

# KakaoBank

## 1Q 2025 Earnings Release

May 2025

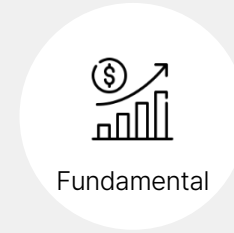
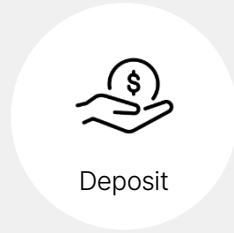
- I. 1Q25 Highlights
- II. Customer Base
- III. Operating Revenue
- IV. Banking Biz
- V. Fee & Platform Biz
- VI. SG&A and CIR
- VII. Operating Profit and ROE, ROA
- VIII. Asset Quality
- IX. Appendix

## Disclaimer

Financial information contained in this document is based on K-IFRS that have not been reviewed by an independent auditor. Therefore, the information and financial data of KakaoBank contained in this document are subject to change upon an independent auditor's review.

The Company hereby expressly disclaims any and all liability for any loss or damage resulting from the investors' reliance on the information contained herein.

Robust earnings growth through customer base expansion and differentiated deposit growth



Customer Base

Deposit Balance

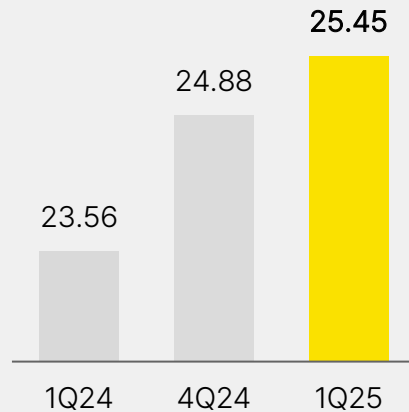
Operating Profit

**+0.57mn**  
(YTD)

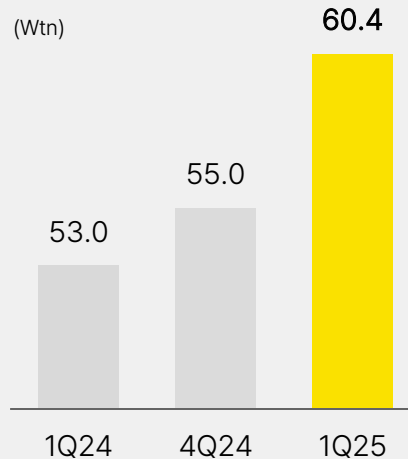
**+14%**  
(YoY)

**+23%**  
(YoY)

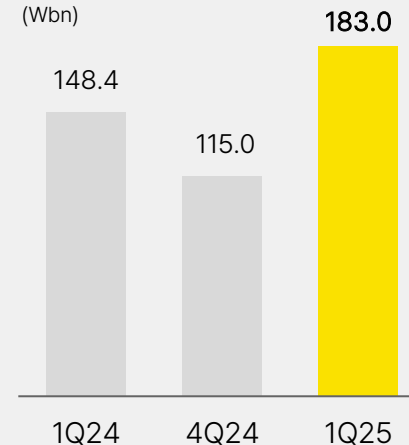
(mn users)



(Wtn)



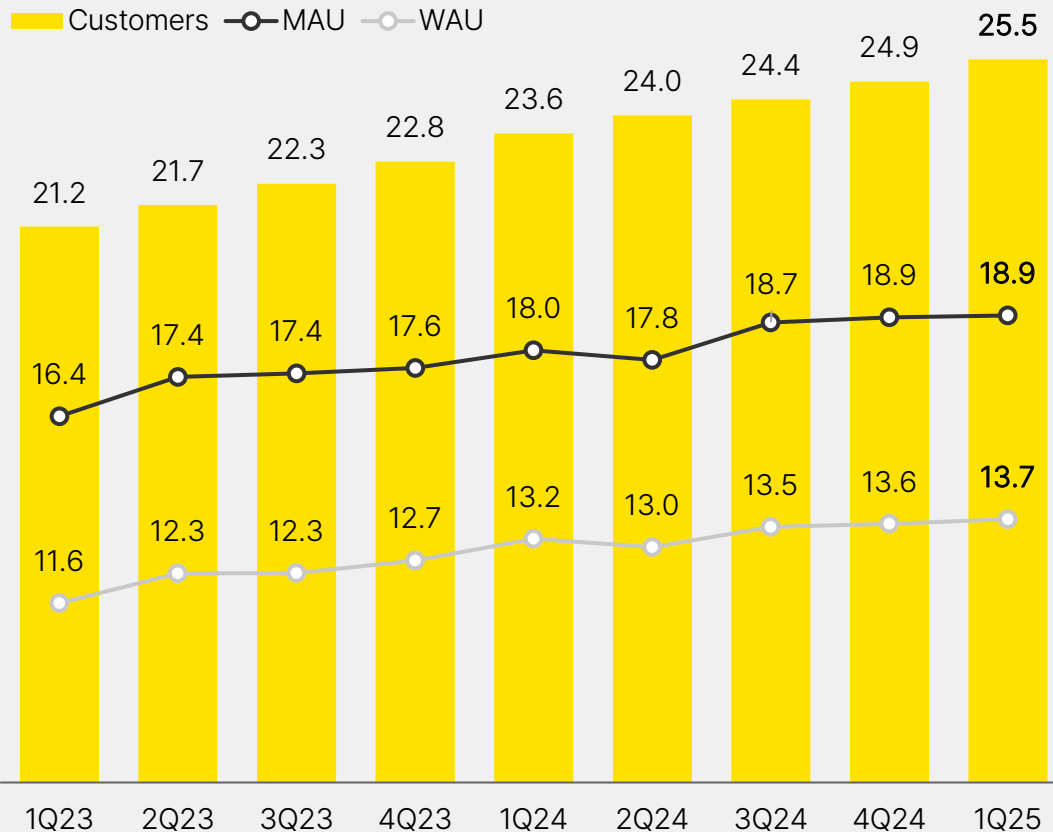
(Wbn)



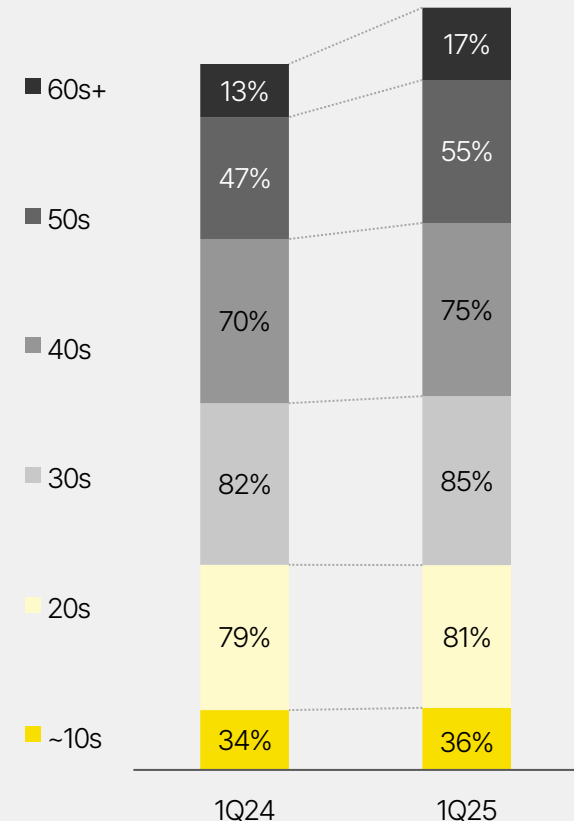
Customer base increased to 25.45mn(YTD +0.57mn), thanks to stronger user penetration across all age group

MAU, WAU<sup>(1)</sup> and Customer

(mn users)



Penetration by Age Group<sup>(2)</sup>



Source: Nielsen Media Korea Digital Data , Company data

Note: (1) Quarterly average MAU, Quarterly average WAU

(2) Ministry of the Interior and Safety population by age group, ~10s population is based on 7-19 year old

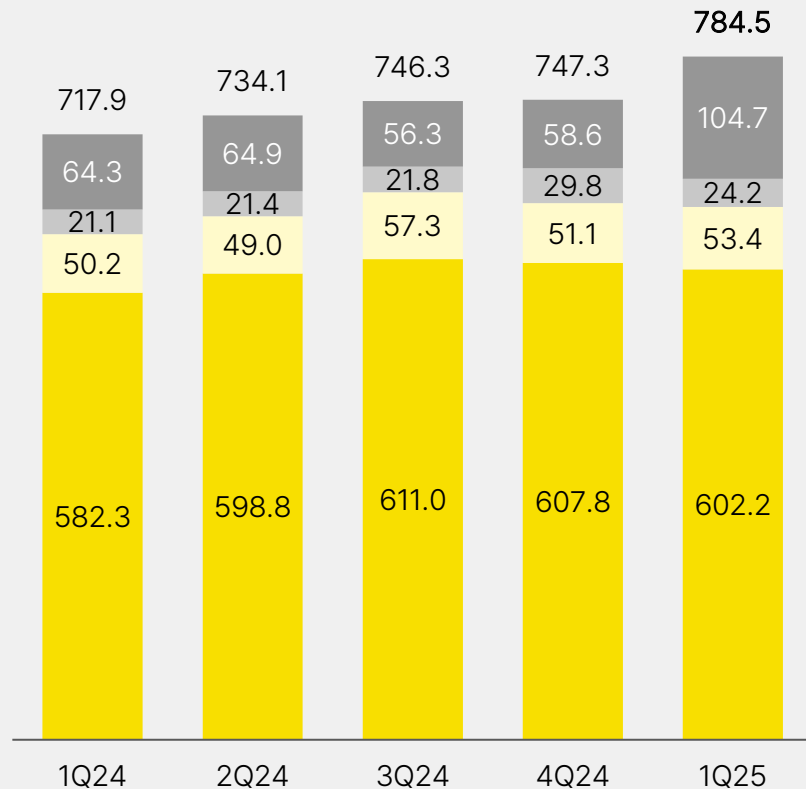
### III. Operating Revenue

Operating revenue grew YoY +9%, QoQ +5% thanks to Fee and Financial Investment revenue expansion

