

# KakaoBank

## Investor Relations

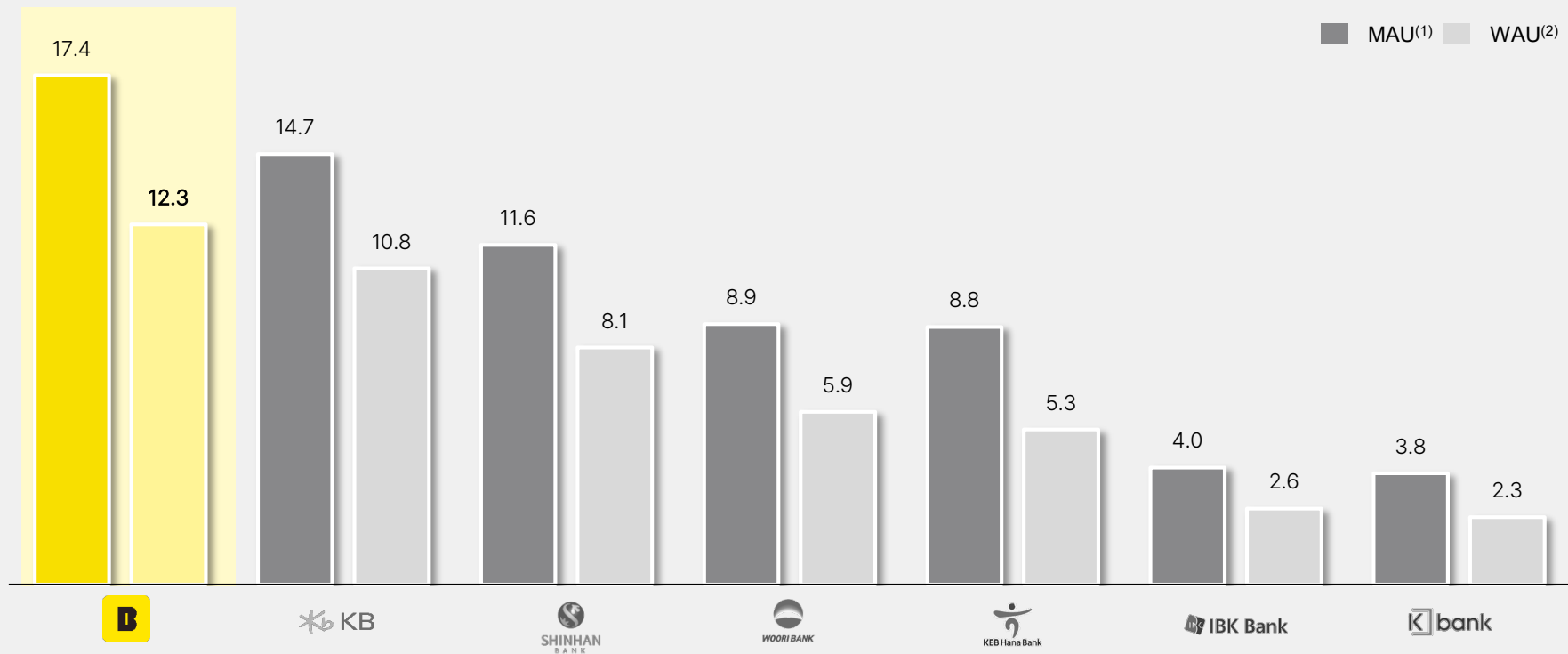
August 2023

## MAU & WAU ranks #1

kakaobank

KakaoBank ranks #1 out of all financial apps in Korea, with industry leading customer engagement

MAU and WAU of key financial apps in Korea (mn users)



