



**“Healthy Growth, Record Profits, and Continued Improvement in Asset Quality”**

### Ajcon Global’s observations & views:

1. Record quarterly profit and healthy nine-month earnings were driven by strong operating performance, controlled costs, and stable margins, despite a challenging interest rate environment.
2. Upgrade in international credit rating, MPS compliance post-OFS, and approval of an interim dividend reflect improving financial strength and confidence in earnings sustainability.

### Q3FY26 Result Analysis

- 1) **Total Business** rose to Rs. 5,95,163 crores in Q3FY26 from Rs. 5,63,909 crores in Q2FY26, up 5.54% QoQ.
- 2) **Total Deposits** stood at Rs. 3,21,661 crores in Q3FY26, increasing 3.83% QoQ from Rs. 3,09,791 crores in Q2FY26 and up 15.29% YoY from Rs. 2,79,007 crores in Q3FY25.
- 3) **Gross Advances** increased at Rs. 2,73,502 crores in Q3FY26 up by 7.63% QoQ against Rs. 2,54,118 crores in Q2FY26 and also up by 19.62% YoY against Rs. 2,28,642 crores in Q3FY25.
- 4) **Net Interest Income (NII)** slightly increased 5.36% QoQ to Rs. 3,422 crores in Q3FY26 from Rs. 3,248 crores in Q2FY26 but rose 16.28% YoY from Rs. 2,943 crores in Q3FY25.
- 5) **Operating Profit** increased 6.29% sequentially to Rs. 2,736 crores in Q3FY26 from Rs. 2,574 crores in Q2FY26, marking a 18.80% YoY growth from Rs. 2,303 crores in Q3FY25.
- 6) **Net Profit** rose 8.94% QoQ to Rs. 1,779 crores in Q3FY26 from Rs. 1,633 crores in Q2FY26 and increased 26.53% YoY from Rs. 1,406 crores in Q3FY25.
- 7) **Net Interest Margin (NIM)** stood at 3.86% in Q3FY26.
- 8) **Cost of Deposits** slightly decreased to 4.47% in Q3FY26 from 4.67% in Q2FY26 (4.75% in Q3FY25).
- 9) **Cost of Funds** decreased to 4.10% in Q3FY26 from 4.32% in Q2FY26 (4.27% in Q3FY25).
- 10) **Yield on Advances** decreased to 8.92% in Q3FY26 from 9.19% in Q2FY26 (9.27% in Q3FY25).
- 11) **Total Non-Interest Income** increased to Rs. 933 crores in Q3FY26 from Rs. 845 crores in Q2FY26, 10.41% QoQ but up 18.40% YoY.
- 12) **Fee-Based Income** increased 20.82% QoQ to Rs. 528 crores in Q3FY26 (Rs. 437 crores in Q2FY26) also up 26.62% YoY from Rs. 417 crores in Q3FY25.
- 13) **Treasury Income** decreased -219.17% to Rs. -143 crores in Q3FY26 from Rs. 120 crores in Q2FY26 also down -386.00% YoY from Rs. 50 crores in Q3FY25.
- 14) **Cost-to-Income Ratio** improved to 37.19% in Q3FY26 from 37.10% in Q2FY26 (38.27% in Q3FY25).

### KEY FINANCIAL INDICATORS – Q3FY26

CMP (14.01.2026)	: Rs.65.90
Face Value	: Rs. 10
Book value per share	: Rs. 38.90
Market Capitalization (Croress)	: Rs. 50,564.28
Capital Adequacy Ratio	: 17.06%
C/D Ratio	: 85.03%
CASA Ratio	: 49.54%
Net Interest Margin (NIM)	: 3.86%
Cost / Income Ratio	: 37.19%
Gross NPA	: 1.60%
NNPA	: 0.15%
PCR	: 98.41%
Slippage Ratio	: 1.20%
Credit Cost	: 0.97%
Return on Assets	: 1.86%
Return on Equity	: 23.79%



## Result Update

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- 15) **CASA Ratio** decreased to 49.54% in Q3FY26 from 50.35% in Q2FY26.
- 16) **Credit-to-Deposit (C/D) Ratio** rose to 85.03% in Q3FY26 from 82.03% in Q2FY26 and 81.95% in Q3FY25.
- 17) **Return on Assets (ROA)** improved to 1.86%.
- 18) **Fresh Slippages** increased to Rs. 749 crores in Q3FY26 from Rs. 710 crores in Q2FY26, while Recovery and Upgradation down to Rs. 287 crores in Q3FY26 from Rs. 427 crores in Q2FY26.
- 19) **Gross NPA Ratio** declined to 1.60% in Q3FY26 from 1.72% in Q2FY26 and 1.80% in Q3FY25.
- 20) **Net NPA Ratio** declined to 0.15% in Q3FY26 from 0.18% in Q2FY26 and 0.20% in Q3FY25.
- 21) **Restructuring of Standard Advances** stood at Rs. 2,095 crores in Q3FY26 against Rs. 2,157 Crores in Q2FY26
- 22) **Credit Cost** increased to 0.97% in Q3FY26 from 0.92% in Q2FY26 and 1.04% in Q3FY25.
- 23) **Provision Coverage Ratio (PCR)** up slightly at 98.41% in Q3FY26, compared with 98.34% in Q2FY26 and 98.28% in Q3FY25.
- 24) **Capital Adequacy Ratio (CAR)** stood at 17.06% in Q3FY26, down from 18.13% in Q2FY26.

### Management Comments

- 25) In his opening remarks Mr. Nidhu Saxena, MD and CEO, stated that the Bank has consistently outperformed its guidance across key parameters through the first two quarters and into Q3, reflecting strong and sustained profitability. He highlighted that the Bank reported its highest-ever quarterly net profit of Rs. 1,779 crores, underscoring robust financial performance.
- 26) He further noted that during the year, following the Government's OFS, the Bank is now MPS-compliant, with Government of India holding at 73.6%. On the ratings front, the Bank received an additional international rating, with S&P Global assigning a BBB- (Stable) rating in September 2025, while its long-term domestic rating stands at AA (Stable) from ICRA and A1 short-term rating from CRISIL. Given the strong profitability and improved financial position, Mr. Saxena added that the Board has approved a 10% interim dividend.
- 27) In response to an analyst's question about treasury pressure, Mr. Saxena stated that the decline in treasury income was largely due to a one-time hit of around Rs. 290 crores from the amalgamation of Maharashtra Gramin Bank and Vidharbha Konkan Gramin Bank. Excluding this, the treasury would have posted a profit of about Rs. 112–115 crores, indicating stable underlying performance.
- 28) Responding to a query raised by an analyst on deposit growth and the elevated CD ratio, Mr. Saxena reaffirmed confidence in achieving the 14% deposit growth target for the year. He highlighted the Bank's strategy of improving deposit quality, with CASA outpacing overall deposit growth and a deliberate reduction in high-cost bulk deposits. He added that low-cost refinance avenues and seasonally strong Q4 inflows should support meeting the deposit target despite the higher CD ratio.
- 29) In response to an analyst's query on the impact of the new labour codes, Mr. Nidhu Saxena stated that the Bank has assessed the implications and expects a negligible financial impact of around Rs. 33 lakh, covering both regular and contractual employees. He added that the impact is insignificant and does not warrant concern at this stage, while the Bank will continue to monitor any further rules or interpretations under the new labour code.