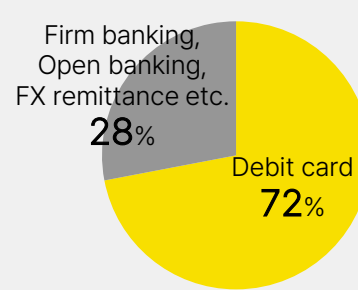
#### Operating Revenue

(Wbn)

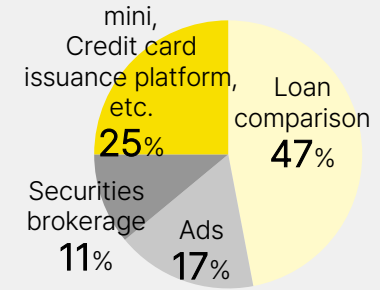
■ Interest revenue ■ Fee revenue ■ Platform revenue ■ Others



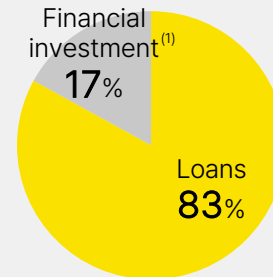
#### Key Components (1Q25)



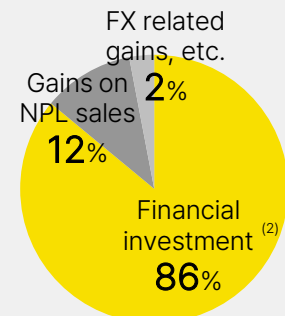
Fee revenue



Platform revenue



Interest revenue



Others

Note: (1) Bond: Bond interest and revenue from Call, RP, due from financial institutions, etc.  
 (2) Gains on bond sales and revenue from fund (including MMF)

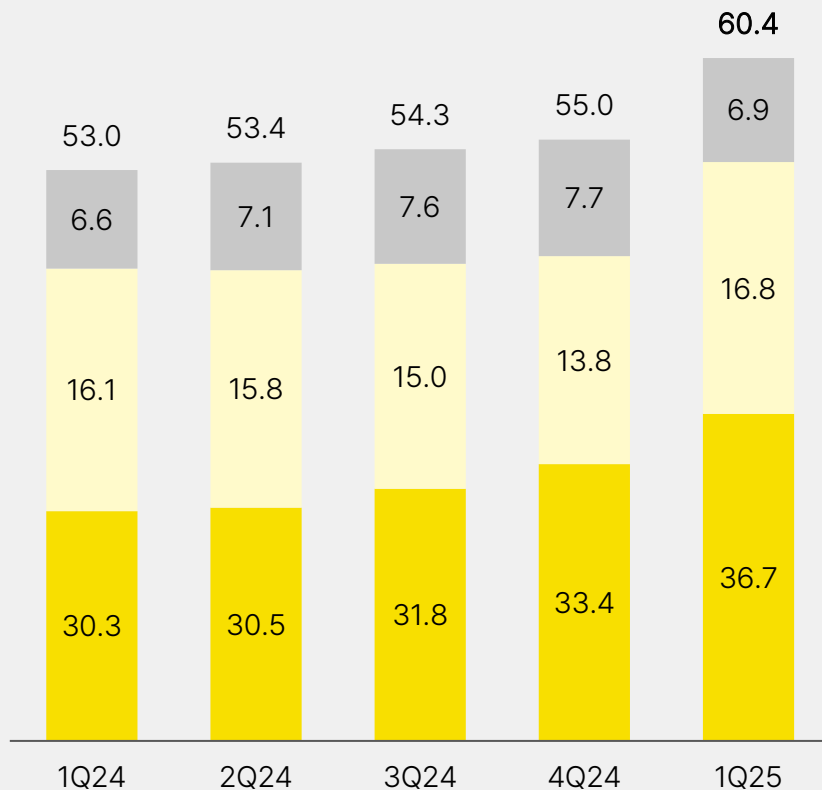
## IV. Banking Biz : Deposit (1/2)

Deposit balance grew YoY +14%, QoQ +10%; Maintained competitive low-cost deposit portion against peers

### Deposit Balance Trend & Breakdown

(Wtn)

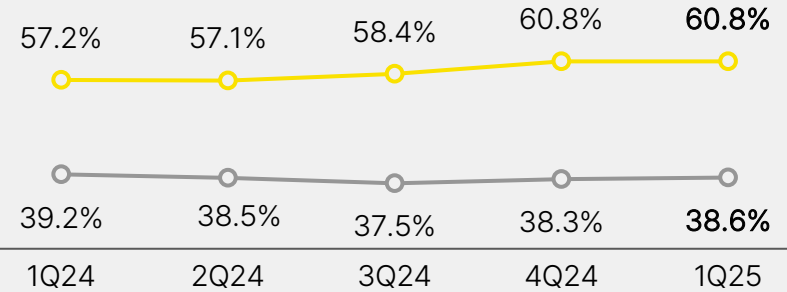
■ Current deposits ■ Time deposits ■ Installment deposits



### Low-Cost Deposit Portion<sup>(1)</sup>

○ KakaoBank

○ Bank Industry

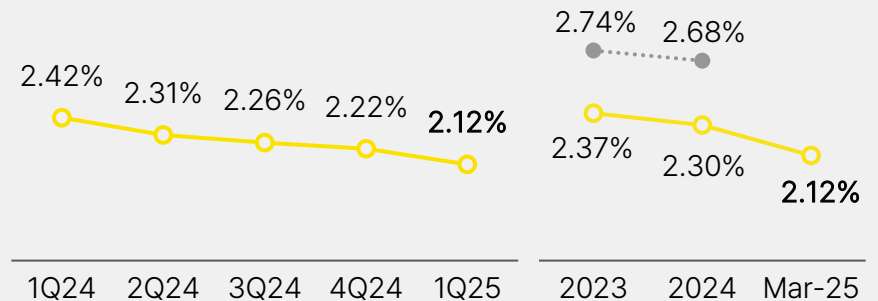


### Funding Cost<sup>(2)</sup>

○ KakaoBank Quarterly

○ KakaoBank

● 4 major banks<sup>(3)</sup>



Note: (1) Bank of Korea Financial Market Trend - Money Market Deposits portion from total bank deposits

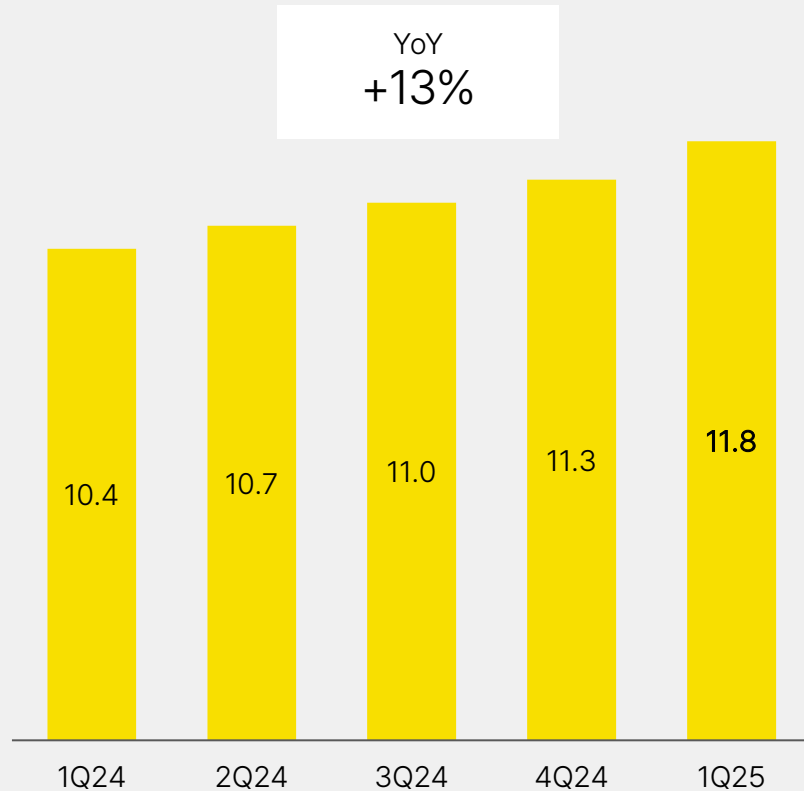
(2) Average interest rate on deposits in Won

