PUNJAB & SIND BANK (21-07-2026)

Result Update – Q1FY27

AJCONGLOBAL
YOUR FRIENDLY FINANCIAL ADVISORS

"Strong NII growth supports a healthy Q1FY27 performance for the Bank"

Ajcon Global's observations & views

1. The Bank reported a healthy Q1FY27 performance, led by strong growth in advances, deposits and NII, while management remains confident of sustaining robust credit growth of 19–20% backed by a strong loan pipeline and continued focus on the RAM segment.
2. The Bank is focused on improving profitability through higher-yielding loan growth, fee income expansion and proactive ECL provisioning, while ongoing investments in technology and distribution are expected to support long-term operational efficiency and growth.

Q1FY27 RESULT ANALYSIS

1) **Total Business** grew 1.05% QoQ and 15.27% YoY to Rs. 2,66,420crore in Q1FY27 from Rs. 2,63,652crore in Q4FY26 and Rs. 2,31,132crore in Q1FY26, respectively.
2) **Total Deposits** increased 0.89% QoQ and 12.16% YoY to Rs. 1,47,130crore in Q1FY27, compared with Rs. 1,45,829 crore in Q4FY26 and Rs. 1,31,182 crore in Q1FY26, respectively.
3) **Gross Advances** rose 1.25% QoQ and 19.35% YoY to Rs. 1,19,290 crore in Q1FY27, up from Rs. 1,17,823 crore in Q4FY26 and Rs. 99,950 crore in Q1FY26, respectively.
4) **Net Interest Income (NII)** was up by 6.46% QoQ and 15.33% YoY to Rs. 1038 crore in Q1FY27, compared with Rs. 975 crore in Q4FY26 and Rs. 900 crore in Q1FY26, respectively.
5) **Operating Profit** rose by 0.55% QoQ and 0.93% YoY to Rs. 545 crore in Q1FY27, versus Rs. 542 crore in Q4FY26 and Rs. 540 crore in Q1FY26, respectively.
6) **Net Profit** decreased by 21.56% QoQ to Rs. 331 crore in Q1FY27, compared with Rs. 422 crore in Q4FY26 and increased by 23.05% YoY against Rs. 269 crore in Q1FY26.
7) **Net Interest Margin (NIM)** was up to 2.53 % in Q1FY27 from 2.49% in Q4FY26 and 2.52% in Q1FY26, respectively.

KEY FINANCIAL INDICATORS – Q1FY27

CMP (21.07.2026)	: Rs. 24.73
Face Value	: Rs. 10
Book value per share	: Rs. 17.62
Market Capitalisation	: Rs. 17,582.86 Cr.
Capital Adequacy Ratio	: 17.61%
C/D ratio	: 81.08%
CASA ratio	: 30.06%
Net Interest Margin (NIM)	: 2.53%
Cost / Income ratio	: 60.21%
Gross NPA	: 2.21%
Net NPA	: 0.65%
PCR	: 92.33%
Slippage ratio	: 0.18%
Credit cost	: 0.11%
Return on Assets (Annualised)	: 0.73%
Return on Equity (Annualised)	: 10.85%

