PUNJAB NATIONAL BANK – Q1FY27

AJCONGLOBAL
YOUR FRIENDLY FINANCIAL ADVISORS

Result Update (20.07.2026)

"Flattish Quarter with Muted growth, but Improved NIM and Robust Asset Quality"

Ajcon Global's observations & views

1. The Bank delivered a flattish quarter with nominal growth in business, but maintained its profitability.
2. Digital adoption continues to accelerate, with every second loan now sanctioned digitally and over 95% of transactions conducted through digital channels..
3. The Bank maintained a prudent stance, building additional floating provisions ahead of ECL implementation.

Q1FY27 RESULT ANALYSIS:

1) **Global Deposits** grew by 0.8% QoQ to Rs. 1724837 Crores in Q1FY27 against Rs. 1711126 Crores in Q4FY26 and increased 8.5% YoY from Rs. 1589379 Crores in Q1FY26.
2) **Global Advances** rose by 1.2% QoQ to Rs. 1273132 Crores in Q1FY27 against Rs. 1258559 Crores in Q4FY26 and surged 12.7% YoY from Rs. 1129898 Crores in Q1FY26.
3) **Global Business** increased by 1.0% QoQ to Rs. 2997970 Crores in Q1FY27 against Rs. 2969685 Crores in Q4FY26 and rose 10.2% YoY from Rs. 2719276 Crores in Q1FY26.
4) **Net Interest Income** up by 4.0% QoQ to Rs. 10798 Crores in Q1FY27 against Rs. 10380 Crores in Q4FY26 also rose by 2.1% YoY from Rs. 10578 Crores in Q1FY26.
5) **Total Other Income** increased by 4.1% QoQ to Rs. 4333 Crores in Q1FY27 against Rs. 4162 Crores in Q4FY26 but down by 17.7% YoY from Rs. 5268 Crores in Q1FY26.
6) **Operating profit** rose by 0.3% QoQ to Rs. 7519 Crores in Q1FY27, against Rs. 7500 Crores in Q4FY26 and increased by 6.2% YoY from Rs. 7081 Crores in Q1FY26**.**
7) **Net profit** rose by 0.5% QoQ to Rs. 5253 Crores in Q1FY27 against Rs. 5225 Crores in Q4FY26 and it was up by 213.6% YoY from Rs. 1675 Crores in Q1FY26.
8) **Global NIM** increased to 2.50% in Q1FY27 against 2.47% in Q4FY26 but down from 2.70% in Q1FY26, respectively.
9) **Fee based income** rose by 19.6% QoQ to Rs. 2339 Crores in Q1FY27 against Rs. 1956 Crores in Q4FY26 and increased by 4.0% YoY from Rs. 2250 Crores in Q1FY26.
10) **Global cost of deposits** has gone down to 4.99% in Q1FY27 against 5.05% in Q4FY26 and 5.33% in Q1FY26.
11) **Treasury income** increased by 327.2% QoQ to Rs. 1081 Crores in Q1FY27 against Rs. 253 Crores in Q4FY26 but decreased by 40.5% YoY from Rs. 1816 Crores in Q1FY26.
12) **Cost/Income ratio** increased to 50.31% in Q1FY27 against 48.42% in Q4FY26 and fell from 55.31% in Q1FY26, respectively.
13) **The total Government guaranteed** increased to Rs.70006 Crores in Q1FY27 against Rs. 62334 Crores in Q4FY26 and Rs. 66289 Crores in Q1FY26, respectively.
14) **CASA ratio** marginally dipped to 36.7% in Q1FY27 against 37.0% in Q4FY26 and Q1FY26, respectively.
15) **Return on assets (ROA)** remained at 1.04% in Q1FY27.
16) **Fresh slippages** decreased to Rs. 1996 Crores in Q1FY27 against Rs. 2674 Crores in Q4FY26, respectively. Cash Recovery + Upgradation decreased to Rs. 1589 Crores in Q1FY27 against Rs. 1690 Crores in Q4FY26 and Rs. 1662 Crores in Q1FY26, respectively.
17) **Gross NPA ratio** improved to 2.78% in Q1FY27 against 2.95% in Q4FY26 and 3.78% in Q1FY26, respectively. Net NPAs ratio also improved to 0.28% in Q1FY27 against 0.29% in Q4FY26 and 0.38% in Q1FY26, respectively.
18) **Credit cost** down to 0.25% in Q1FY27 from 0.30% in Q4FY26 but up from 0.14% in Q1FY26, respectively.
19) **Provision Coverage ratio** improved marginally to 97.23% in Q1FY27 against 97.14% in Q4FY26 and 96.88% in Q1FY26, respectively.
20) **The Bank's Capital Adequacy ratio** rose to 18.13% in Q1FY27 against 17.74% in Q4FY26 also increased against 17.50% in Q1FY26.