(3) Financial Statistics Information System - Average of 4 Major banks(KB, Shinhan, Hana, Woori)

Continuous growth of Group Account user base and deposit balance, contributing to low-cost deposits

Group Account Users

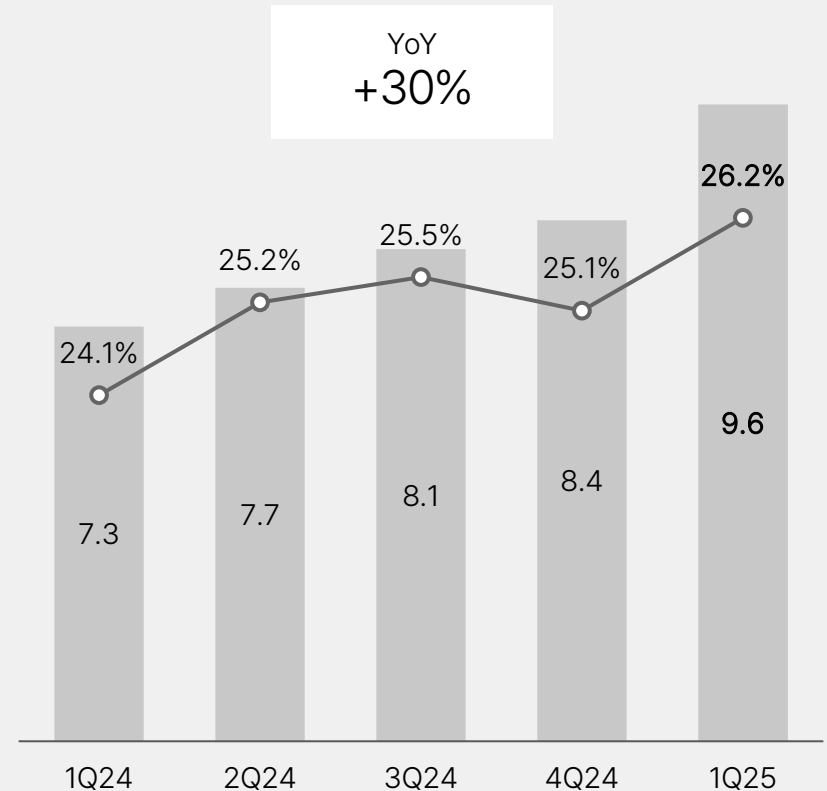
(mn users)



Group Account Balance

(Wtn)

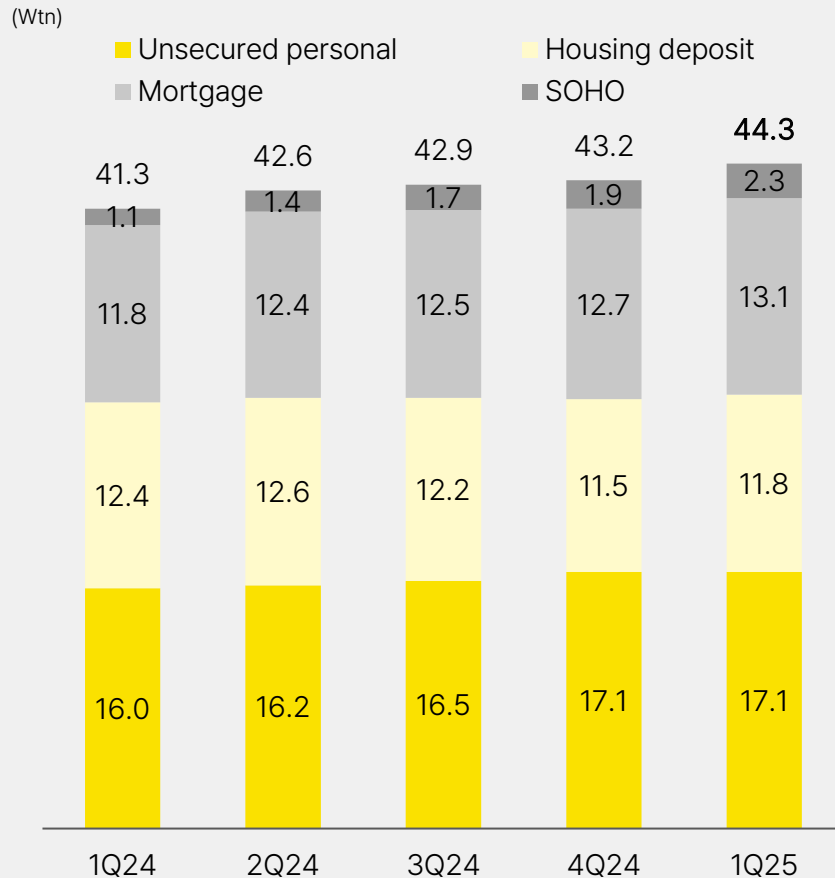
■ Group account balance ○ % out of current deposits



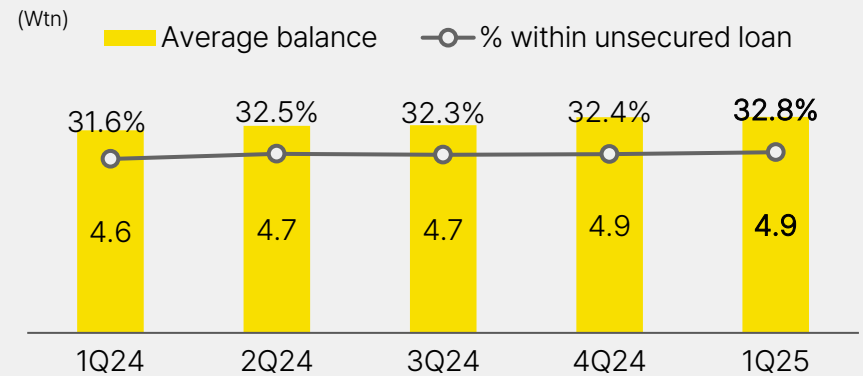
## IV. Banking Biz : Loan (1/2)

Loan balance increased YoY +7%, QoQ +3% led by growth from SOHO and mortgage loans; NIM fell QoQ due to changes in market rates and lower asset-to-liability ratio

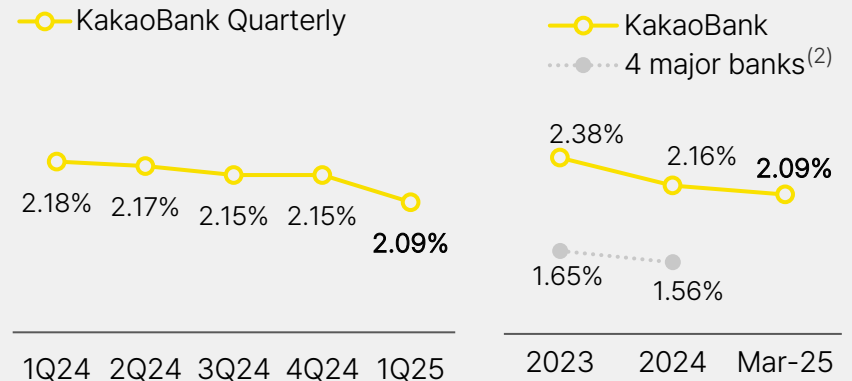
### Loan Balance Trend & Breakdown



### Mid-Credit Loan<sup>(1)</sup>



### Net Interest Margin (NIM)

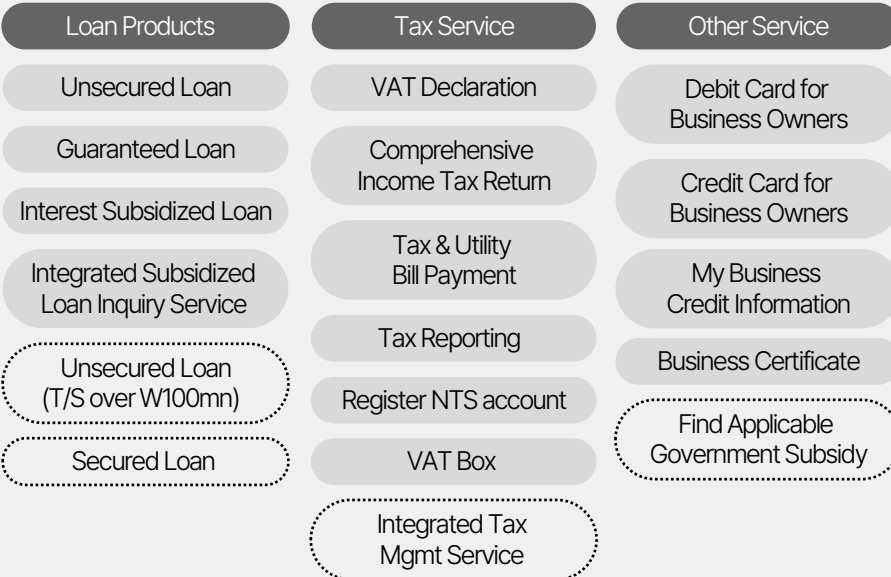
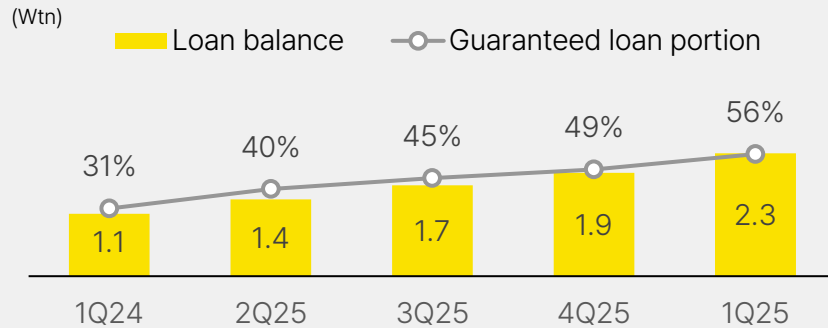


