst:

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RATING DETAILS

RATINGS CATEGORY	Initial Rating	
	Long-term	Short-term
ENTITY	AA-	A1
RATING OUTLOOK/ WATCH	Stable	
RATING ACTION	Initial	
RATING DATE	April 21, 2026	

Shareholding (10% or More)

Government of Punjab – 95%

Other Information

Incorporated in 1924

Specialized Cooperative Bank

Chief Executive Officer: Mr. Shahram Raza Bakhtiari

External auditors: M/s UHY Hassan Naeem & Co., Chartered Accountants

Applicable Rating Methodology

VIS Entity Rating Criteria Methodology – Financial Institutions

<https://docs.vis.com.pk/Methodologies%202024/Financial-Institution-v2.pdf>

Government Supported Entities

<https://docs.vis.com.pk/Methodologies-2025/GSEntities.pdf>

Rating Scale

<https://docs.vis.com.pk/docs/VISRatingScales.pdf>

Rating Rationale

The assigned ratings reflect the ownership structure of Punjab Provincial Cooperative Bank Limited ('PPCBL' the 'Bank'), with majority shareholding and support from the Government of Punjab, providing high degree of support and stability. The latest reflection of financial support was a PKR 6.2b injection approved by the Punjab cabinet, of which PKR4bn has been disbursed in Q3FY26. The governance framework is supported by an experienced board and management team, enabling oversight and implementation of business strategy.

The financial restructuring of the Bank follows a rejuvenation of the institutional mandate for funding towards rural development in the largest province of Pakistan, which entailed a change in management, modernization of the organizational layout entailing new departmental heads with experience in commercial banking, an update to policies and procedures as well as technology upgrade. An important development in this regard is the planned Voluntary Separation Scheme (VSS), which would reorganize the field staff and teams for reinvigorated efforts towards funds deployment. While this entails upfront cost funded through the recent equity injection, it aims to rationalize delivery cost over future business development.

The Bank maintains a presence in agricultural financing with a secured lending portfolio and recent growth in advances. Asset quality indicators have improved, supported by write-offs against past non-performing loans and contained incidence of new infection, although new lending is both limited and relatively unseasoned. The investment portfolio is dominated by government securities, which supports the overall risk profile.

Liquidity remains adequate and compliant with regulatory requirements, with sizable liquid assets providing a buffer against any liquidity pressures. The funding structure is backed by cooperative pension and provident fund deposits, which tend to be stable and long-term. PPCBL's superior access to government funds is exemplified by the institution's exemption from minimum rating requirements, generally applicable, further reinforces the extent of sponsor support. Consistent with the rating methodology, the assigned ratings incorporate notching

based on support from the Government of Punjab. Capitalization remains a key strength, with buffers maintained above regulatory requirements.

Profitability has moderated in the recent period due to changes in the interest rate environment and higher operating expenses, though core income streams remain stable. Ongoing investments in systems, operations and the planned VSS are expected to support efficiency over time. As business growth picks up, we expect profitability momentum to build gradually.

Going forward, the rating is sensitive upon the Bank’s ability to improve its earning asset mix, mobilize a larger cost-effective funding base to sustain future growth, sustained asset quality and strengthen profitability while maintaining adequate provisioning levels.

Company Profile

The Punjab Provincial Cooperative Bank Limited (‘PPCBL’ the ‘Bank’) was incorporated in 1924 as a Cooperative Bank under the repealed Cooperative Societies Act, 1912 (now the Cooperative Societies Act, 1925). It was given the status of a scheduled bank by the State Bank of Pakistan (SBP) with effect from November 07, 1955. The Bank is operating under the supervision of the Cooperative Department, Government of Punjab and the SBP. The principal activity of the Bank is to carry out the business of agriculture credit and other activities as defined in the Cooperative Societies Act, 1925 and its Rules. The Bank operates through its 151 (2024: 151) branches in the province of Punjab. The registered office of the Bank is located at the Bank Square, The Mall, Lahore, Pakistan.