Source: Company data, Nielsen Media Korea Digital Data

Note: (1) Quarterly average MAU of 2Q23

(2) Quarterly average WAU of 2Q23

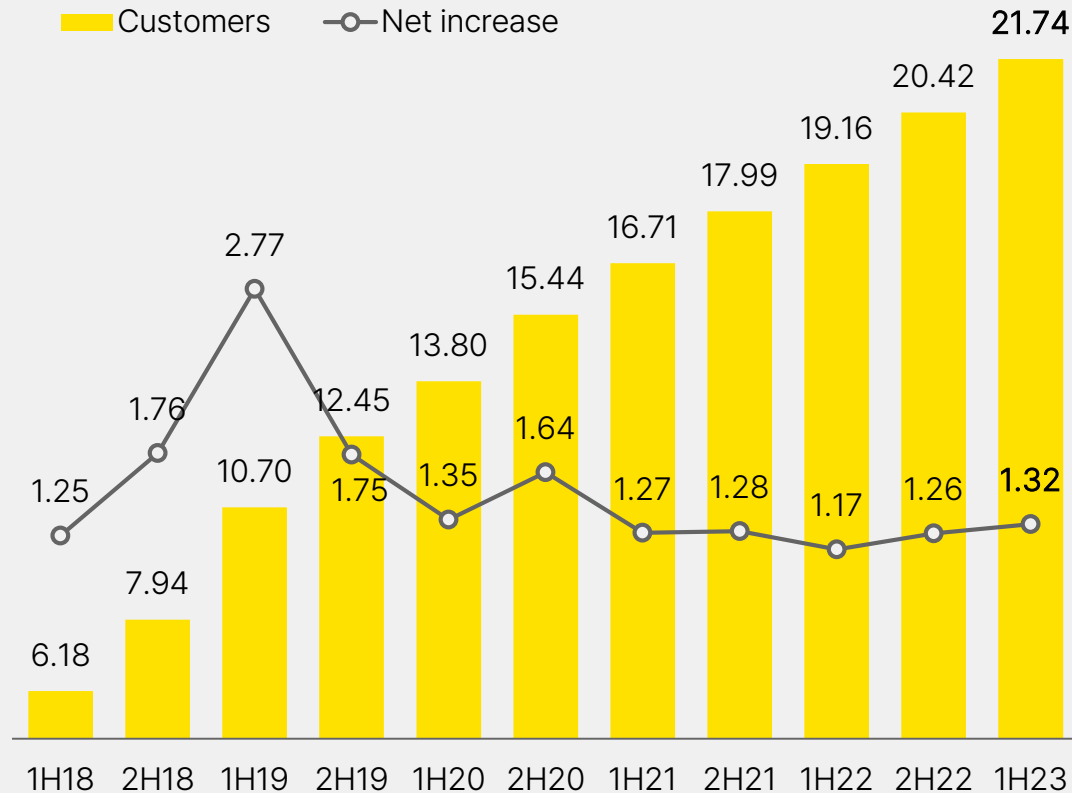
## Customer Base

kakaobank

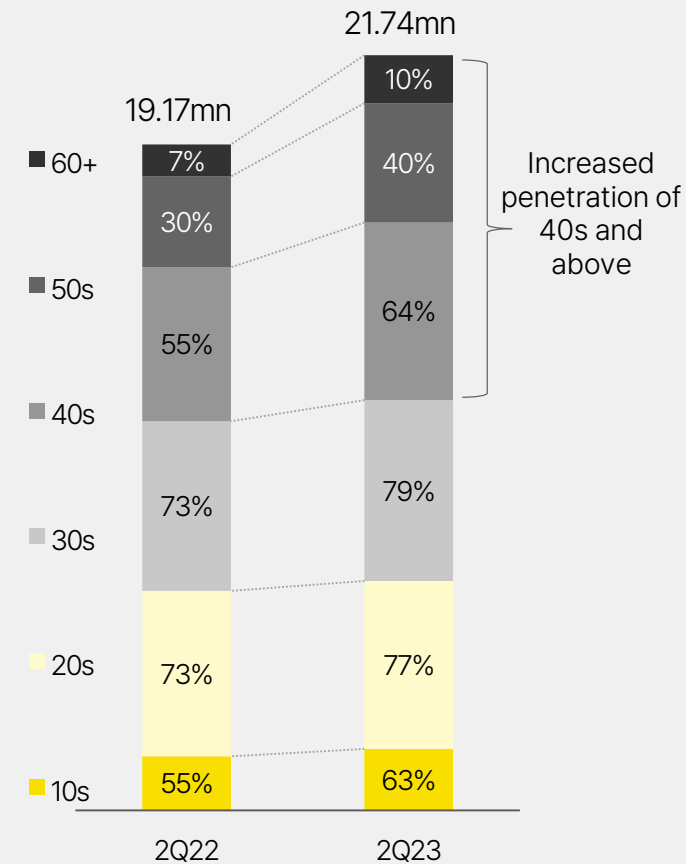
21.74mn customers(YTD +1.32mn), 64% penetration of the population in their 40s

### MAU<sup>(1)</sup> and Customer

(mn users)



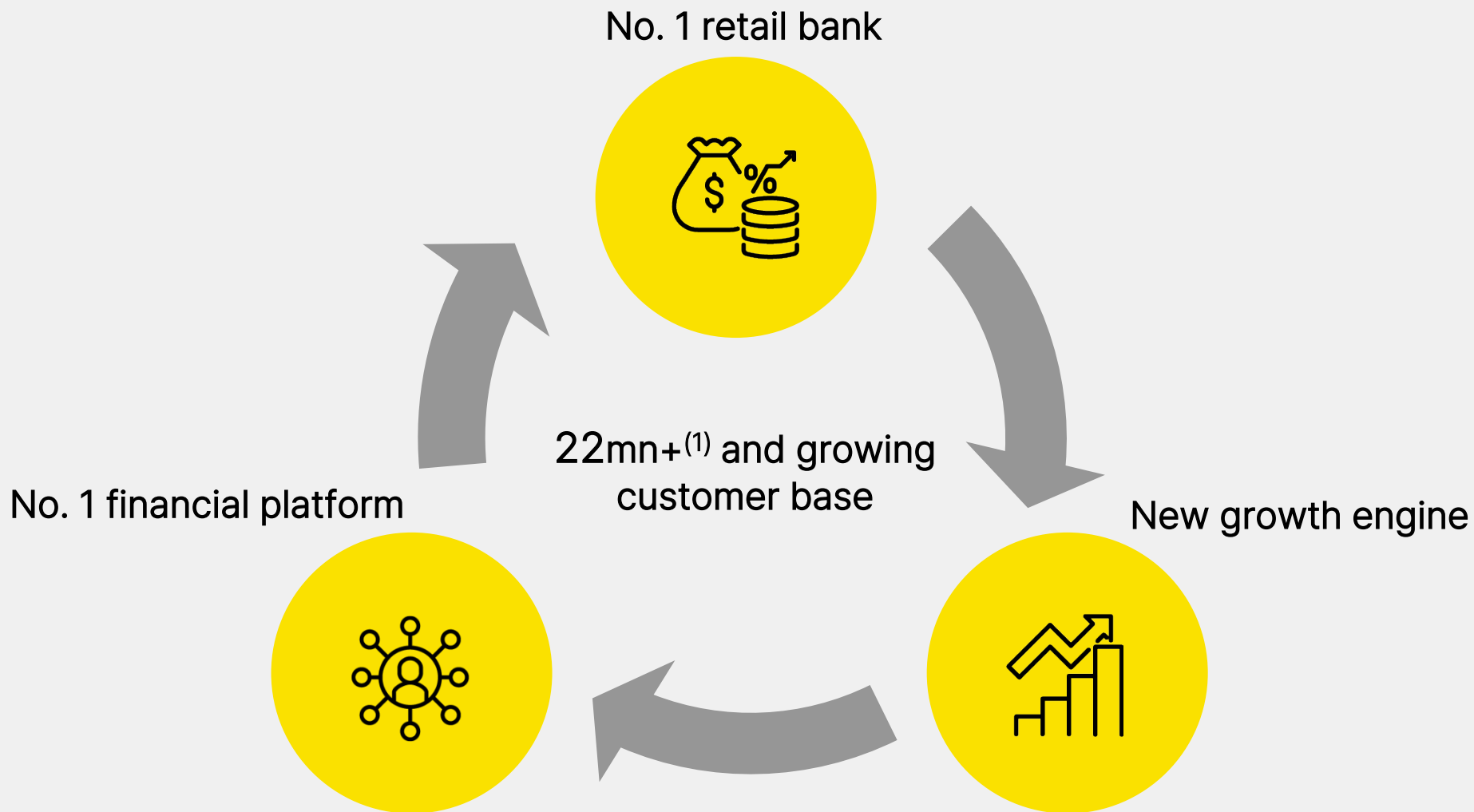
### Penetration by Age Group<sup>(2)</sup>



Source: Nielsen Media Korea Digital Data, Company data

Note: (1) Quarterly average MAU

(2) Ministry of the Interior and Safety population by age group, 10s population is based on 14~19 year old population



Operating income increased 50% YoY thanks to robust loan growth and sound asset quality management;  
Enhanced platform influence owing to new customer acquisition and MAU expansion

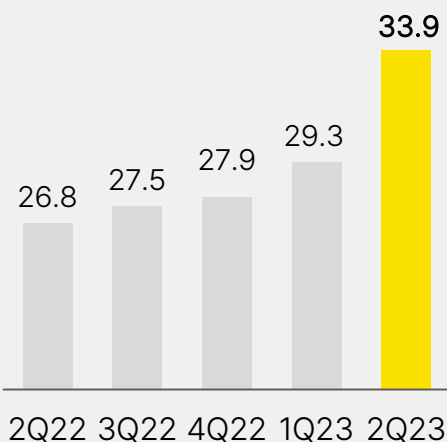
Robust Loan Growth

**+16%**

(QoQ)

Loan Balance

(Wtn)

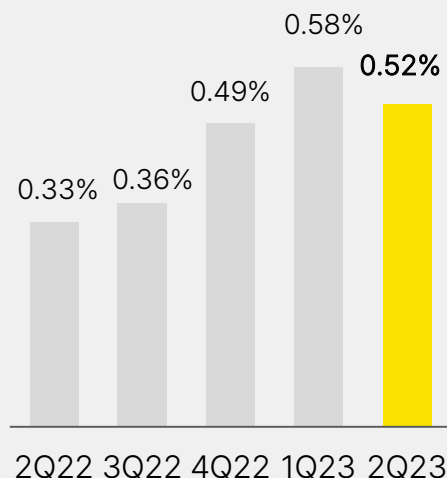


Improved Delinquency

**-6bp**

(QoQ)