Note: (1) Based on retail + SOHO unsecured loan average-balance  
 (2) Financial Statistics Information System - Average of 4 Major banks (KB, Shinhan, Hana, Woori)

## IV. Banking Biz : Loan (2/2)

SOHO loans continue to grow with a stable portfolio, reaching loan balance of W2.3tn;  
 SOHO loans to expand coverage into unsecured loan (T/S exceeding W100mn) in 1H25 and secured loan in 2H25

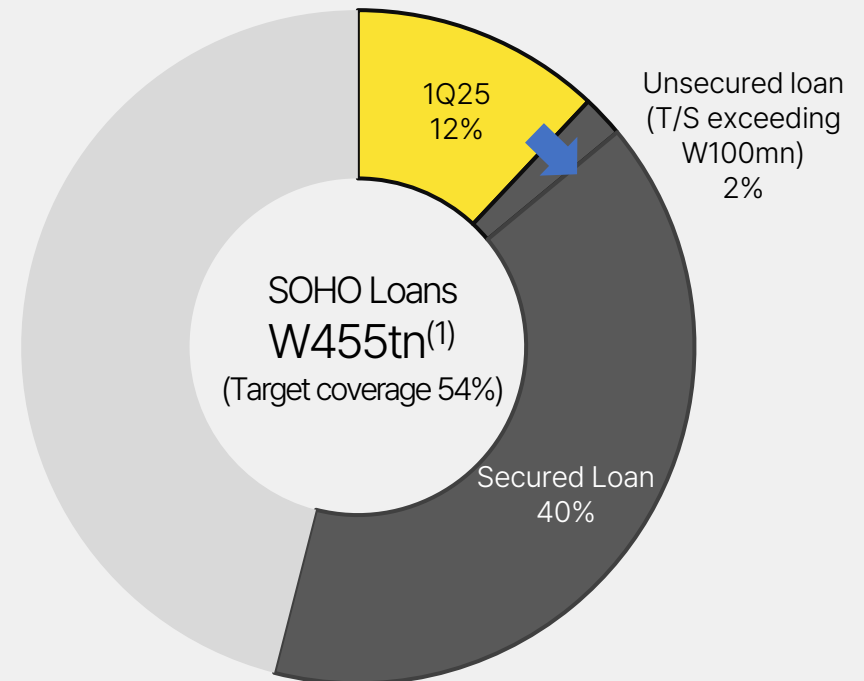
### SOHO Loans and Overall Ecosystem



### 2025 SOHO Loans Coverage Expansion Plan

Unsecured loan of T/S exceeding W100mn (1H25)

Secured loan (2H25)

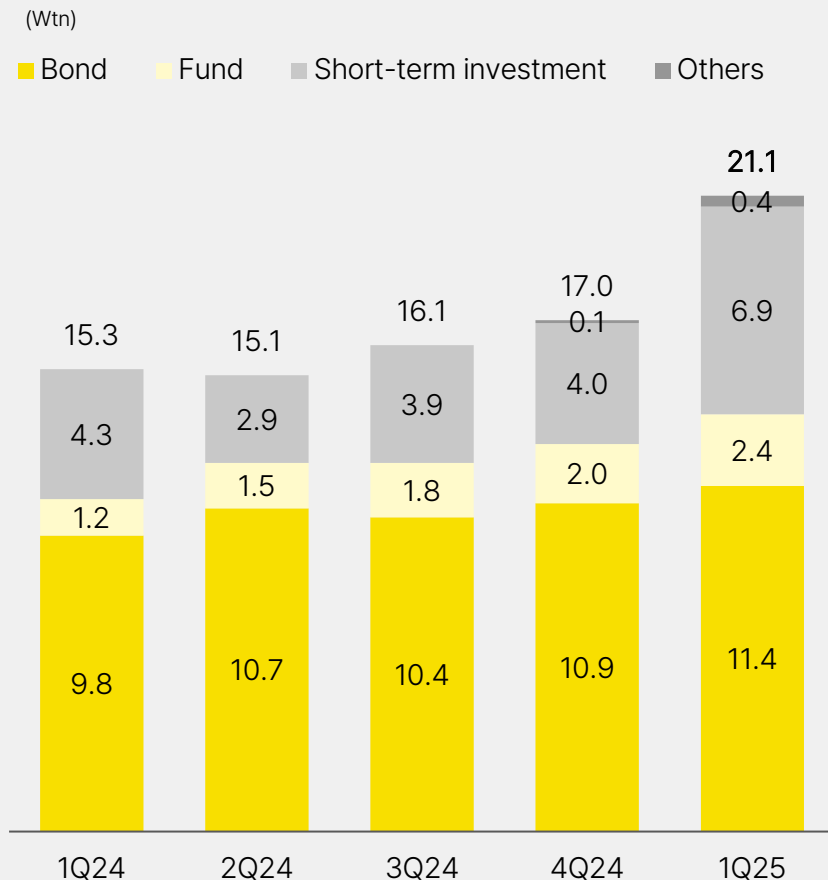


Note: (1) BOK Financial Market Trend SOHO loan market size as of Dec 2024

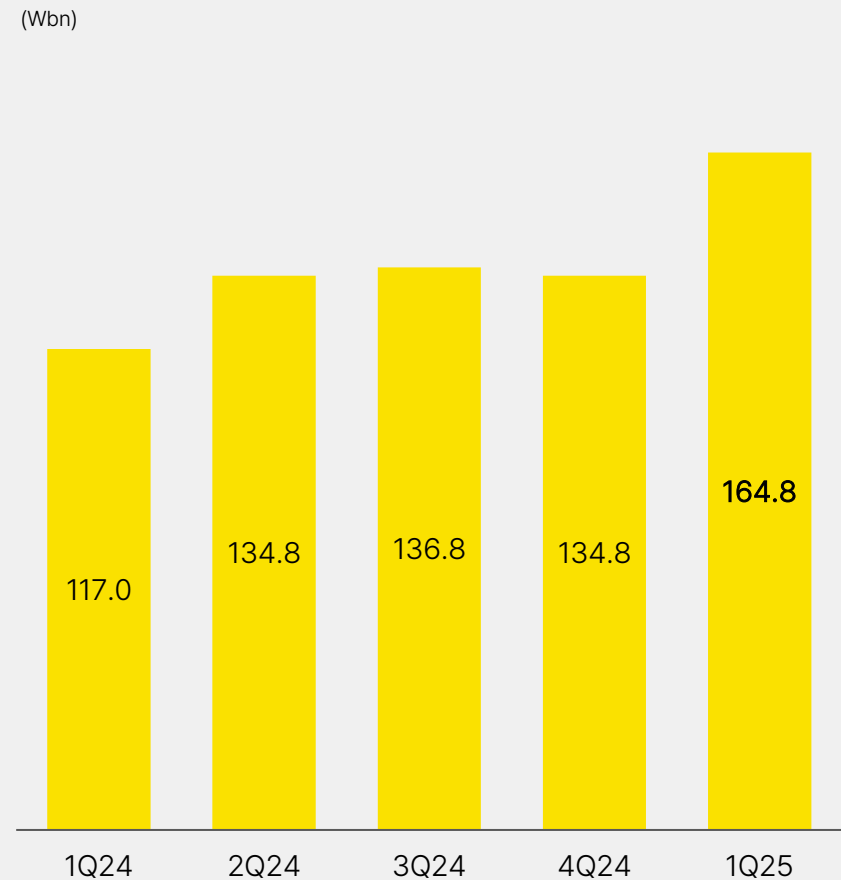
## IV. Banking Biz : Treasury Management

Financial investment AUM (asset under management) QoQ +W4.1tn to W21.1tn owing to robust deposit growth;  
 Profit from financial investment expanded QoQ from increase in AUM and valuation gain from funds

Financial Investment<sup>(1)</sup> AUM



Financial Investment Profit<sup>(2)</sup>

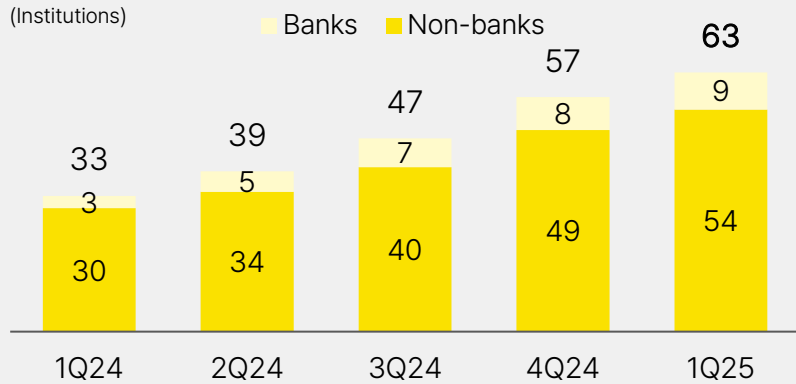


Note: (1) Short-term Investment: MMF, Call, RP, etc. ; Others: Trading asset, etc.