The Bank is predominantly owned by the Government of Punjab, which holds a controlling stake of approximately 95%. The remaining shares, around 5%, are held by various cooperative societies.

Management and Governance

BOARD COMPOSITION & PROFILE

PPCBL’s Board comprises nine members, including the CEO, four Non-Executive Directors, and three Independent Directors. The Board also includes two female members. Its composition is in line with best practices and complies with governance requirements for PSX-listed companies and the SBP.

Table 1: Board of Directors

Name	Category
Mr. Muhammad Ahsan Waheed	Chairman
Mr. Mubashar Bashir Mirza	Independent Director
Syeda Noshina Bukhari	
Captain (R) Zahid Saeed	
Mr. Iftikhar Ali Sahoo	Non-Executive Director
Ch. Asif Gelani Melu	
Ms. Sundas Irshad	
Mr. Muhammad Sajid	
Mr. Shahram Raza Bakhtiari	Chief Executive Director

Mr. Ahsan Waheed (Chairman) also serves as Secretary Cooperatives, Government of Punjab, with a strong background in public sector leadership and management. With extensive experience interacting with government institutions, Mr. Waheed is well-versed in government policies, regulations, and laws. He holds an MBA and has completed Senior Management Course and National Management Course.

Mr. Shahram Raza Bakhtiari (CEO) brings over 36 years of diversified local and international experience across multiple sectors, including more than 24 years in leadership roles within both foreign and local banking institutions. In addition to banking, he has managed large-scale logistics operations, further strengthening his business acumen. He possesses in-depth knowledge of banking laws, regulations, and policies, along with extensive experience in managing relationships with government agencies, regulators, and rating institutions. His key leadership roles include serving as President/CEO and Director of Retail Banking at Silkbank, Business Head at Standard Chartered Bank and Union Bank, and Country Head at TCS.

Mr. M. Mubashar Bashir (Independent Director) is a Fellow Chartered Accountant with over 25 years of senior leadership experience across regulated banking, sovereign-linked institutions, infrastructure finance, and national digital transformation platforms in Pakistan and internationally. His expertise includes public financial management, capital structuring, liquidity stewardship, governance architecture, and regulatory alignment. He currently serves as CFO of Pakistan Single Window (PSW), where he oversees financial governance within a national trade facilitation platform that integrates federal agencies, regulators, and financial institutions.

Syeda Noshina Bukhari (Independent Director) is an expert in corporate strategy and institutional growth in emerging markets. She has over 20 years of experience in commercial banking prior to transitioning to the microfinance sector. Ms. Bukhari holds a Master's degree in Public Administration from Quaid-e-Azam University, Islamabad.

Captain (R) Zahid Saeed (Independent Director) is an experienced civil servant with expertise in policy analysis, economic development, strategic planning, and project management. He holds a graduate degree and has completed several training programs, including the Senior Management Course from NEPA, the National Management Course from Staff College Lahore, and the Training Officers Course from the Civil Services Academy Lahore.

Mr. Iftikhar Ali Sahoo (Non-Executive Director) is a seasoned public sector leader with over 35 years of service in various key management roles. He currently serves as Secretary of Agriculture for the Government of Punjab and is known for his dynamic and results-oriented approach.

Mr. Asif Gelani Melu (Non-Executive Director) was enrolled as an advocate in 1988 and as an Advocate of the High Court in 1991. He has served as a Legal Advisor to PTCL and as General Secretary of the Bar Association Chichawatni in 1991. He later held leadership roles as Vice President of the Bar Association Chichawatni in 1992 and 1993, and as its President in 2008. In the same year, he also served as an Executive Member of the High Court Bar (Multan). Mr. Melu holds a Bachelor of Law degree from the University of Karachi and a graduate degree from the University of the Punjab.

Ms. Sundas Irshad (Non-Executive Director) currently serves as Special Secretary Finance (Expenditure) in the Finance Department, Government of the Punjab. She brings over a decade of experience, particularly in supervising development schemes, ensuring regulatory compliance, and leading initiatives to enhance productivity. She holds a Master's degree from the University of Melbourne, Australia, and completed her undergraduate studies at the University of Engineering & Technology (UET), Lahore.