Delinquency



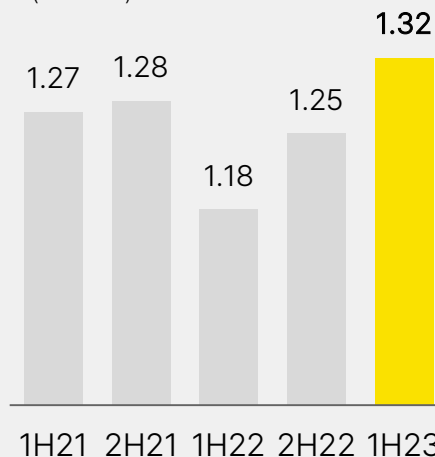
New Customers

**+1.32mn**

(YTD)

Net Customer Increase

(mn users)



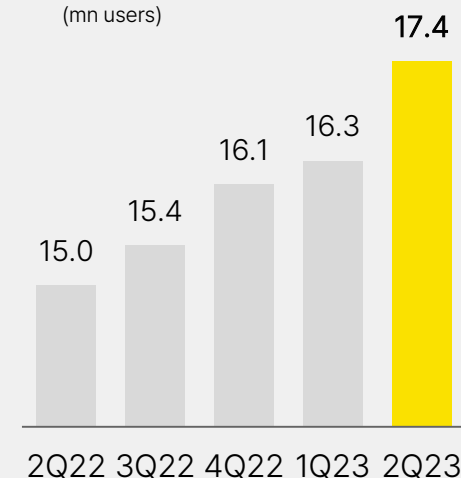
MAU

**17.35mn**

(2Q monthly average)

MAU

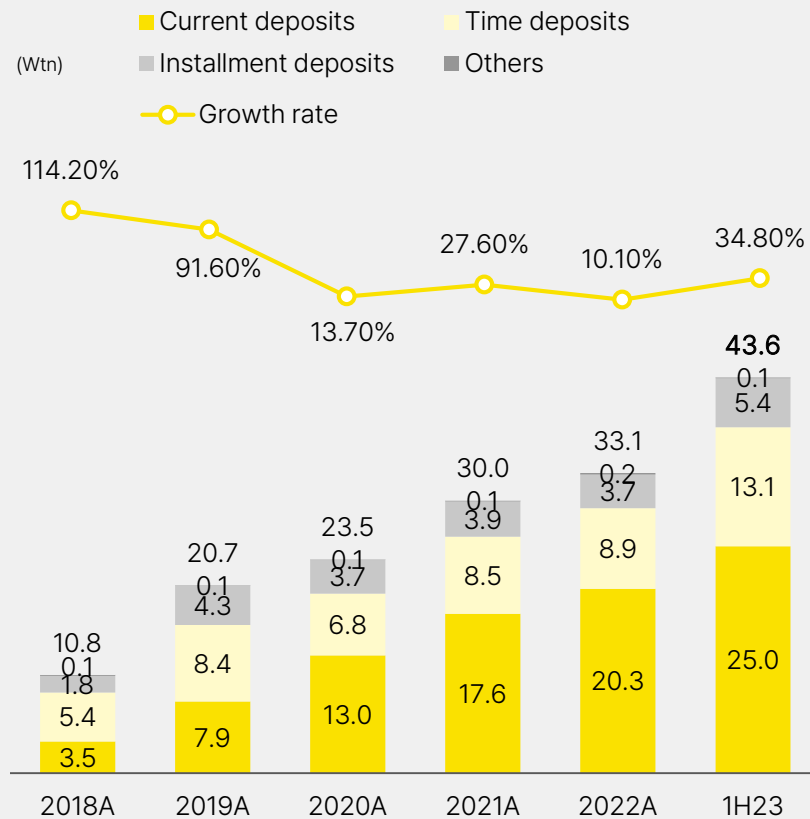
(mn users)



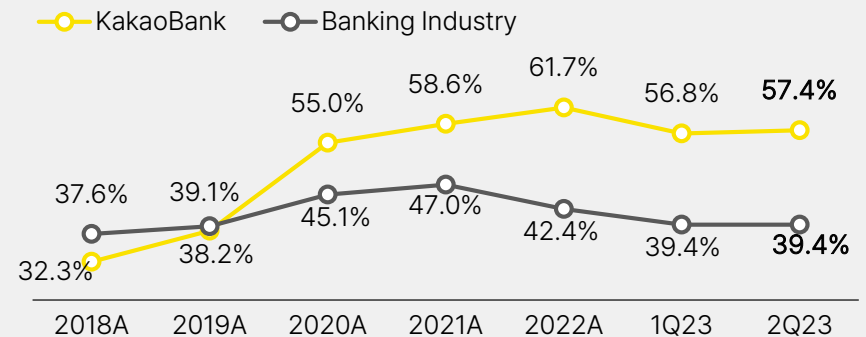
# Banking Business

Outstanding deposit growth with rising low-cost deposits portion, thanks to differentiated deposit products