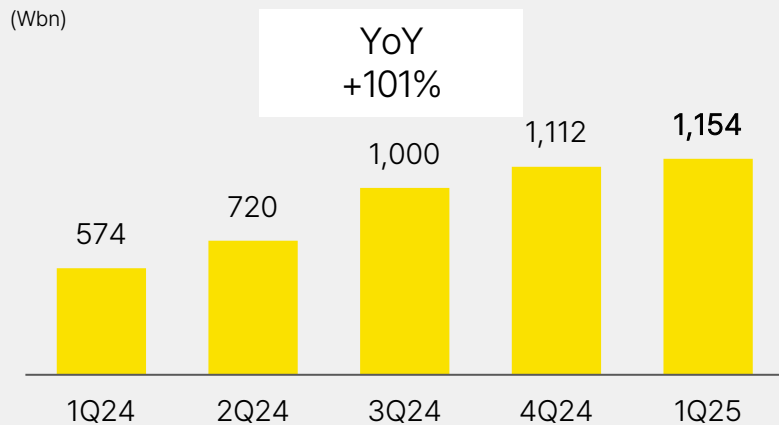
(2) Interest revenue & valuation gain from financial investment and gain on bond sales; Funding cost from deposit not considered

Loan comparison execution value YoY +101%, QoQ +4% thanks to continuous expansion of loan partners;  
 Strengthen loan comparison platform by expanding product line-up, with mortgage loan comparison launched in April

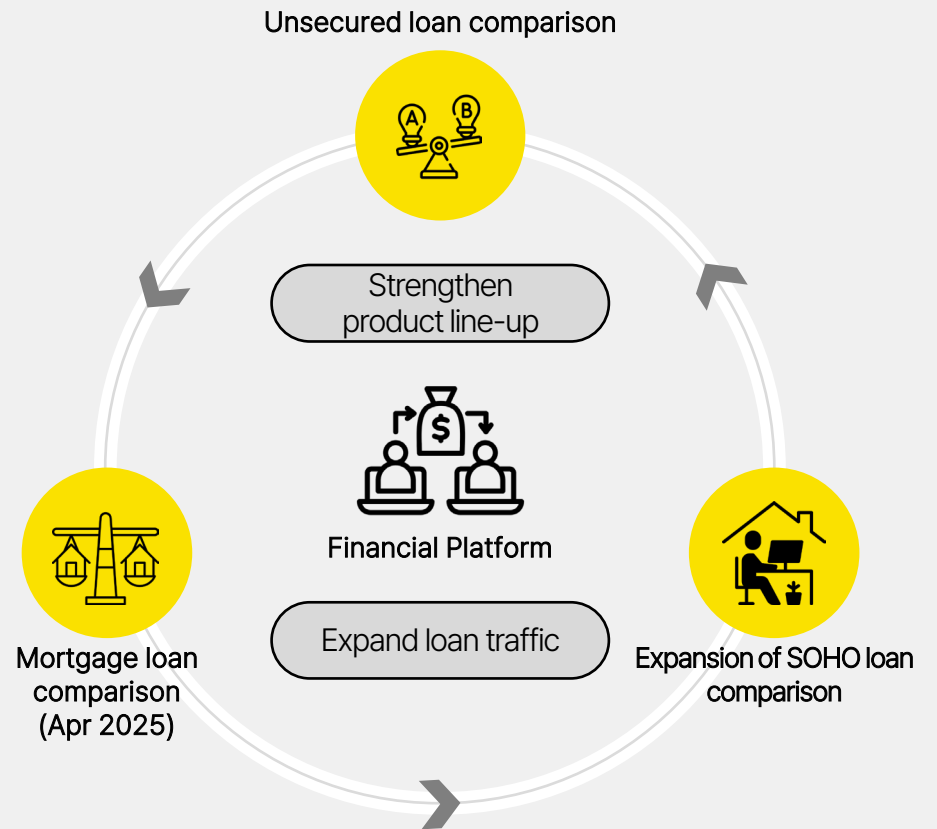
Loan Comparison Partners



Loan Comparison Execution Amount



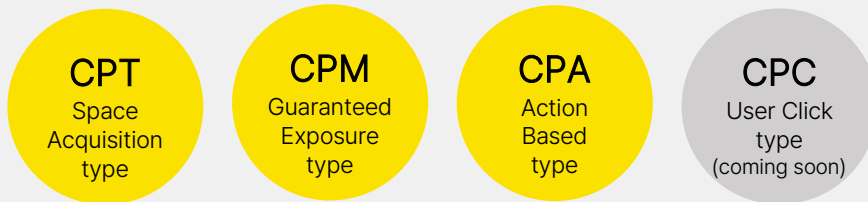
Loan Comparison Service Expansion Plan



Successful establishment of advertising platform thanks to expansion in ad space and pricing model

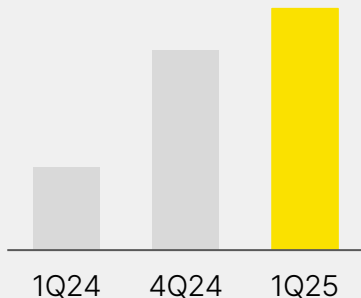
Expansion in Ad Space and Pricing Model

Diversification of pricing structure<sup>(1)</sup>



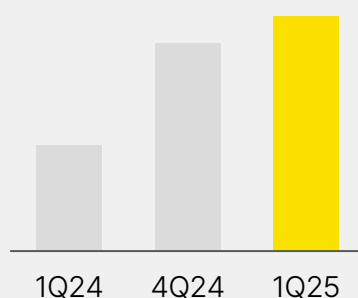
Number of ad inventory

QoQ  
+11%



Ad revenue

QoQ  
+6%



Advertisers from Various Sectors

Telecommunication/Manufacture



Public Sector



Finance



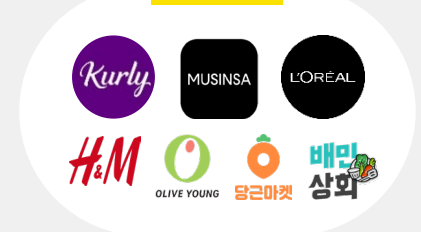
Entertainment



Insurance



Commerce

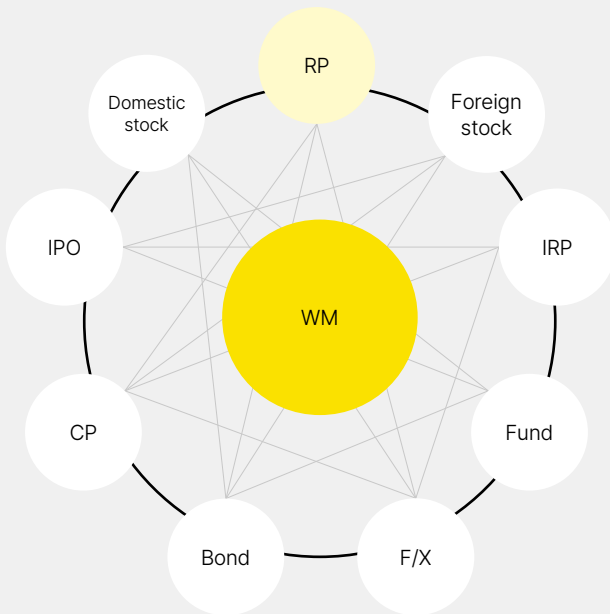


Note: (1) Pricing structure: CPM (Cost Per Mille), CPT (Cost Per Time), CPA(Cost Per Action), CPC (Cost Per Click)

Evolve into investment platform with lower entry barriers allowing anyone to experience investment easily;  
Integrate KakaoBank’s customer traffic with various investment services