KEY FINANCIAL INDICATORS – Q1FY27

CMP (20.07.2026)	: Rs.111.76
Face Value	: Rs. 2
Book value per share	: Rs. 119.91
Market Capitalisation	: Rs. 1,28,376.18 Crs.
Capital Adequacy Ratio	: 18.13%
C/D ratio	: 73.8%
CASA ratio	: 36.7%
Net Interest Margin (NIM)	: 2.50%
Cost / Income ratio	: 50.31%
Gross NPA	: 2.78%
Net NPA	: 0.28%
PCR	: 97.23%
Slippage ratio	: 0.68%
Return on Assets (Annualised)	: 1.04%
Return on Equity (Annualised)	: 17.33%

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Management Comments

21) In his opening remarks, MD & CEO Shri Ashok Chandra stated that the Bank started FY27 on a strong note, with balanced and sustainable growth across business expansion, asset quality, profitability, operational efficiency and customer service, remaining firmly on track to meet its FY26-27 guidance. Growth continued to be led by retail, agriculture and MSME segments, with plans to open 250 new branches during the year, particularly in the Southern and Western regions.

22) He expressed confidence in continued QoQ margin improvement through the remainder of FY27. On asset quality, Mr. Ashok Chandra highlighted consistent strengthening driven by a disciplined credit and recovery framework, keeping the Bank on track to meet its full-year Gross NPA and Net NPA guidance, with slippages contained, SMA accounts stable and no material impact from geopolitical tensions visible so far. During the quarter, the Bank sanctioned over ₹95,500 crore of credit facilities, with ₹1.38 lakh crore pending disbursement, while an additional ₹390 crore floating provision was built on a prudential basis (cumulative ₹2,435 crore), taking overall SMA down to a comfortable 2.9% of the loan book.

23) Addressing an analyst's query on FCNR mobilization, MD & CEO stated that the Bank aims to mobilize $2.5 billion under this route, having already mobilized $425 million so far with good traction visible. He added that FCNR deposits are exempt from CRR/SLR requirements, which along with the current favourable rate environment should help bring down the overall cost of deposits over the long run.

24) On SMA, the Bank's book stood at 2.9% of total loans as on Q1FY27, comprising SMA-0 at 1.59%, SMA-1 at 0.64% (₹7,942 crore), and SMA-2 at 0.75%.

25) Addressing an analyst's query on ECL preparedness, Shri Ashok Chandra indicated that the one-time transitional provisioning requirement is estimated at ₹9,500-10,000 crore, with an additional recurring credit cost impact of 10-12bps per quarter expected going forward. The Bank has been building floating provisions as a prudential cushion and expressed confidence of adequate capital headroom to absorb the transition.

26) On ECLGS, Shri Chandra stated that the Bank's eligible amount stands at ₹40,000 crore, against which applications worth ₹20,000 crore have been received. Of this, ₹15,856 crore has been sanctioned and ₹12,335 crore already disbursed. The scheme, along with related DICGC fee benefits, has helped the Bank save ₹200 crore.