8) **Cost of Deposits** increased to 5.37% in Q1FY27 from 5.34% in Q4FY26 and fell from 5.66% in Q1FY26. **Cost of Funds** increased to 5.47% in Q1FY27 from 5.44% in Q4FY26 and eased against 5.77% in Q1FY26. **Yield on Advances** rose to 8.15% in Q1FY27 from 8.05% in Q4FY26 and fell against 8.47% in Q1FY26.
9) **Non-Interest Income** fell by 22.25% QoQ and 29.21% YoY to Rs. 332 crore in Q1FY27, compared with Rs. 427 crore in Q4FY26 and Rs.469 crore in Q1FY26.
10) **Fee-based Income** decreased by 28.07% QoQ and increased by 13.89% YoY to Rs. 164 crore in Q1FY27, compared with Rs. 228 crore in Q4FY26 and Rs.144 crore in Q1FY26.
11) **Cost/Income ratio** decreased to 60.21% in Q1FY27 against 61.32% in Q4FY26 and 60.55% in Q1FY26.
12) **Government-Guaranteed Advances** decreased to Rs. 10,171 crore in Q1FY27 from Rs.12,925 crore in Q4FY26 and Rs. 14,027crore in Q1FY26.
13) **CASA ratio** dipped to 30.06% in Q1FY27 from 30.77% in Q4FY26 and 30.59% in Q1FY26.
14) **Credit-to-Deposit (C/D) Ratio** improved to 81.08% in Q1FY27 from 80.80% in Q4FY26 and 76.19% in Q1FY26.
15) **Return on assets (ROA)** decreased to 0.73% in Q1FY27 from 0.96% in Q4FY26.
16) **Fresh Slippages** decreased to Rs. 207 crore in Q1FY27 from Rs. 355 crore in Q4FY26 and increased slightly from Rs. 203 crore in Q1FY26, while Recovery and Upgradation fell to Rs. 366 crore in Q1FY27 from Rs.523 crore in Q4FY26.
17) **Gross NPA** improved to 2.21% in Q1FY27 from 2.40% in Q4FY26 and 3.34% in Q1FY26. Net NPA improved to 0.65% in Q1FY27 from 0.79% in Q4FY26 and 0.91% in Q1FY26.
18) **Credit Cost** rose to 0.11% in Q1FY27 from 0.02% in Q4FY26 and Q1FY26.
19) **Capital Adequacy Ratio (CAR)** improved sequentially to 17.61% from 17.42% in Q4FY26 but was down from 17.90% in Q1FY26.
20) **Provision Coverage Ratio (PCR)** rose to 92.33% in Q1FY27 from 90.91% in Q4FY26 and 91.77% in Q1FY26.

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Management Comments:

21) In his opening remarks, the MD & CEO, Mr. Swarup Kumar Saha highlighted that strong growth in NII (+15.3% YoY) and core fee income (+13.9% YoY) helped the Bank maintain stable operating profitability despite lower treasury and recovery income. He added that the Bank remains focused on enhancing fee income, targeting annual core fee income of ₹900–1,000 crore and improving asset quality, with a target to reduce the SMA ratio below 3% and net slippages below ₹600 crore in FY27.
22) In response to an analyst's query on the Bank's credit growth, Mr. Swarup Kumar Saha reiterated its confidence in achieving 19–20% loan growth, supported by a strong pipeline of ₹15,000 crore undisbursed sanctions, continued focus on the RAM segment, and digital-led lending initiatives across gold loans, personal loans, loans against mutual funds, and co-lending partnerships.
23) Addressing the question on profitability, the MD & CEO stated that the Bank is focusing on improving yields through higher-yielding retail, MSME and agriculture loans, alongside strengthening fee income through system-driven charges and a dedicated revenue intelligence unit to support earnings growth.
24) In response to an analyst's concern on higher provisions, Mr. Saha clarified that the increase was driven by proactive provisioning ahead of the expected credit loss (ECL) framework implementation from April 2027 and not due to any deterioration in asset quality. On FCNR deposits, he expects to mobilize around US$100 million through FCNR(B) deposits and overseas borrowing routes, although the absence of an overseas branch network may limit the Bank's ability to capitalize fully on the RBI's temporary relaxation measures.
25) Talking about Bank's FY27 profitability aspirations, the MD & CEO guided for NIM of 2.60–2.65%, ROA of 0.85–0.90%, ROE of around 12%, and a cost-to-income ratio below 60%, supported by continued business growth and operational efficiencies.
26) In response to an analyst's query on improving the cost-to-income ratio, Mr. Saha stated that ongoing investments in technology, branch expansion, and talent acquisition are necessary to support the Bank's long-term growth strategy of reaching ₹4 lakh crore business and 2,000 branches by FY29. He added that the Bank aims to offset these costs through higher income generation, the upcoming GIFT City branch, and greater adoption of AI-driven processes, with an aspirational target of reducing the cost-to-income ratio below 50% over the next 2–3 years.
27) Replying to an analyst's query on the gold loan portfolio, Mr. Ravi Mehra Executive Director, indicated that the overall gold loan book (including co-lending and direct assignment) stands at around ₹10,000 crore and is expected to grow by an additional ₹3,000 crore during FY27. He further added that of the total gold loan portfolio, retail gold loans account for approximately ₹5,600 crore, agricultural gold loans for ₹419 crore, while co-lending gold loans stand at around ₹700 crore.