Mr. Muhammad Sajid (Non-Executive Director) currently serves as the Acting General Manager of the Punjab Pension Fund. He has previously held roles as Chief Investment Officer, Portfolio Manager, and Senior Research Analyst at the Fund. He earned the CFA Charter in 2014 and holds a Master's degree in Commerce (M.Com Finance) from the University of the Punjab.

Table 2: Board meetings

	Meeting 2025
Board of Directors	04
Audit Committee	05
Risk Committee	04
IT Committee	04
Human Resource Committee	04

MANAGEMENT TEAM

The management of the PPCBL reflects a structured and functionally specialized leadership team comprising experienced professionals heading key domains such as operations, technology, and business development. The presence of dedicated roles like COO/Head of Operations, Head of Technology, and Head of Business Development indicates a clear division of responsibilities and an emphasis on modern banking functions, including digital transformation and growth initiatives. Overall, the management appears to demonstrate a balanced mix of operational expertise and strategic focus, supported by a professional hierarchy that aligns with contemporary banking practices.

AUDITOR

During 2025, the Bank replaced, M/s Muniff Ziauddin & Co., Chartered Accountants. M/s UHY Hassan Naeem & Co., Chartered Accountants, serve as the external auditors of the Punjab Provincial Cooperative Bank Limited. The auditors have issued an unqualified opinion on the Bank's financial statements for the fiscal year 2025. The audit firm is classified in Category 'A' on the panel of auditors maintained by the SBP and 'Satisfactory' QCR rating from ICAP.

Business Risk

INDUSTRY

The specialized banking sector in Pakistan posted a broadly improving performance during CY25, supported by strong capitalization, easing credit risk, and a recovery in profitability. Capital adequacy remained exceptionally strong, with the Capital Adequacy Ratio (CAR) remained stable at 38.9% (Dec'24: 38.5%) as of Dec'25, while Tier-1 CAR at 35.7% (Dec'24: 35.4%), underscoring a highly resilient buffer well above typical regulatory thresholds. Asset quality also strengthened materially, as the gross infection ratio declined to 13.7% (Dec'24: 19.6%) as of Dec'25, while net infection improved sharply from 9.4% as of Dec'24 to 3.1% as of Dec'25. Net NPLs to capital fell significantly to 4.0% (Dec'24: 12.5%) as of Dec'25, highlighting a substantial reduction in solvency pressure from legacy problem assets.

On the balance sheet side, total assets recovered to PKR 621.6bn as of Dec'25, after a mid-year contraction to PKR 495.5bn as of Jun'25. Investments declined to PKR 349.8bn (Dec'24: PKR 385.6bn) as of Dec'25, while advances expanded steadily to PKR 140.2bn (Dec'24: PKR 124.4bn) as of Dec'25, signaling a gradual shift toward core lending activity. Borrowings remained the dominant funding source at PKR 382.8bn, compared to relatively small deposits of PKR 70.9bn, reflecting the sector's institutional and refinance-driven structure.

Profitability improved notably, with profit after tax rising from PKR 11.5bn in CY24 to PKR 13.0bn in CY25. Efficiency gains were also evident, as the cost-to-income ratio improved from 40.5% to 38.7%, while ROA strengthened from 1.7% to 2.3%.

Overall, the sector reflects a transition toward stronger credit discipline, improving earnings momentum, and gradual lending expansion, while maintaining a highly conservative and well-capitalized profile.

