

## Q2 2024

### 1. Interest and foreign exchange rate impacts

- **Narrative:** The management discussed the potential impact of interest rate changes on the company's deposit costs and overall margins. They indicated that while there may be a short-term increase in deposit costs leading to some moderation in margins, they expect margins to stabilize and maintain a similar level to the previous fiscal year over the full year.

- **Management's Guidance:**

- Management expects an increase in the cost of deposits and a corresponding moderation in margins in the upcoming quarter. However, they anticipate that margins will stabilize in Q3 and reverse in Q4, ultimately remaining at levels similar to FY23 over the full year.

- **Actual Results:**

**['Q1', '2025']:**

- Data Not Available

**['Q2', '2024']:**

- The cost of deposits was 4.53% in this quarter compared to 4.31% in the previous quarter. The net interest margin was 4.53% in this quarter compared to 4.78% in the previous quarter and 4.31% in Q2 of last year.

**['Q3', '2024']:**

- The net interest margin was 4.43% in this quarter compared to 4.53% in the previous quarter and 4.65% in Q3 of last year. The domestic NIM was at 4.52% this quarter compared to 4.61% in the previous quarter and 4.79% in Q3 of last year. The cost of deposits was 4.72% in this quarter compared to 4.53% in the previous quarter.

**['Q4', '2024']:**

- The net interest margin was 4.40% in this quarter compared to 4.43% in the previous quarter and 4.90% in Q4 of last year. The domestic NIM was 4.49% this quarter compared to 4.52% in the previous quarter and 5.02% in Q4 of last year. The cost of deposits was 4.82% in this quarter compared to 4.72% in the previous quarter.

- **Evaluation:**

- **Expectations Not Met: The management expected margins to stabilize in Q3 and reverse in Q4, remaining at FY23 levels. However, the net interest margin decreased consistently throughout the year, ending Q4 lower than Q2, indicating that expectations were not met.**

### 2. Global economic impacts

- **Narrative:** The management highlighted the anticipated moderation in margins due to global economic impacts. This reflects their assessment of ongoing economic conditions and their influence on the company's financial performance.

- **Management's Guidance:**

- Management expects margins to moderate further from the Q2 level, with the extent of moderation potentially being somewhat lower, aiming to maintain a margin level similar to last year.

- **Actual Results:**

**['Q1', '2025']:**

- Data Not Available

**['Q2', '2024']:**

- Data Not Available

**['Q3', '2024']:**

- Anindya Banerjee: "Q3 was already much lower than Q2"

**['Q4', '2024']:**

- Data Not Available

- **Evaluation:**

- **Expectations Met:** Management anticipated a moderation in margins due to global economic impacts, and Q3 results indicated that margins were already much lower than Q2, aligning with management's expectation of further moderation.

### 3. Demand for banking products

- **Narrative:** Management emphasized strong growth across various banking product segments, including mortgages, auto loans, and commercial vehicles. There is a notable acceleration in the growth of the SME and business banking portfolios.

- **Management's Guidance:**

- Mortgages are expected to maintain a growth rate of 16%-17%, auto loans are anticipated to grow above 20%, and commercial vehicles are projected to show a year-on-year growth of around 14%. The SME and business banking portfolios are expected to continue growing at approximately 30%.

- **Actual Results:**

**['Q1', '2025']:**

- Anindya reported that the mortgage portfolio grew by 14.2% year-on-year, auto loans grew by 14.8% year-on-year, the commercial vehicles and equipment portfolio grew by 13.9% year-on-year, the business banking portfolio grew by 35.6% year-on-year, and the SME portfolio grew by 23.5% year-on-year in Q1-2025.

**['Q4', '2024']:**

- Data Not Available

**['Q2', '2024']:**

- Anindya Banerjee reported that mortgages are growing at 16%-17%, auto loans are growing above 20%, commercial vehicles growth is more like 14% this quarter, and SME and business banking portfolios are growing at the 30% kind of level.

**['Q3', '2024']:**

- Mortgage portfolio grew by 15.9% year-on-year and 3.7% sequentially. Auto loans grew by 22.5% year-on-year and 4.5% sequentially. The commercial vehicles and equipment portfolio grew by 14.8% year-on-year and 3.3% sequentially.

- **Evaluation:**

- **Expectations Not Met: The actual results show that mortgages grew by 14.2%, auto loans by 14.8%, and commercial vehicles by 13.9% in Q1-2025, all below management's expectations. However, business banking exceeded expectations with 35.6% growth, while the SME portfolio fell short at 23.5%.**