

Q3 2024

1. Interest and foreign exchange rate impacts

- **Narrative:** Management highlighted the anticipated impact of interest and foreign exchange rates on the company's financial risk management strategy. They expect a slight increase in the cost of deposits in the upcoming quarters, specifically in Q4 and possibly extending into Q1. However, the extent of this increase in cost and its impact on the Net Interest Margin (NIM) is projected to be smaller than what was observed in the previous quarter.

- **Management's Guidance:**

- Management has indicated that the cost of deposits is expected to rise in Q4 and potentially into Q1, though the increase and its effect on NIM are anticipated to be less significant than in the current quarter.

- **Actual Results:**

['Q2', '2025']:

- Data Not Available

['Q1', '2025']:

- Data Not Available

['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. The cost of deposits was 4.82% in this quarter compared to 4.72% in the previous quarter.

- **Evaluation:**

- **Expectations Met:** The management expected a rise in the cost of deposits in Q4 with a less significant impact on the NIM compared to the previous quarter, which aligned with the actual results showing a smaller decline in NIM and an increase in deposit costs.

2. Future business plans

- **Narrative:** Management outlined a comprehensive strategy focused on leveraging customer-centric initiatives and enhancing internal collaboration to drive risk-adjusted profitable growth. Emphasis was placed on utilizing digital tools and process improvements to deliver seamless customer solutions, thereby increasing market share in key segments. A continued commitment to investments in technology, human resources, distribution, and brand building was highlighted as essential to achieving these objectives.

- **Management's Guidance:**

- Management anticipates growth in market share by deploying a holistic approach to customer engagement and leveraging digital offerings. They are committed to maintaining a strong balance sheet through prudent provisioning and ensuring consistent, predictable returns to shareholders, guided by key operational principles.

- **Actual Results:**

['Q1', '2025']:

- Data Not Available

['Q2', '2025']:

- Data Not Available

['Q4', '2024']:

- Data Not Available

['Q3', '2024']:

- Data Not Available

- **Evaluation:**

- Insufficient Info: Data not available.

3. Delivery capability enhancement

- **Narrative:** Management discussed expectations regarding operational efficiencies with a focus on maintaining stable margins. They highlighted the challenges faced in the previous quarters and shared a strategy aimed at managing margin compression effectively in the upcoming quarter.

- **Management's Guidance:**

- Management anticipates the full-year margin to remain at a similar level as the previous year, with a projection of reduced margin compression in Q4 compared to Q3.

- **Actual Results:**

['Q4', '2024']:

- Data Not Available

['Q2', '2025']:

- Data Not Available

['Q1', '2025']:

- Data Not Available

['Q3', '2024']:

- Data Not Available

- **Evaluation:**

- Insufficient Info: Data not available.

4. Technology investment

- **Narrative:** The management emphasized their commitment to enhancing operational efficiency and customer experience by investing in technology. These investments are directed towards bolstering digital capabilities, expanding distribution channels, and strengthening the brand presence in the market. The strategic focus on technology investments is aimed at sustaining competitive advantage and fostering long-term growth.

- **Management's Guidance:**

- Management indicated a continued effort to invest in technology, which includes allocations towards technology infrastructure, talent development, and brand building. These investments are expected to improve the overall market position and drive future growth.

- Actual Results:

['Q4', '2024']:

- The technology expenses were about 9.4% of our operating expenses in the year ended March 31, 2024.

['Q2', '2025']:

- The technology expenses were about 10% of our operating expenses in H1 of current year.

['Q1', '2025']:

- The technology expenses were about 9.3% of our operating expenses in this quarter.

['Q3', '2024']:

- The technology expenses were about 9% of our operating expenses in the nine months ended December 31, 2023.

- Evaluation:

- Expectations Met: The management's focus on technology investments to enhance operational efficiency and market position was evident through consistent allocation towards technology expenses, which aligned with their guidance of continued investment in technology infrastructure and talent development.