OPERATIONAL PROFILE

PPCBL operational profile reflects a specialized, rural-focused banking model, underpinned by its extensive branch network (~150 branches) across Punjab and its mandate centered largely on agriculture linked financing, including crop, livestock, farm development, and equipment loans, with limited exposure to SME lending. The Bank's operations are inherently relationship driven and volume-based, focusing on small-ticket, high-frequency lending, with a fully secured financing portfolio skewed toward short-to medium-term tenors (around 93% exceeding one year) and predominantly granular exposures, as nearly three-quarters of advances are within the PKR 1 million range. While this granularity supports risk dispersion, it also necessitates intensive monitoring and recovery efforts. A key differentiator remains its deep integration within the cooperative ecosystem, where credit is largely channeled through cooperative societies, however, going forward, the Bank is pivoting to a holistic ecosystem model one that integrates finance, services and partnerships into a cohesive, accessible and digitally enabled experience.

PPCBL's strategic intent to transition toward Islamic banking is well-aligned with the Bank's existing operating model. The Bank has engaged AIHuda Centre of Islamic Banking & Economics (CIBE) to support its transition toward a fully Shariah-compliant banking model through end-to-end advisory covering Shariah governance, product development, and operational framework design.

Recently, in March 2026, the Bank implemented the Oracle ERP system which includes a comprehensive Financial Suite, an end-to-end Procurement-to-Payables function, and Property Management. The core banking platform, AutoBANKER, developed in collaboration with AutoSoft Dynamics, supports PPCBL's technological foundation by providing centralized banking operations and integrated MIS reporting capabilities.

Asset Mix

Table 3: Asset Mix (all figures in PKR Millions, unless stated otherwise)

	Jun'24	Jun'25	Dec'25
Cash and Bank	1,036.4	1,019.3	1,415.1
	3.0%	2.0%	2.7%
Balances with other bank	1,057.6	1,710.7	2,115.1
	3.0%	3.4%	4.0%
Investment	6,279.4	3,957.4	3,171.8
	17.9%	7.8%	6.1%
Financing	10,082.7	14,275.9	14,507.1
	28.8%	28.2%	27.7%
Fixed Asset	15,270.4	28,312.6	28,899.0
	43.6%	55.9%	55.3%

Other asset	1,330.8	1,341.2	2,176.3
	3.8%	2.6%	4.2%
Total Asset	35,057.3	50,617.2	52,284.4

PPCBL's asset mix remains skewed toward fixed assets and advances, reflecting its legacy structure. Historically, nearly half of the Bank's asset base has been concentrated in property and equipment, largely comprising freehold land and buildings, while advances constituted around 28%, underscoring its core lending activity. As of Jun'25, the Bank's asset base expanded materially by 44.4% YoY to PKR 50.6bn, primarily driven by a significant revaluation of land and buildings amounting to PKR 12.8bn. Concurrently, a reallocation of funds from the investment portfolio toward advances was observed, with financing increasing to PKR 14.3bn (Jun'24: PKR 10.1bn), indicating a shift toward core lending operations.

PROFITABILITY

Table 4: Profitability Indicators

	FY24	FY25	FY25
ROAA	1.6%	0.8%	0.0%*
ROAE	6.2%	3.9%	0.1%*
Spread	7.2%	8.6%	7.7%
- Return on Earning Assets	22.3%	18.9%	16.0%*
- Cost of Funding	15.1%	10.3%	8.3%*
OSS	120.3%	103.6%	89.8%

*Annualized

The markup income of the Bank, slightly declined to PKR 3.5b (FY24: PKR 3.6b) as did markup expense amounting PKR 1.0b (FY24: PKR 1.1b) on account of lower policy rates translating into both lower yields and cost of funds. However, net markup income remained stable at PKR 2.5b (FY24: PKR 2.5b) with sustained spreads. Non-markup income of the Bank rose to PKR 324m (CY23: PKR 282m) on account of higher fee and commission income of PKR 136m (FY24: PKR 102m).

Operating expenses increased from PKR 2.0b in FY24 to PKR 2.6b in FY25, which largely relates to rise in compensation expense. However, due to stable income, operating self-sufficiency ratio decreased to 103.6% (FY24: 120.3%) in FY25. In absolute terms, PPCBL's profit before credit loss allowance decreased to PKR 264m (FY24: PKR 752m) in FY25. The Bank benefitted from net credit loss allowance reversals to the tune of PKR 110m vis-à-vis PKR 30m in the preceding year, moreover tax charge for the year amounted to PKR 18m (CY23: PKR 252m). Consequently, profit after tax was reported at PKR 356m as compared to PKR 531m in the preceding year.