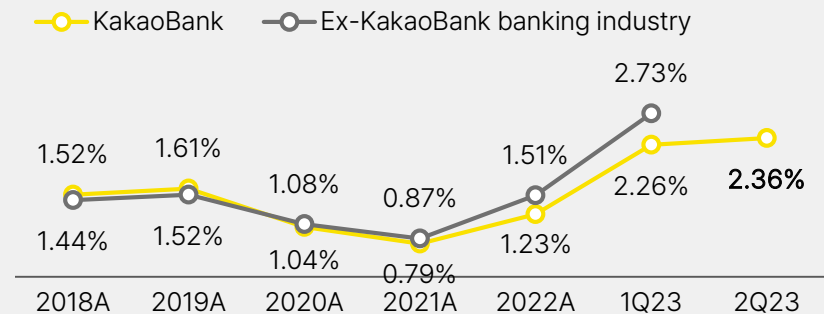
## Deposit Balance Trend & Breakdown



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



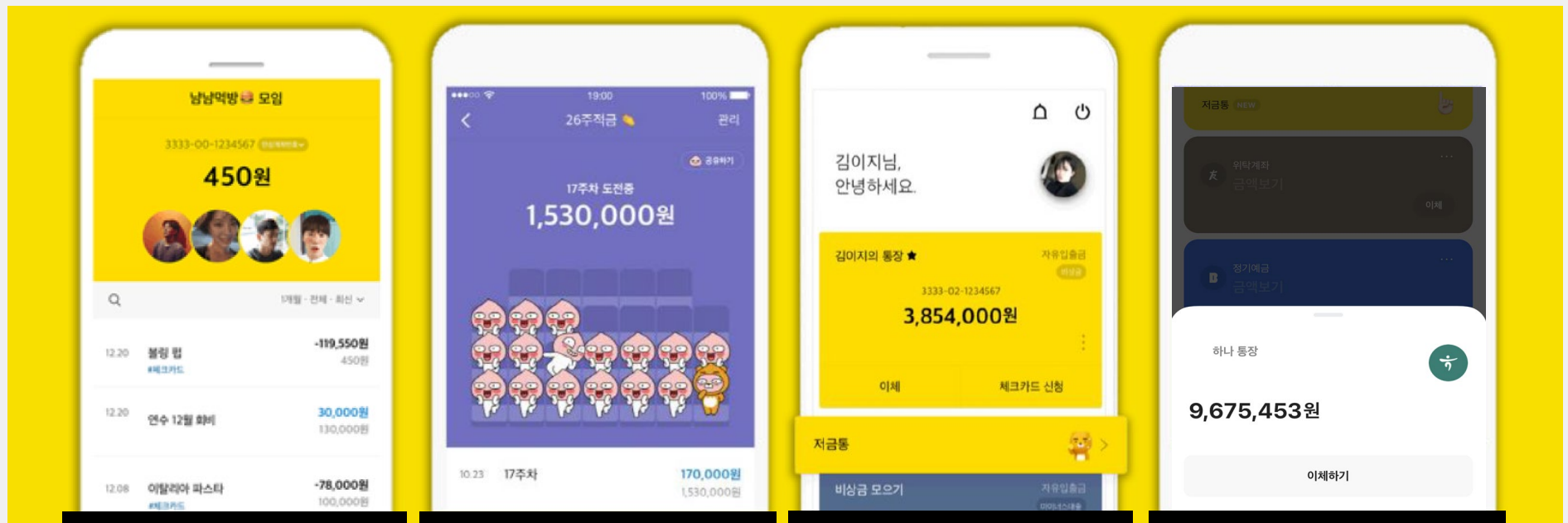
## Funding Cost<sup>(2)</sup>



Note: (1) Bank of Korea Financial Market Trend - Money Market Deposits portion from total bank deposits  
(2) Average interest rate on deposits  
(3) Financial Statistics Information System - Average of 14 banks excluding specialized banks

Fun and innovative signature products

14% of total deposits  
leading to low funding cost



Group Account

9.2 mn users

26-wk Installment Saving

4.8 mn users

AI Piggy Bank

4.4 mn users

Open Banking

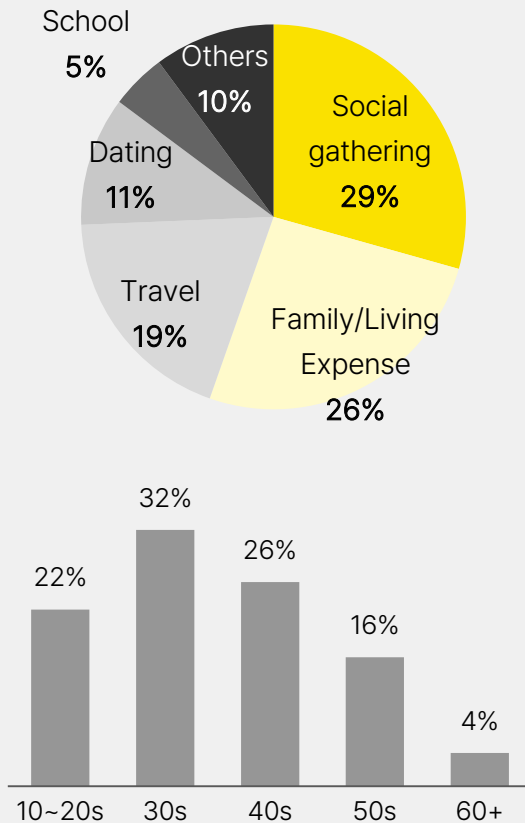
4.5 mn users



Efficient CAC(customer acquisition cost) and customer base expansion thanks to differentiated products and services

## Group Type · User Age

(30<sup>th</sup> June 2023)

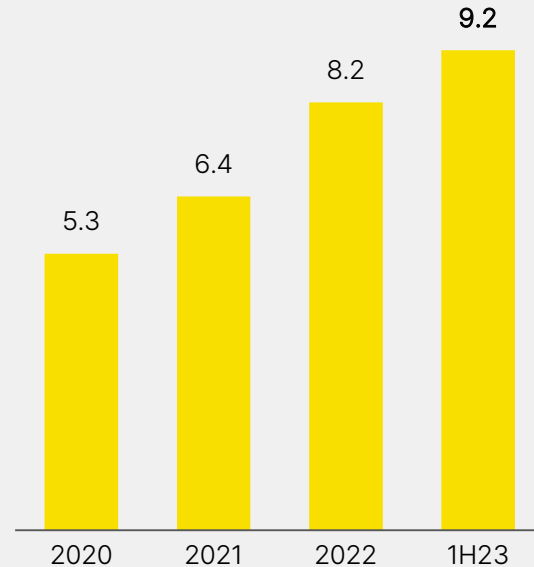


## Group Account Users

(mn users)

■ Group account users

CAGR  
+25%

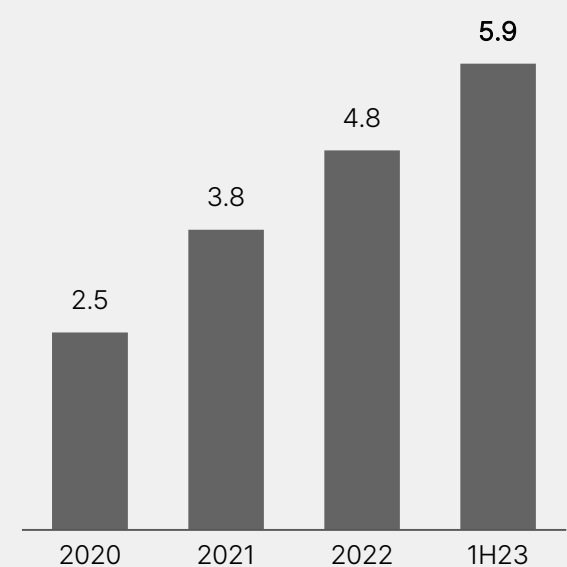


## Group Account Balance

(Wtn)