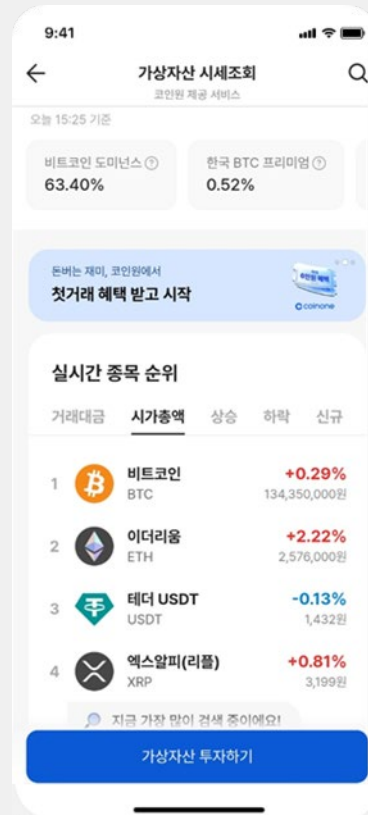
Enhanced Product Portfolio

Mar 2025  
RP(Repurchase Agreement) launch



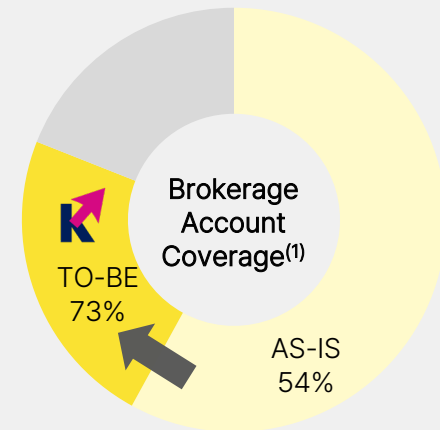
Check Your Cryptocurrency Balance

2Q25  
Check cryptocurrency price and balance  
on KakaoBank App



Brokerage Account Opening Expansion

3Q25  
Add Kiwoom Securities as a new partner



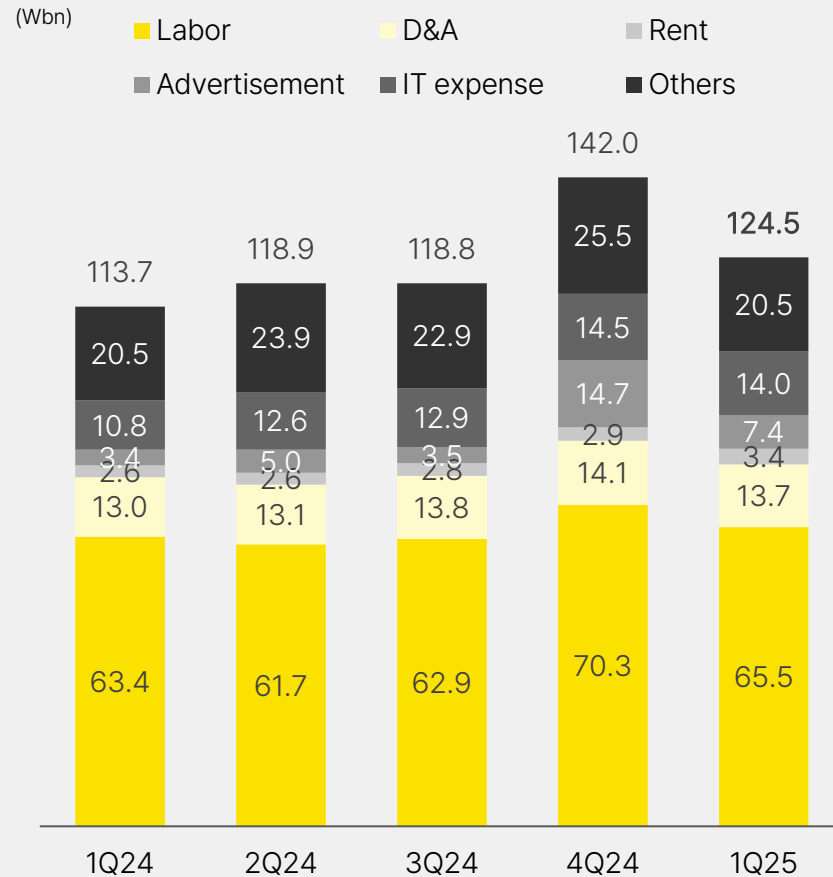
- » Expand Coverage by adding Kiwoom Securities as a partner
- » Link financial products/services based on account opening

Note: (1) Financial Statistics Information System equity trading volume in 2024

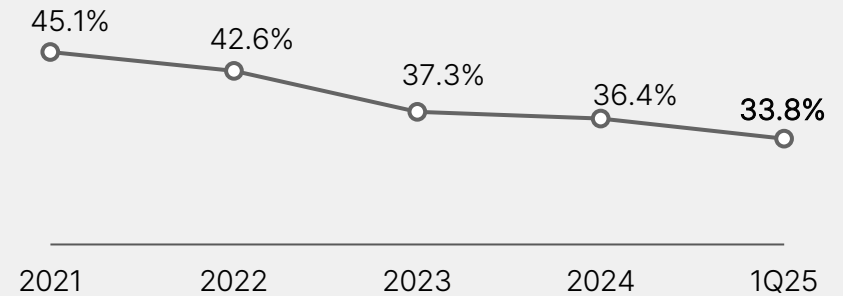
## VI. SG&A & CIR

Stable SG&A with normalized costs; CIR improved significantly due to cost stabilization

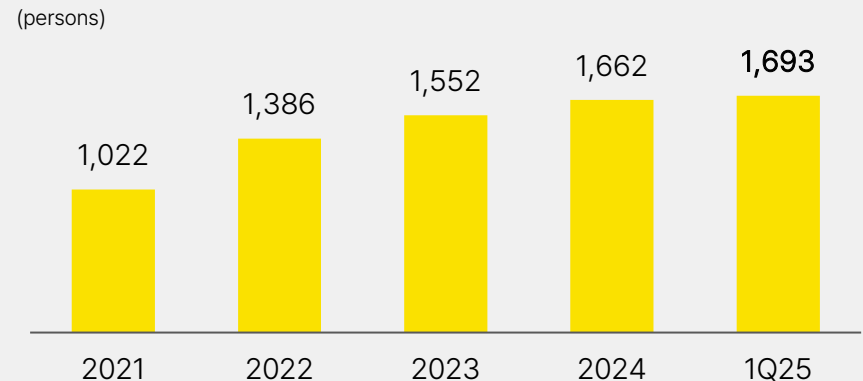
### SG&A



### CIR (Cost to Income Ratio)



### Number of Employees

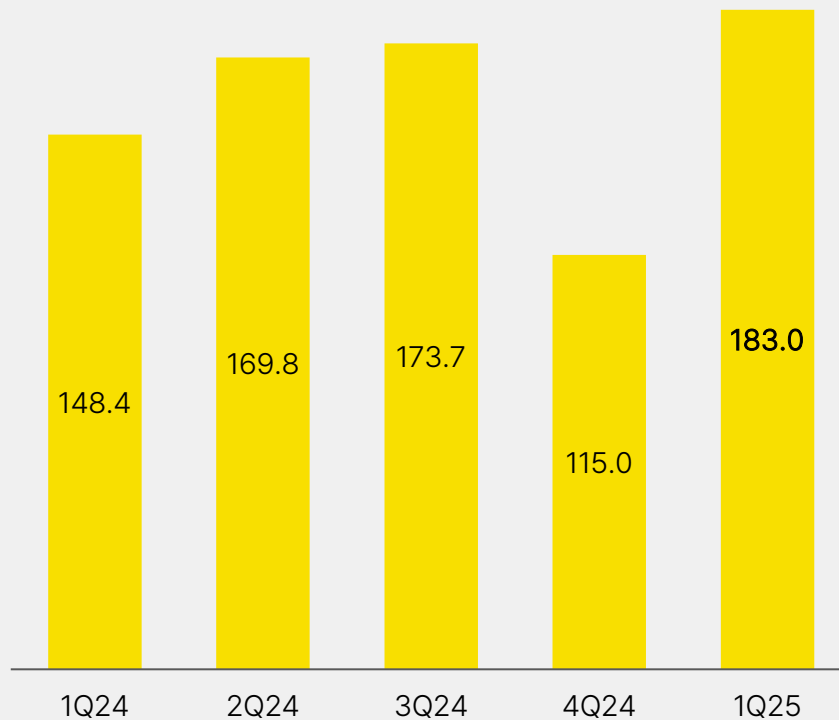


## VII. Operating profit and ROE, ROA

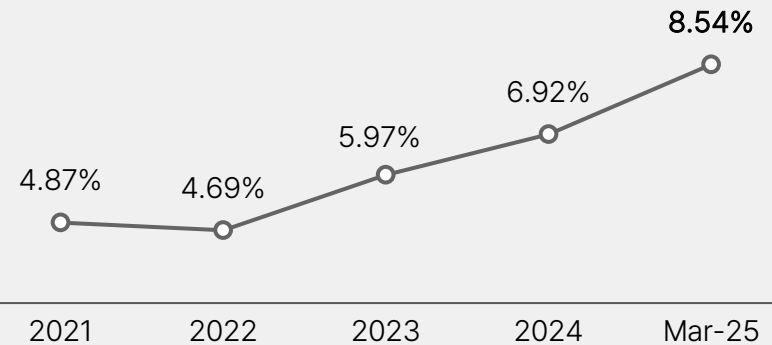
Operating profit YoY +23%, QoQ +59% backed by loan growth and profitable treasury management;  
ROE and ROA improved meaningfully along with profit expansion