During 1HFY26, net markup income slightly declined to PKR 1.1b (1HFY25: PKR 1.2b), due to the broader downward trend in policy rates, which resulted in a greater reduction in markup on earning assets than in cost of funds. Non-markup income ticked up modestly, reaching PKR 353m (1HFY25: PKR 161m), primarily driven by one-off gain on sale of property and equipment. Operating expenses increased to PKR 1.4b (1HFY25: PKR 1.3b). Consequently, profit before credit loss allowance was PKR 75m (1HFY25: PKR 120m). With a credit loss allowance reversal amounting to PKR 39m, compared to a credit loss allowance of PKR 18m in the same period last year, profit before levy and tax amounted to PKR 113m (1HFY25: PKR 102m).

Going forward, with improving access to low cost deposits, and as business picks pace, profitability is expected to generally improve supported by efficiency gains.

Financial Risk

Asset Quality

Table 5: Asset Quality Indicators

	Jun'24	Jun'25	Dec'25
NPL (PKR Million)	644.3	245.5	333.3
Gross Infection	6.2%	1.7%	2.3%

Net Infection*	2.7%	1.4%	1.7%
Incremental Infection	0.0%	0.5%	0.6%
Stage-3 Provisioning Coverages	58.4%	21.2%	23.7%
General Provisioning Coverages	-	-	-
Net NPFs to Tier 1 Capital**	3.1%	2.1%	2.8%

*Only takes into account Stage 3 provisions

**Adjusted for Stage 1 & Stage 2

The Bank's non-performing loans (NPLs) have exhibited a downward trend, with a significant decrease of 64.0% as of Jun'24, following the recognition of write-offs amounting to PKR 1.1b. This was further reduced by 62.0% as of Jun'25, with additional write-offs of PKR 336m. Incremental infection remained close to nil during both periods, given limited growth in lending activity in recent periods. Specific provisions decreased to PKR 52m (Jun'24: PKR 376m), while general provisions stood at PKR 37m as of end-Jun'25; so far portfolio indicates low risk.

INVESTMENTS

Table 6: Net Investment Portfolio (all figures in PKR Millions, unless stated otherwise)

	Jun'24	Jun'25	Dec'25
Federal Govt Securities			
- Market Treasury Bills	1,972.1	3,262.0	3,087.1
- Pakistan Investment bonds	3,121.8	-	-
Equity			
- Listed	583.5	693.4	32.7
- Unlisted	2.0	2.0	2.0
- Mutual Fund	-	-	50
Non-Government Debt			
- Listed	600	-	-
- Unlisted	-	-	-
Total	6,279.4	3,957.4	3,171.8

In terms of credit risk, the investment portfolio remains concentrated in low-risk instruments, with Federal Government securities primarily Market Treasury Bills (MTBs) constituting 82.4% of the portfolio as of Jun'25. The investment portfolio decreased significantly to PKR 3.9b by end-Jun'25 (Jun'24: PKR 6.3b), driven by the sale of Pakistan Investment Bonds (PIBs) amid a declining interest rate environment. The proceeds were subsequently reallocated to advances, which typically offer higher spreads. However, investment portfolio further decreased as of Dec'25, primarily due to a reduction in listed equities. Resultantly, market risk arising from the investment portfolio remains contained, supported by its short duration profile and the predominance of low-volatility government securities, thereby limiting sensitivity to interest rate and price fluctuations.