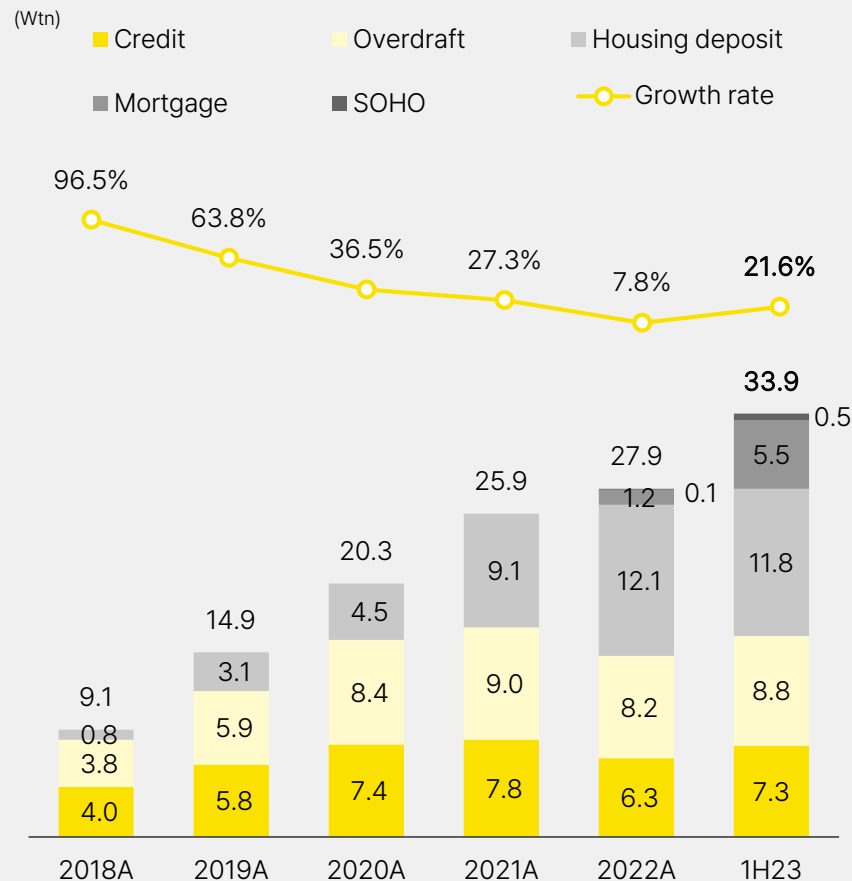
■ Group account balance

CAGR  
+42%

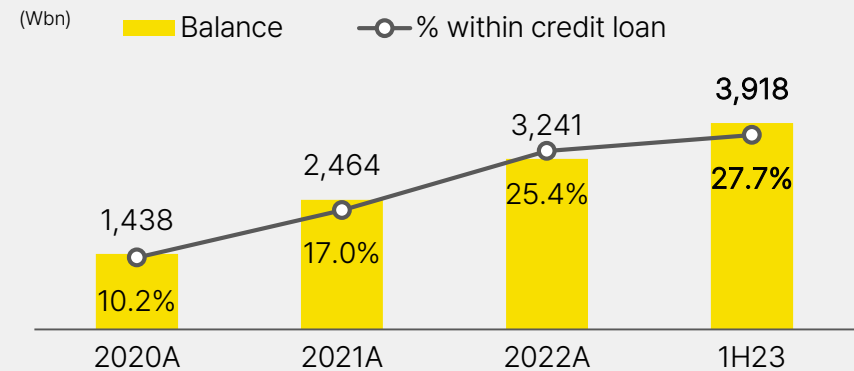


Outstanding loan growth with thanks to product convenience and differentiated user interface

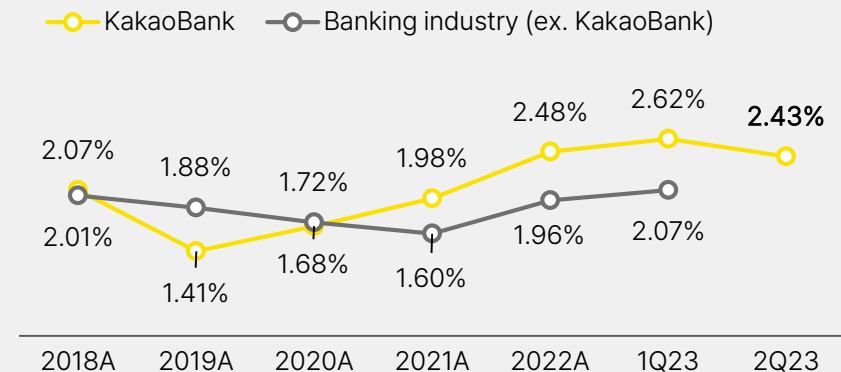
## Loan Balance Trend & Breakdown



## Mid-Credit Loan



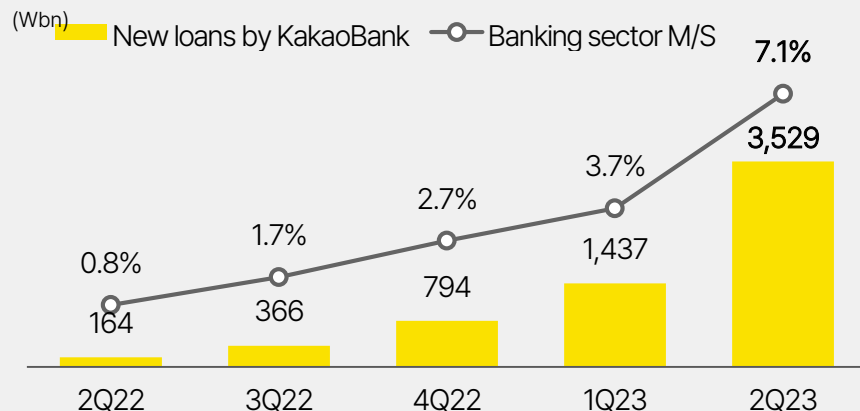
## Net Interest Margin (NIM)



## Banking Business : Loan (2/2)

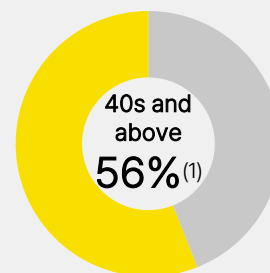
Mortgage balance reached W5.5tn, with quarterly new loans doubling QoQ since mortgage loan launch, achieving 1% M/S based on mortgage balance; convenience and competitive rate attracted greater portion of customers in their 40s+ contributed to higher current deposit balance

### KakaoBank Mortgage Loan and M/S

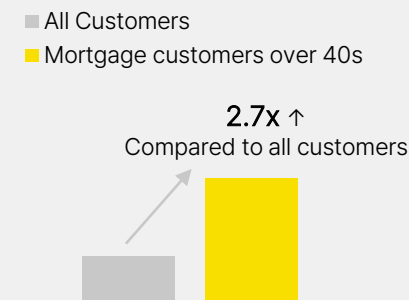


### Mortgage Customers Age and Deposit Balance

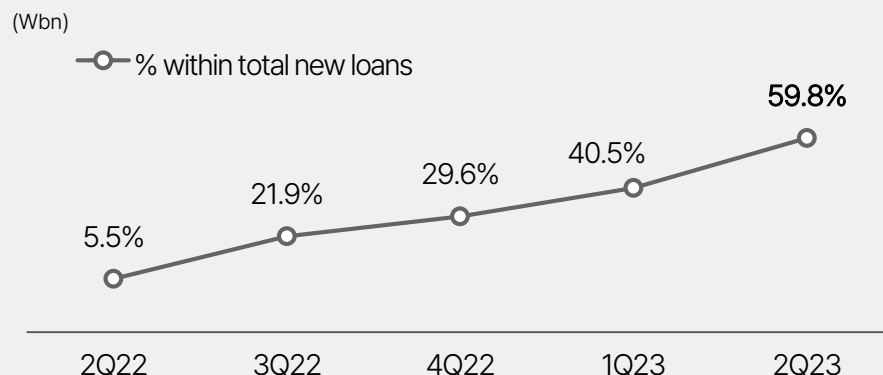
#### <Distribution by age>



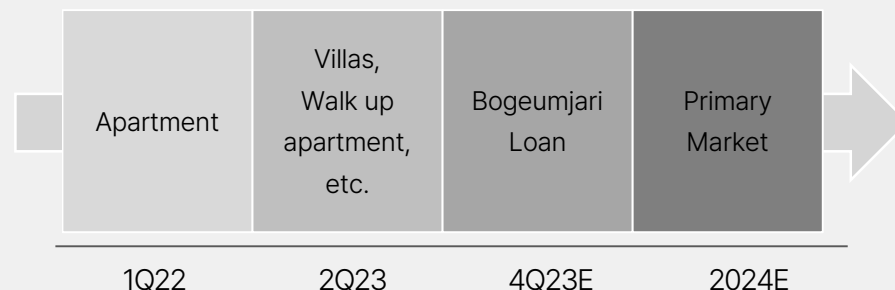
#### <1H23 current deposit balance per person>



### Mortgage Loan for Refinancing Purpose



### Market Coverage Expansion Plan



Note: (1) Proportion of KakaoBank mortgage loan balance by customers over 40 years of age (based on end of June 2023 balance)