### Operating Profit

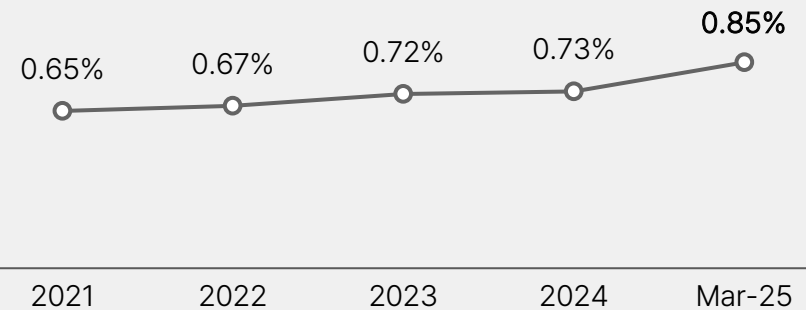
(Wbn)



### ROE



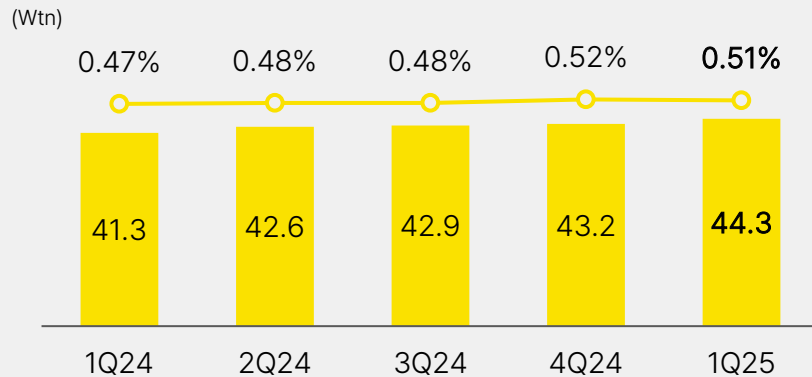
### ROA



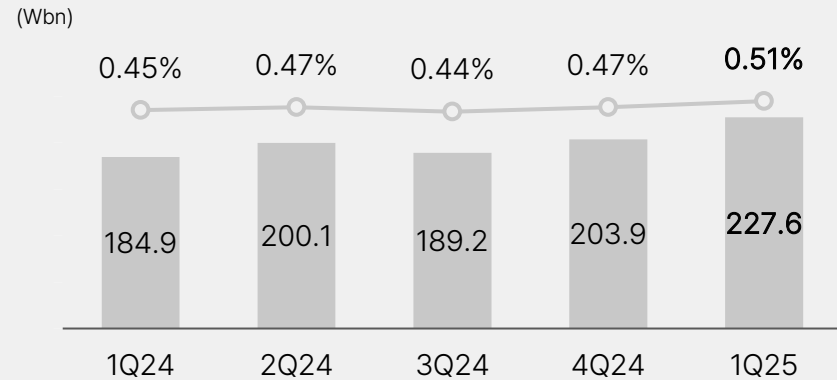
## VIII. Asset Quality

Delinquency rate improved by 1bp QoQ to 0.51%, driven by asset growth and lower delinquencies in guaranteed loans;  
Credit cost ratio fell QoQ owing to high base effect in 4Q from pre-emptive provisioning

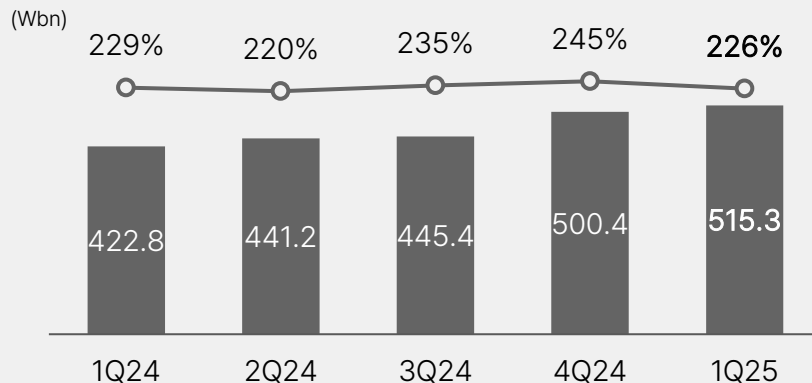
### Total Loans & Delinquency Rate



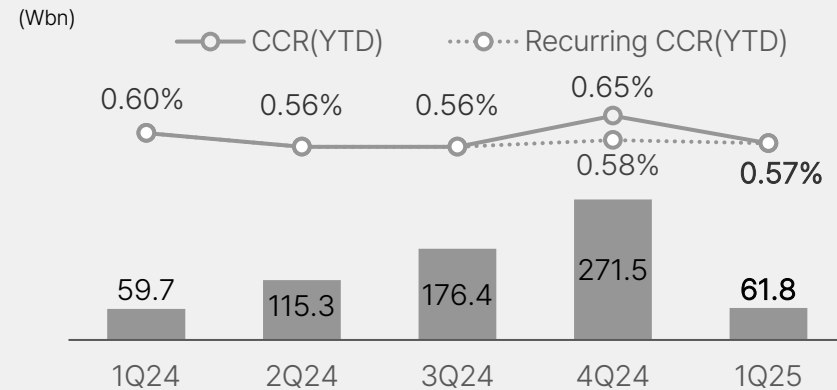
### SBL & NPL Ratio



### Loan Loss Allowance & Coverage Ratio<sup>(1)</sup>



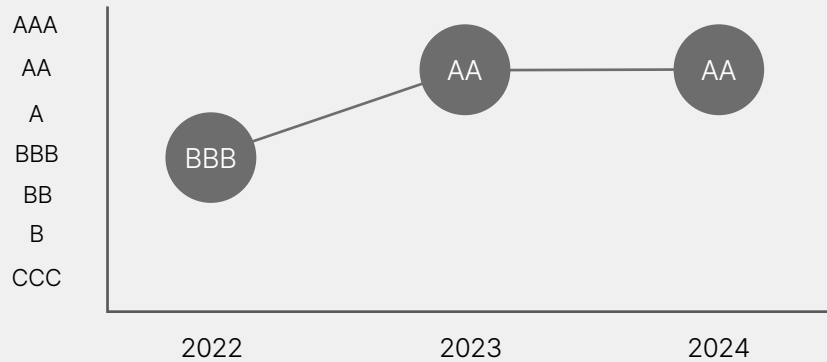
### Cumulative Provisioning & Credit Cost Ratio<sup>(2)</sup>



Note: (1) NPL coverage ratio = Loan loss allowance / Substandard or below loans  
(2) Credit Cost Ratio = Provision for credit losses / Average balance of total outstanding credits

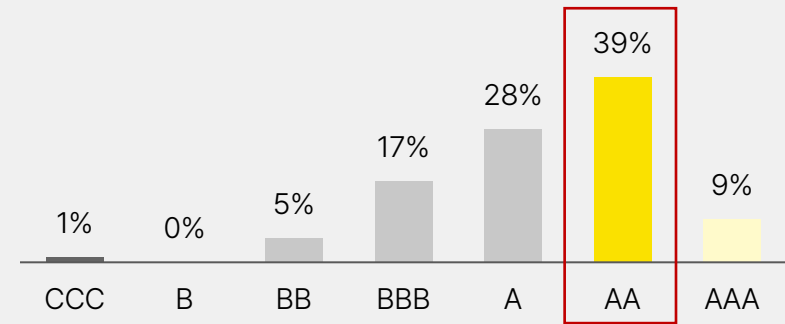
2024 MSCI<sup>(1)</sup> ESG Rating recorded AA rating for two consecutive years;  
 Above industry average scores across all components, particularly in consumer protection and data security

MSCI ESG Ratings Status



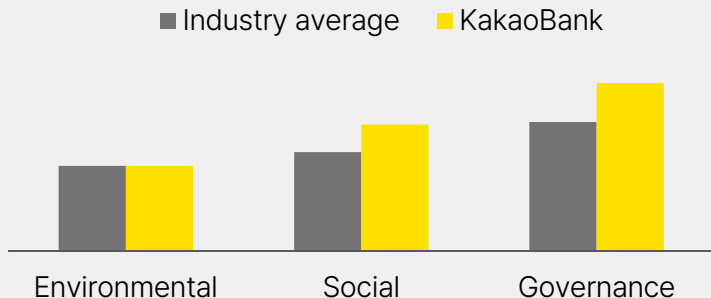
2024 MSCI Ratings Distribution

203 companies included in MSCI ACWI(All Country World Equity Index)



ESG Rating Components

Above industry average scores across all components



Key Evaluation Details



Excellent consumer protection system through identifying potential elements infringing customer rights and close monitoring before & after product/service launch



Comprehensive personal information protection processes, including international standard certifications and various compliance programs