LIQUIDITY

Table 7: Deposit Mix & Granularity (all figures in PKR Millions, unless stated otherwise)

	Jun'24	Jun'25	Dec'25
Deposits	7,983	10,469	11,454
CA	24.0%	16.8%	17.4%
CASA	95.1%	85.2%	84.8%

Liquid Assets	8,373.4	6,687.4	6,702.1
LADB	104.9%	63.9%	58.5%
Liquidity Coverage Ratio	523.0%	404.0%	256.0%
Net Stable Funding Ratio	160.0%	186.0%	210.0%

Deposits remain the Bank's primary funding source, demonstrating consistent growth over the past five years. While traditionally the Bank's deposits were sourced from the farmer community it financed, as a scheduled Bank. The Bank follows a conventional deposit-based model, where funding is secured commercially from corporates and individuals. As of Jun'25, PPCBL's deposits stood at PKR 10.5b (June 2024: PKR 8.0b), constituting 78% of total liabilities. Notably, around 35% of the deposit base comprises PPCBL's employee pension and provident fund accounts, which have shown steady growth over time and tends to be stable and long-term. Top 50 depositors' concentration is around 53% comprising largely of institutional deposit, driven by the single largest deposit account mentioned. Barring this, deposit accounts are mostly smaller accounts.

As of Jun'25, growth in deposits was primarily reflected in savings and term deposits, which stood at PKR 7.2b (Jun'24: PKR 5.7b) and PKR 1.5b (Jun'24: PKR 394m), respectively. Conversely, current deposits decreased to PKR 1.7b (CY23: PKR 1.9b). During 1HFY26, deposits saw a slight increase to PKR 11.5b. Currently the funding structure may carry higher volatility risk till a more seasoned deposit profile emerges over time. The superior deposit access is reflective by the fact that an exemption has been granted to PPCBL from applicable minimum rating requirements.

The Bank's liquidity position remains sound during FY25 and 1HFY26 as evidenced by liquid assets to deposits and borrowing. This liquidity cushion is further corroborated by a Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), both of which remain significantly above the minimum regulatory requirements.

CAPITALIZATION

Table 8: Capitalization (all figures in PKR Millions, unless stated otherwise)

	Jun'24	Jun'25	Dec'25
Total Equity	8,716.2	9,307.0	10,026.7
- Paid Up Capital	7,885.5	7,885.5	7,885.5
- Reserves	1,297.8	1,385.6	1,385.6
- Accumulated Profit/(Loss)	(467.2)	35.9	755.6
Tier 1 Capital	8,704.6	9,155.4	9,871.3
Total Eligible Capital	12,148.2	12,671.5	13,688.1
Risk Weighted Asset	29,332.2	47,784.4	47,401.8
Total CAR	41.4%	26.5%	28.9%
Tier 1 CAR	29.7%	19.2%	20.8%
Leverage	24.5%	18.1%	18.9%

The Punjab Cabinet approved a capital injection of PKR 6.2b into the Bank, of which PKR 4b has already been disbursed in 3QFY26, with the remaining amount expected in the next financial year. As a result, the Bank's Minimum Capital Requirement (MCR) has reached the State Bank of Pakistan's (SBP) regulatory threshold of PKR 10b. Furthermore, the injection will be utilized for IT infrastructure development, branch transformation, and HR restructuring.

Earlier, SBP had relaxed the Bank's MCR to PKR 6b in 2015, and this concession remained in place until recently. Additionally, the Bank is required to maintain a minimum Capital Adequacy Ratio (CAR) of 16% of its risk-weighted exposure. As of Dec'25, the Bank's CAR stood at 28.9% and is expected to strengthen further following the capital injection to ~34% as of Jun'26.