# Fee & Platform Business

## Fee & Platform Business : KakaoBank ranks #14 among all Korean apps

kakaobank

Targets to improve MAU ranking further & become #1 among all financial apps

Ranking <sup>(1)</sup>	Korea (10 thousand MAU)		US	UK
1	kakaotalk	43.1	Google Chrome	Google Chrome
2	Youtube	41.1	Google	WhatsApp
3	Naver	39.7	YouTube	Google
4	Google	27.9	Facebook	YouTube
5	Coupang	27.0	Gmail	Gmail
6	Google Chrome	26.7	Messenger	Facebook
7	Naver map	24.5	Google Maps	Google Maps
8	Calendar	24.5	Instagram	Instagram
9	Toss	22.9	Amazon Shopping	Messenger
10	Instagram	22.6	Google Photos	Google Photos
11	Karrot Market	18.9	Messages by Google	Messages by Google
12	Band	18.8	Google Play services	Google Play services
13	PASS	18.5	TikTok	Spotify
14	<b>B</b> kakaobank	17.9	WhatsApp	Amazon Shopping

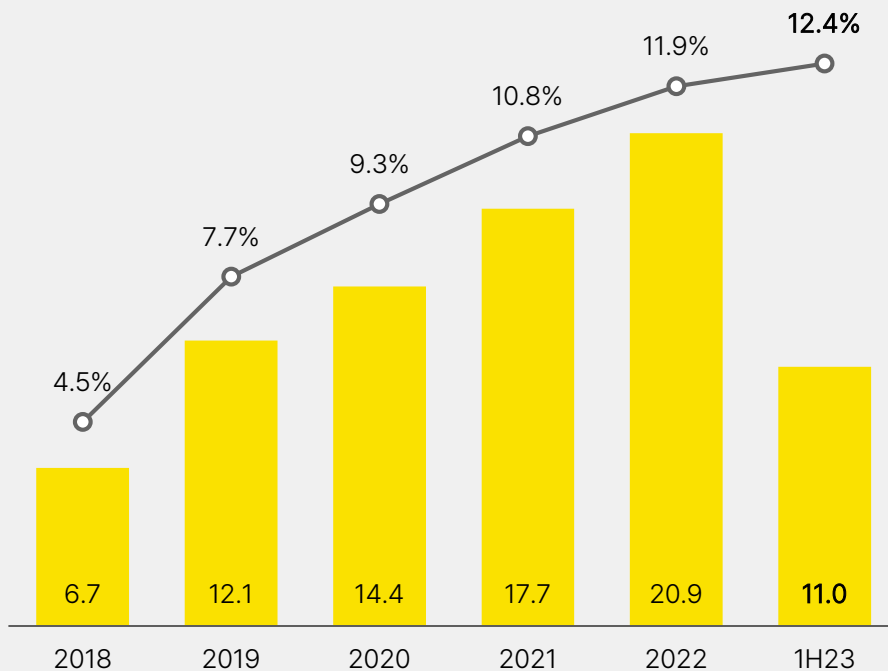
Source: Company data , Nielsen Media Korea Digital Data, SimilarWeb  
 Note: (1) For the month of June 2023 (including both Android OS mobile and iOS mobile)

## Payment

Accumulate business know-how and customer data through debit card and co-branded credit card service  
Complete KakaoBank's payment service by general credit card service and license acquisition

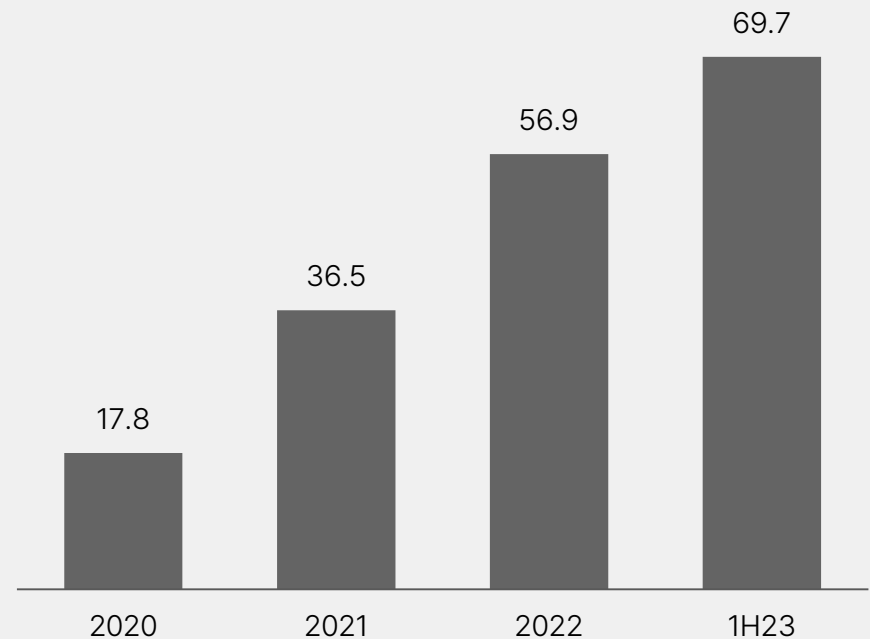
### Debit Card Transaction Value and M/S

(Wtn; Quarterly)



### Co-branded Credit Card

(10k; cumulative)



## Loan Platform

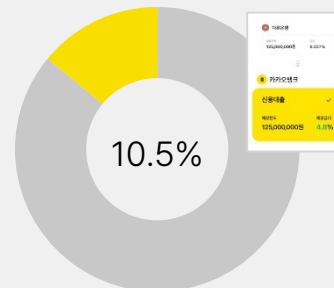
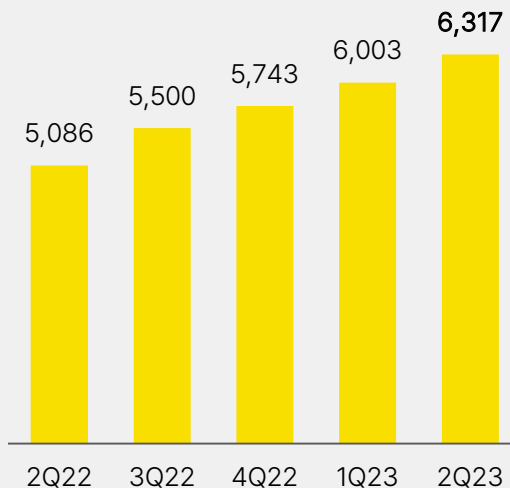
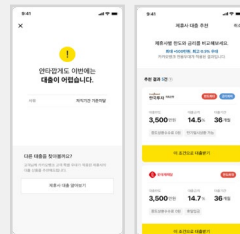
Under current regulation, KakaoBank could only serve limited pool of customers for loan referral business  
But as regulation becomes more favorable towards loan platform, KakaoBank can leverage its 20mn customers and convenient UI/UX to initiate loan platform business including loan exchange and comparison service

### Loan Referral

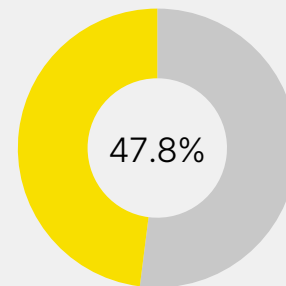
### Loan Refinancing Service

### Loan Comparison Service

(Wbn; cumulative)