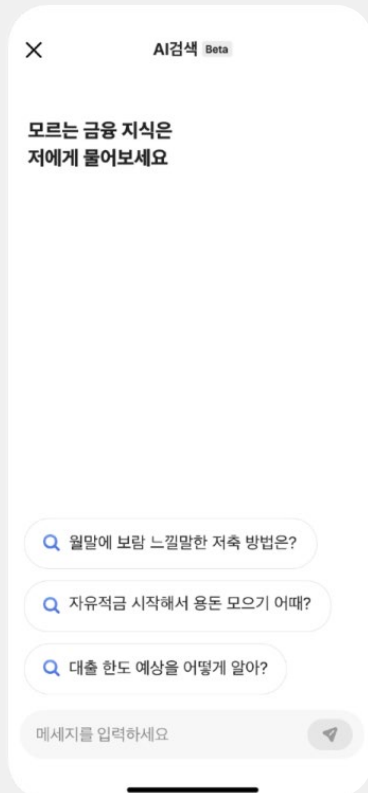
- ISO 27001(Information Security Management System)
- ISO 27701(Privacy Information Management System)
- ISMS-P(Personal Information & Information Security Management System)

Note: (1) Morgan Stanley Capital International ESG Rating: reputable evaluation assessing over 8,500 listed companies worldwide

Lead AI-driven services with chat-based interface and mobile ID utilizing authentication technology

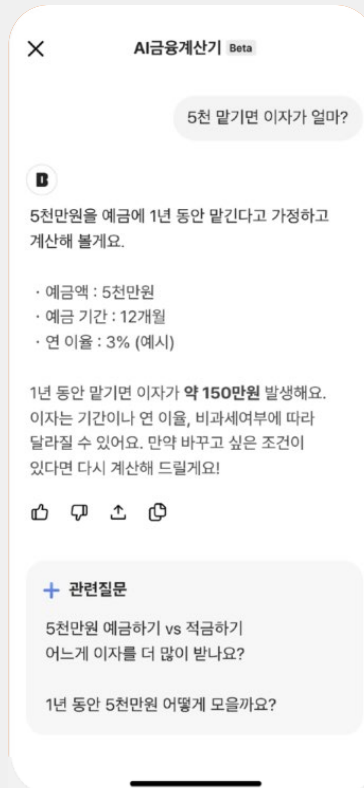
AI-Based Search

May 2025  
(Designated as "Innovative Financial service" by FSC)



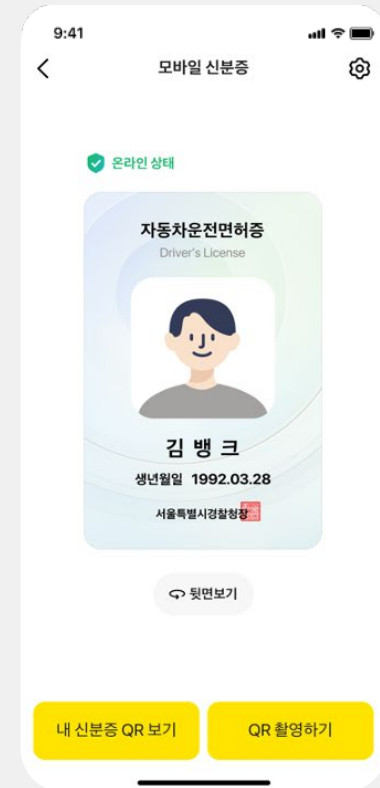
AI Financial Calculator

June 2025  
(Designated as "Innovative Financial Service" by FSC)



Mobile ID

July 2025  
(Selected as private-sector participant<sup>(1)</sup> by Ministry of the Interior and Safety)



Note: (1) KakaoBank in consortium with Kakao Corp

## IX. Appendix : Income Statement

(Wbn)	1Q25	1Q24		YoY	4Q24		QoQ
<b>Income Statement</b>							
<b>Operating Revenue</b>	<b>784.5</b>	<b>717.9</b>	<b>66.6</b>	<b>9.3%</b>	<b>747.3</b>	<b>37.2</b>	<b>5.0%</b>
Interest Revenue	602.2	582.3	19.9	3.4%	607.8	-5.6	-0.9%
Fee & Platform Revenue	77.6	71.3	6.3	8.8%	80.9	-3.3	-4.1%
Fee Revenue	53.4	50.2	3.2	6.4%	51.1	2.3	4.5%
Platform Revenue	24.2	21.1	3.1	14.7%	29.8	-5.6	-18.8%
Others	104.7	64.3	40.4	62.8%	58.6	46.1	78.7%
<b>Operating Expense</b>	<b>540.6</b>	<b>512.0</b>	<b>28.6</b>	<b>5.6%</b>	<b>535.7</b>	<b>4.9</b>	<b>0.9%</b>
Interest Expense	278.7	281.2	-2.5	-0.9%	281.2	-2.5	-0.9%
Fee & Platform Expense	70.9	69.0	1.9	2.8%	71.0	-0.1	-0.1%
Loan & Deposit related Expense <sup>(1)</sup>	6.5	6.5	0.0	0.0%	7.5	-1.0	-13.3%
Fee & Platform Expense	48.5	45.8	2.7	5.9%	47.7	0.8	1.7%
CD/ATM Expense	15.9	16.7	-0.8	-4.8%	15.8	0.1	0.6%
SG&A	124.5	113.7	10.8	9.5%	142.0	-17.5	-12.3%
Others	66.5	48.1	18.4	38.3%	41.5	25.0	60.2%
<b>Provision for Credit Losses on Financial Assets</b>	<b>60.9</b>	<b>57.4</b>	<b>3.5</b>	<b>6.1%</b>	<b>96.6</b>	<b>-35.7</b>	<b>-37.0%</b>
<b>Operating Profit</b>	<b>183.0</b>	<b>148.4</b>	<b>34.6</b>	<b>23.3%</b>	<b>115.0</b>	<b>68.0</b>	<b>59.1%</b>
Non-operating Income	1.4	1.5	-0.1	-6.7%	0.8	0.6	75.0%
Non-operating Expense	1.9	2.0	-0.1	-5.0%	3.8	-1.9	-50.0%
Pre-tax Profit	182.5	147.9	34.6	23.4%	112.0	70.5	62.9%
<b>Net Profit</b>	<b>137.4</b>	<b>111.2</b>	<b>26.2</b>	<b>23.6%</b>	<b>84.5</b>	<b>52.9</b>	<b>62.6%</b>
<i>% Operating Revenue</i>	<i>17.5%</i>	<i>15.5%</i>		<i>+2.0%p</i>	<i>11.3%</i>		<i>+6.2%p</i>

Note: (1) Mortgage loan related commissions, credit fund fee, commission related to debt recovery and delegation

## IX. Appendix : SG&A

(Wbn)	1Q25	1Q24	YoY		4Q24	QoQ	
<b>SG&amp;A</b>	<b>124.5</b>	<b>113.7</b>	<b>10.8</b>	<b>9.5%</b>	<b>142.0</b>	<b>-17.5</b>	<b>-12.3%</b>
Labor Cost	65.5	63.4	2.1	3.3%	70.3	-4.8	-6.8%
D&A	13.7	13.0	0.7	5.4%	14.1	-0.4	-2.8%
IT Expense	14.0	10.8	3.2	29.6%	14.5	-0.5	-3.4%
Rent	3.4	2.6	0.8	30.8%	2.9	0.5	17.2%
Advertisement	7.4	3.4	4.0	117.6%	14.7	-7.3	-49.7%
Others	20.5	20.5	0.0	0.0%	25.5	-5.0	-19.6%

## IX. Appendix : Balance Sheet

(Wbn)	2025.03	2024.12	YTD	2024.03	YoY
<b>Balance Sheet</b>					
<b>Total Asset</b>	<b>68,402.7</b>	<b>62,805.3</b>	<b>8.9%</b>	<b>60,397.4</b>	<b>13.3%</b>
Cash & Cash Equivalent	2,165.2	1,855.4	16.7%	2,682.6	-19.3%
Financial assets at FV through profit or loss	8,017.9	4,288.5	87.0%	4,348.3	84.4%
Financial assets at FV through OCI	7,092.1	6,787.0	4.5%	5,918.7	19.8%
Securities at amortized cost	4,342.4	4,084.6	6.3%	3,895.5	11.5%
Loan	45,410.3	44,503.8	2.0%	42,108.1	7.8%
Tangible Assets	174.7	176.8	-1.2%	178.4	-2.1%
Intangible Assets	42.3	43.3	-2.3%	33.4	26.6%
Other Assets	1,157.8	1,065.9	8.6%	1,232.5	-6.1%
<b>Total Liabilities</b>	<b>61,892.6</b>	<b>56,265.2</b>	<b>10.0%</b>	<b>54,245.9</b>	<b>14.1%</b>
Deposit	60,405.0	54,971.0	9.9%	52,954.1	14.1%
Provision Liability	61.1	58.0	5.3%	53.2	14.8%
Other Liabilities	1,426.5	1,236.2	15.4%	1,238.6	15.2%
<b>Total Equity</b>	<b>6,510.1</b>	<b>6,540.1</b>	<b>-0.5%</b>	<b>6,151.5</b>	<b>5.8%</b>
Share Capital	2,384.9	2,384.8	0.0%	2,384.6	0.0%
Capital Surplus	2,988.2	2,988.2	0.0%	2,987.6	0.0%
Capital Adjustments	0.3	0.2	50.0%	1.7	-82.4%
AOCI	47.6	43.7	8.9%	-16.7	-385.0%
Retained Earnings	1,089.1	1,123.2	-3.0%	794.3	37.1%