# PUNJAB & SIND BANK (21-01-2026)

## Result Update – Q3FY26

AJCONGLOBAL
YOUR FRIENDLY FINANCIAL ADVISORS

**"Operating Profit Rises Sharply on Strong Business Momentum led by handsome credit growth"**

### Ajcon Global's observations & views

1. **Asset quality continued to improve**, with GNPA declining to **2.60%** and NNPA moderating to **0.74%**, reflecting sustained recoveries and controlled slippages.
2. The Bank remains on track to deliver **15–16% advances growth in FY26**, supported by a comfortable CD ratio, strong retail term deposit momentum with liquidity and margins closely monitored on a quarter-on-quarter basis.

### KEY FINANCIAL INDICATORS – Q3FY26

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|---|---|
| CMP (21.01.2026) | : Rs. 27.01 |
| Face Value | : Rs. 10 |
| Book value per share | : Rs. 16.44 |
| Market Capitalisation | : Rs. 19,214.84Cr. |
| Capital Adequacy Ratio | : 16.83% |
| C/D ratio | : 79.24% |
| CASA ratio | : 31.02% |
| Net Interest Margin (NIM) | : 2.60% |
| Cost / Income ratio | : 60.21% |
| Gross NPA | : 2.60% |
| Net NPA | : 0.74% |
| PCR | : 92.23% |
| Slippage ratio | : 0.16% |
| Credit cost | : 0.05% |
| Return on Assets (Annualised) | : 0.79% |
| Return on Equity (Annualised) | : 11.71% |

### Q3FY26 RESULT ANALYSIS

1) **Total Business** grew 3.41% QoQ and 11.75% YoY to Rs. 2,49,499 crore in Q3FY26 from Rs. 2,41,272 crore in Q2FY26 and Rs. 2,23,267 crore in Q3FY25.
2) **Total Deposits** increased 2.58% QoQ and 9.27% YoY to Rs. 1,39,202 crore compared with Rs. 1,35,706 crore in Q2FY26 and Rs. 1,27,397 crore in Q3FY25.
3) **Gross Advances** rose 4.48% QoQ and 15.05% YoY to Rs. 1,10,297 crore, up from Rs. 1,05,566 crore in Q2FY26 and Rs. 95,870 crore in Q3FY25.
4) **Net Interest Income (NII)** grew 3.79% QoQ and 5.01% YoY to Rs. 986 crore, compared with Rs. 950 crore in Q2FY26 and Rs. 939 crore in Q3FY25.
5) **Operating Profit** up 17.62% QoQ, also rose 22.73% YoY to Rs. 594 crore, versus Rs. 505 crore in Q2FY26 and Rs. 484 crore in Q3FY25.
6) **Net Profit** increased 13.90% QoQ and 19.15% YoY to Rs. 336 crore, compared with Rs. 295 crore in Q2FY26 and Rs. 282 crore in Q3FY25.
7) **Net Interest Margin (NIM)** slightly down to 2.59% from 2.60% in Q2FY26 also lower than 2.78% in Q3FY25.
8) **Cost of Deposits** declined to 5.47% from 5.62% in Q2FY26 and 5.84% in Q3FY25. **Cost of Funds** eased to 5.58% from 5.74% in Q2FY26 and 5.91% in Q3FY25. **Yield on Advances** down to 8.39% from 8.62% in Q2FY26 also remained below 9.14% in Q3FY25.
9) **Non-Interest Income** rose 35.36% QoQ and also up 50.00% YoY to Rs. 507 crore, compared with Rs. 374 crore in Q2FY26 and Rs. 338 crore in Q3FY25.
10) **Fee-based Income** was down 6.03% QoQ but up 28.97% YoY to Rs. 187 crore, compared with Rs. 199 crore in Q2FY26 and Rs. 145 crore in Q3FY25.
11) **Cost/Income ratio** decreased to 60.21% in Q3FY26 against 61.87% in Q2FY26 and also down from 62.10% in Q3FY25.
12) **Government-Guaranteed Advances** increased to Rs. 13,561 crore in Q3FY26 from Rs. 12,985 crore in Q2FY26.
13) **CASA ratio** inched up to 31.02%, up from 30.31% in Q2FY26, though it remains broadly stable compared to 31.16% in Q3FY25.
14) **Credit-to-Deposit (C/D) Ratio** improved to 79.24% from 77.79% in Q2FY26 and 75.25% in Q3FY25.
15) **Return on assets (ROA)** increased to 0.79% in Q3FY26 from 0.72% in Q2FY26.
16) **Fresh Slippages** increased slightly to Rs. 168 crore from Rs. 164 crore in Q2FY26 but down from Rs. 299 crore in Q3FY25, while Recovery and Upgradation improved to Rs. 484 crore from Rs. 374 crore in Q2FY26.
17) **Gross NPA** improved to 2.60% from 2.92% in Q2FY26 and 3.83% in Q3FY25. **Net NPA** also improved to 0.74% from 0.83% in Q2FY26 and 1.25% in Q3FY25.
18) **Credit Cost** turned slightly positive at 0.05% versus -0.03% in Q2FY26.
19) **Capital Adequacy Ratio (CAR)** eased sequentially to 16.83% from 17.19% in Q2FY26, but continued to remain comfortably higher than 15.95% in Q3FY25.
20) **Provision Coverage Ratio (PCR)** improved to 92.23% in Q3FY26 from 91.88% in Q2FY26 and 89.53% in Q3FY25.