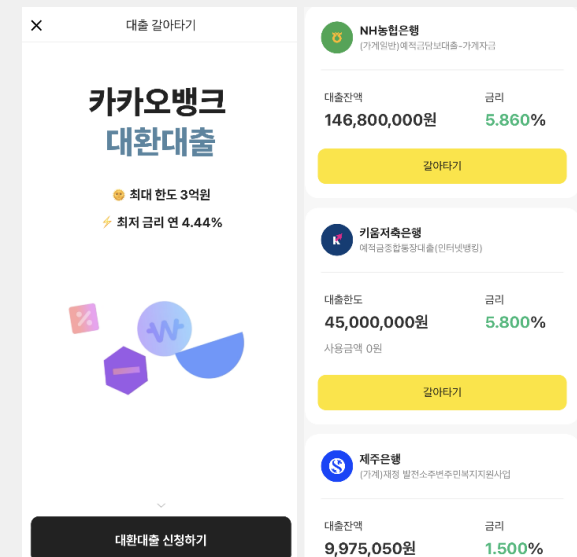


KakaoBank M/S<sup>(1)</sup> out of 53 financial companies participating in loan refinancing service



Proportion of mid-credit customers

- Expand the loan referral service to loan comparison service where all customers can easily search for better loan conditions



Note: (1) M/S = Loan exchange to KakaoBank W70.1bn / Total loan exchanged for all financial companies W668.4bn (31 May 2023 ~ 30 June 2023); W107.5bn of loans refinanced through KakaoBank  
Source of total loans amount exchanged : KFTC(Korea Financial Telecommunications & Clearing Institute)

## Investment features

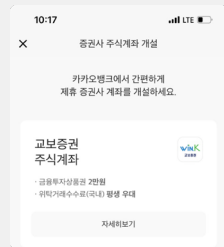
Satisfy users' needs for investment by offering new investment services including WTS and various investment products (commercial paper, funds, foreign currencies, etc.)

Monetization of securities account brokerage service & full stock trading

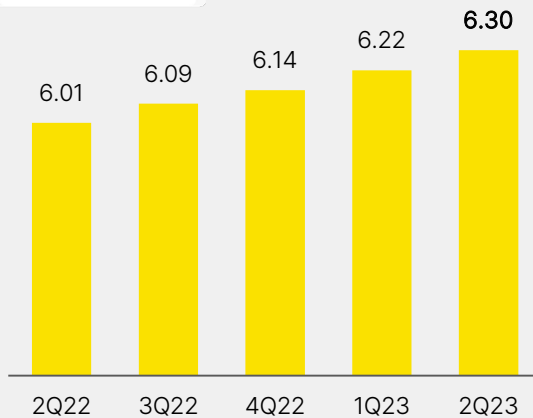
Full stock trading coverage within KakaoBank app

Revenue source expansion by portfolio diversification

(mn accounts; cumulative)



YTD +3%  
(8 partners)

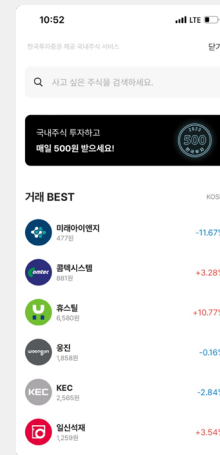


Overseas

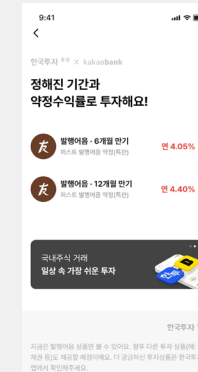


Ministock  
(released in Sep 2020)

Domestic



Web Trading System  
(released in Dec 2022)



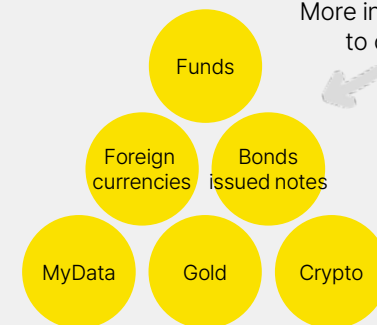
(released in Jun 2023)

Commercial paper sales for retail investors

Expansion of investment context:  
account opening → stock trading →  
CP investment → more investment instruments onwards

Strengthen customer traffic & engagement by establishing connecting points with existing offerings and expanding investment product line-up

More instruments to come!



and more...

Done

2H23~



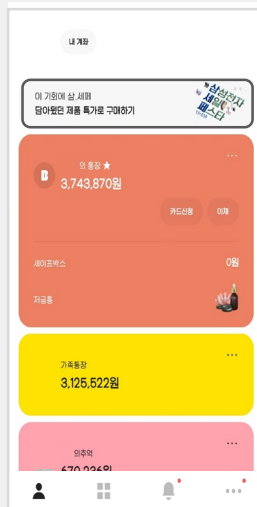
## Advertisement

Establish foundation for sustainable business structure with 3 product mix with differentiated target and strategy; Revenue expansion expected from stronger ad biz