Financial Summary				Appendix I
Balance Sheet (PKR Millions)	Jun'23	Jun'24	Jun'25	1HFY26
Cash and Bank Balances with SBP and NBP	740	1,036	1,019	1,415
Balances with other Banks and/NBFIs/MFBs	1,261	1,058	1,711	2,115
Net Investments	3,312	6,279	3,957	3,172
Net Advances	10,626	10,083	14,276	14,507
Operating Fixed Assets	15,634	15,270	28,313	28,899
Other Assets	1,093	1,331	1,341	2,176
Total Assets	32,665	35,057	50,617	52,284
Deposits and other accounts	6,224	7,983	10,469	11,454
Provision for Employee's pension fund	1,513	1,948	1,342	1,425
Other Liabilities	930	1,246	1,660	1,668
Total Liabilities	8,668	11,177	13,471	14,547
Share Capital	7,886	7,886	7,886	7,886
Reserves	1,167	1,298	1,386	1,386
Accumulated Profit/(loss)	-585	-467	36	755
Equity (Excluding Revaluation)	8,468	8,716	9,307	10,027
Tier 1 Capital	8,399	8,705	9,155	9,871
Total Eligible Capital	11,716	12,148	12,671	13,688
Income Statement (PKR Millions)	FY23	FY24	FY25	1HFY26
Net Mark-up Income	2,053	2,510	2,544	1,118
Net Provisioning / (Reversal)	-146	-31	-110	39
Non-Markup Income	281	282	324	353
Operating Expenses	1,762	2,040	2,604	1,396
Profit Before Tax	705	783	374	108
Profit after tax	623	531	356	-60
Ratio Analysis	Jun'23	Jun'24	Jun'25	1HFY26
Gross Infection (%)	14.7%	6.2%	1.7%	2.3%
Incremental Infection (%)	-4.3%	0.0%	-0.5%	0.6%
Specific/ Stage 3 Provisioning Coverage	86.9%	58.4%	21.2%	23.7%
Net Infection (%)	2.2%	2.7%	1.4%	1.7%
Net NPLs to Tier-1 Capital (%)	2.8%	3.1%	2.1%	2.8%
Capital Adequacy Ratio (%)	40.1%	41.4%	26.5%	26.4%
Markup on earning assets (%)	18.9%	22.3%	18.9%	16.0%*
Cost of Funds (%)	11.3%	15.1%	10.3%	8.3%*
Markup Spreads (%)	7.5%	7.2%	8.6%	7.7%
OSS (%)	117.1%	120.3%	103.6%	89.8%
ROAA (%)	1.9%	1.6%	0.8%	0.0%*
ROAE (%)	7.7%	6.2%	3.9%	0.1%*
Advances to Deposit Ratio	195.7%	131.0%	137.2%	127.6%
Liquid Assets to deposits & borrowings (%)	85.4%	104.9%	63.9%	58.5%
LCR	540.0%	523.0%	404.0%	256.0%
NSFR	196.0%	160.0%	186.0%	210.0%
Leverage	25.7%	24.5%	18.1%	18.9%
Tier 1 CAR	28.8%	29.7%	19.2%	20.8%
Total CAR	40.1%	41.4%	26.5%	28.9%

*Annualized

** Adjusted for repo and collateral

*** Adjusted for SBP refinancing schemes

REGULATORY DISCLOSURES Appendix II

Name of Rated Entity	The Punjab Provincial Cooperative Bank Limited				
Sector	Specialized Bank				
Type of Relationship	Solicited				
Purpose of Rating	Entity Rating				
Rating History	Rating Date	Medium to Long Term	Short Term	Rating Outlook	Rating Action
	RATING TYPE: ENTITY				
	21/April/2026	AA-	A1	Stable	Initial
Instrument Structure	N/A				
Statement by the Rating Team	VIS, the analysts involved in the rating process and members of its rating committee do not have any conflict of interest relating to the credit rating(s) mentioned herein. This rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities.				
Probability of Default	VIS' ratings opinions express ordinal ranking of risk, from strongest to weakest, within a universe of credit risk. Ratings are not intended as guarantees of credit quality or as exact measures of the probability that a particular issuer or particular debt issue will default.				
Disclaimer	Information herein was obtained from sources believed to be accurate and reliable; however, VIS does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Copyright 2026 VIS Credit Rating Company Limited. All rights reserved. Contents may be used by news media with credit to VIS.				
Due Diligence Meeting Conducted	Name	Designation		Date	
	Mr. Shahram Raza Bakhtiari	Chief Executive Officer		March 26, 2026	
	Mr. Omer Farooq	Chief Financial Officer			