**"Operating Profit Rises Sharply on Strong Business Momentum and Asset Quality Gains"**

## Management Comments:

**During the interaction with analysts, the management commented as under:**

21) In his opening remarks, Shri Swarup Kumar Saha, MD & CEO, stated that the Bank continues to focus on branch expansion and strengthening delivery channels through branches and ATMs. During the year, four new zones were opened, with another four planned in the next financial year.
22) He highlighted steady progress in digital initiatives, with digitally assisted loans gaining traction accounting for 40% of housing loan sanctions and 54% of vehicle loan sanctions during the December quarter. He added that new digital journeys across MSME, rooftop solar, commercial vehicle, personal, gold, education loans, and other products are at advanced stages and are expected to be implemented by March 2026.
23) Mr. Swarup Kumar Saha informed that the Bank is in the advanced stages of centralising its forex trade finance operations, with completion targeted by March, which is expected to support growth in forex business. He also added that the Bank has approached the RBI for GIFT City approvals, which, once received, could provide additional opportunities to expand forex operations from India.
24) On SMA-1 and SMA-2 accounts, Mr. Saha stated that the sequential increase was primarily due to two state government-guaranteed accounts. He added that these exposures are adequately provided for as standard assets in line with internal norms, are backed by state government guarantees, and do not pose any immediate delinquency risk.
25) In response to an analyst's question on the gap between deposit and credit growth, Mr. Swarup Kumar Saha stated that the Bank's CD ratio remains comfortable at around 79%, providing sufficient headroom to support the targeted 15–16% credit growth. He highlighted strong retail term deposit growth of over 18% and a calibrated funding strategy, supported by comfortable LCR levels and rationalization of deposit rates to protect margins. He added that management remains confident of achieving the guided credit growth, with close quarter-on-quarter monitoring.
26) Answering an analyst's question on declining NIM and funding alternatives, Mr. Saha said that NIMs have remained broadly stable despite repo rate cuts and are expected to bottom out by the end of the current or next quarter. He highlighted the Bank's focus on asset-side repricing through higher exposure to higher-yielding segments such as retail, agriculture, and MSME, while consciously reducing low-yielding corporate loans. He added that this calibrated portfolio shift should help protect margins while supporting credit growth.
27) Responding to a query of an analyst, Mr. Saha replied that in order to get better rates we have in some cases gone to AA accounts shifting from AAA accounts, without compromising on the security & an asset quality. Replying to another suggestion of increasing the Gold loan and Small NBFC portfolio for getting better yield, Mr. Saha confirmed that there is no Rating barrier and in selective cases the Bank is open to take BBB accounts also.
28) Responding to the analyst's query on the tax regime, Mr. Swarup Kumar stated that the Bank has not yet migrated to the new tax regime. However, with accumulated losses now fully absorbed, the Bank will evaluate a potential transition to the new tax regime going forward.