### Advertisement Inventory

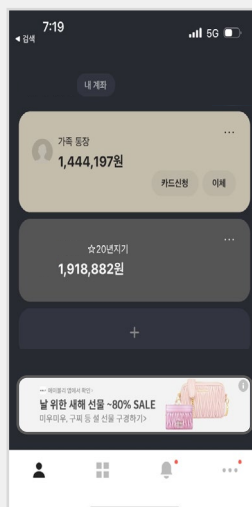
#### Premium Ads

Multiple display w/ switchable sections



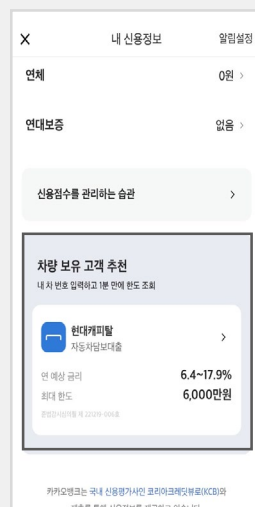
#### Kakao Adfit

Kakao biz board advertisement

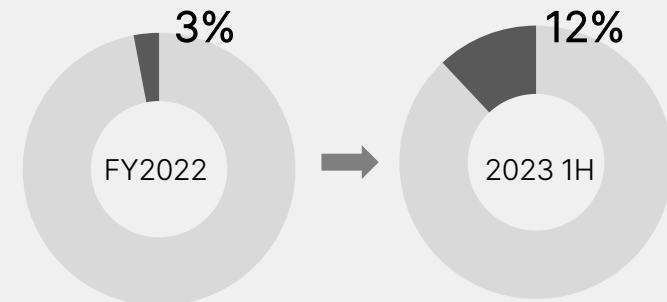


#### Loan ads

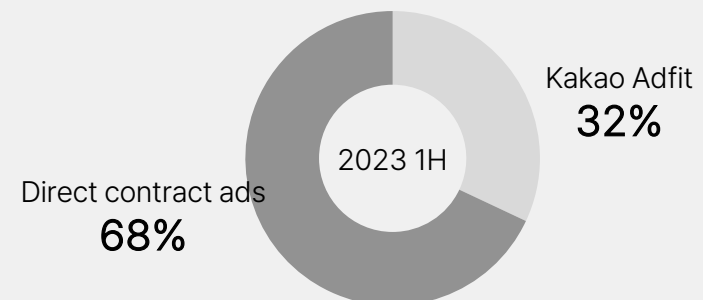
3rd party loan ads on My Credit page



### % within Platform Revenue



### Revenue Composition



## Fee & Platform Business : mini

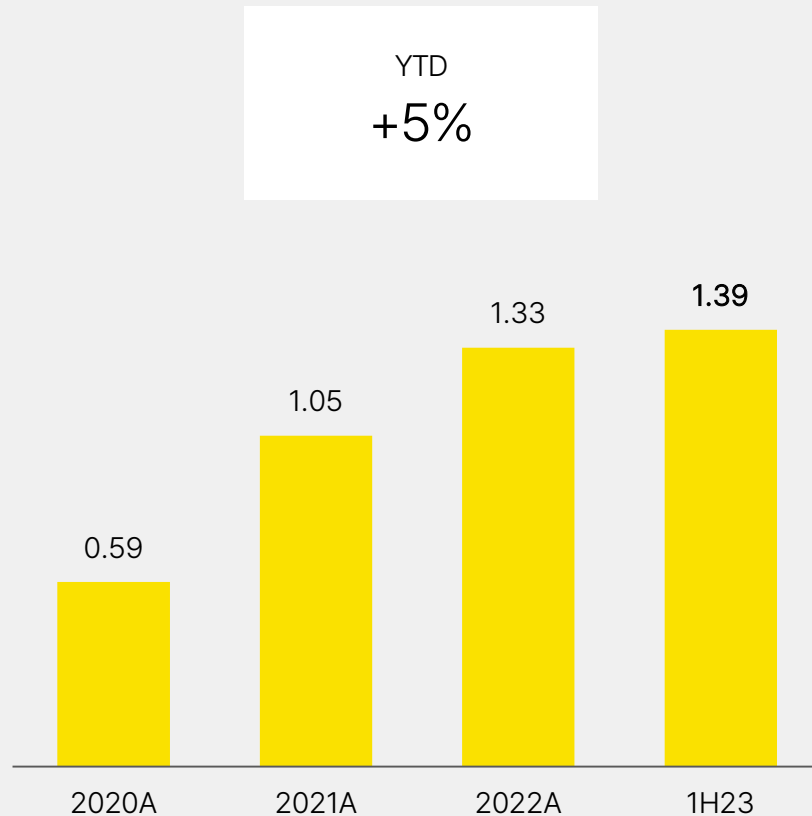
kakaobank

mini customers reach 1.4mn cumulatively;

'mini Life' launched in May 2023, expands service context from finance to daily life

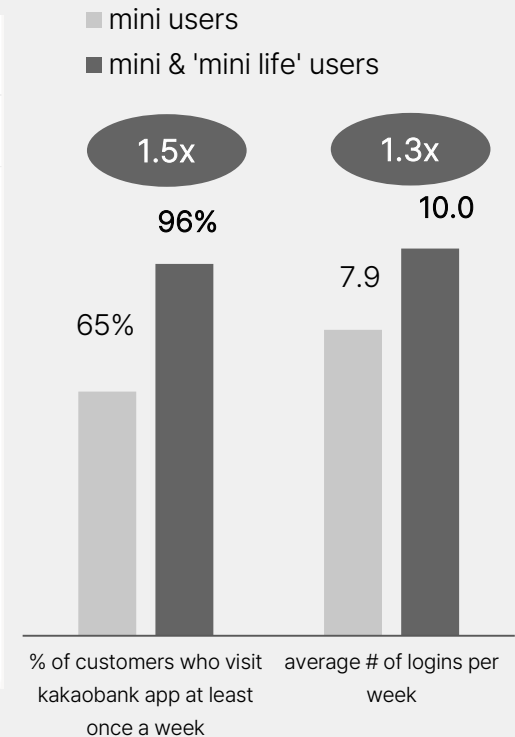
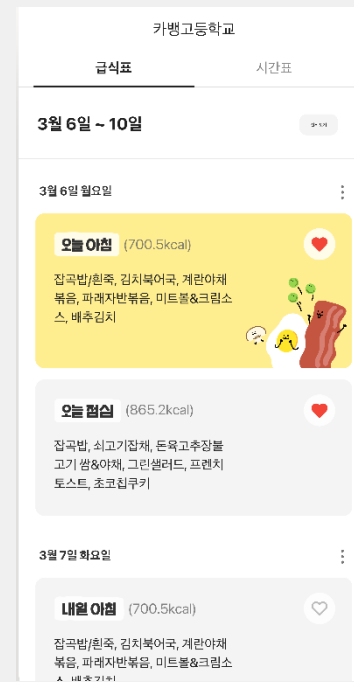
### mini Users

(mn customers; cumulative)



### mini Life (May 2023 launch)

- mini Life's first service 'school lunch menu / schedule'
- 'mini Life' users show higher activity vs. 'mini-only' users

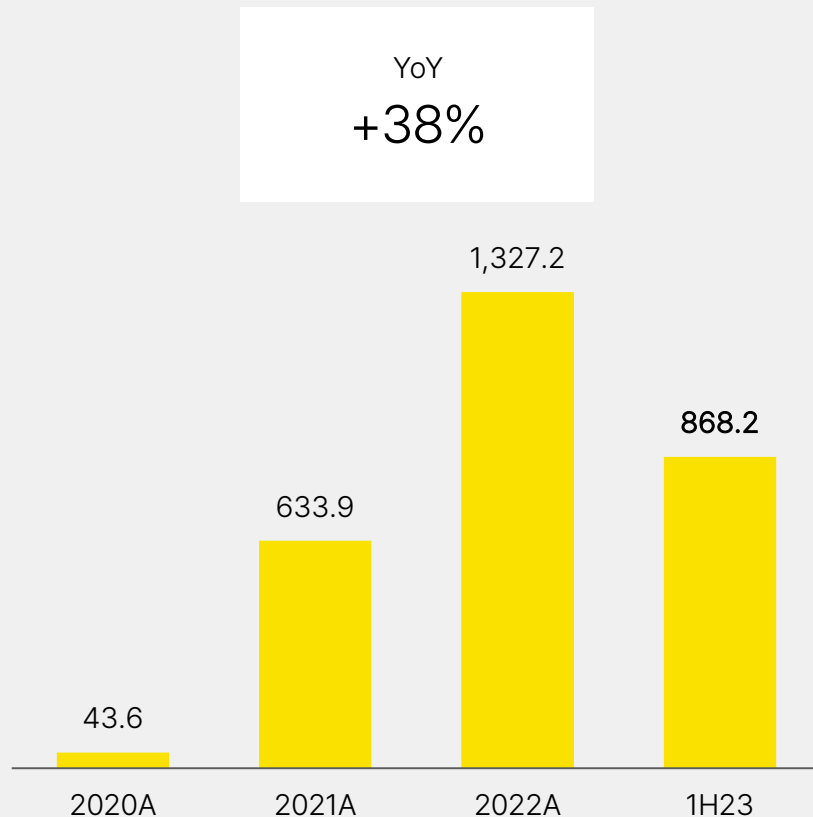


Note: (1) mini users vs. mini & 'mini life' users comparison during 5<sup>th</sup> week of May ~ 4<sup>th</sup> week of June (29<sup>th</sup> May 2023~25<sup>th</sup> June 2023)

mini card transaction value increased YoY +38%, QoQ +2%; mini users' online/offline payment activities to strengthen thanks to kakaopay auto-link service launched in Jun 2023

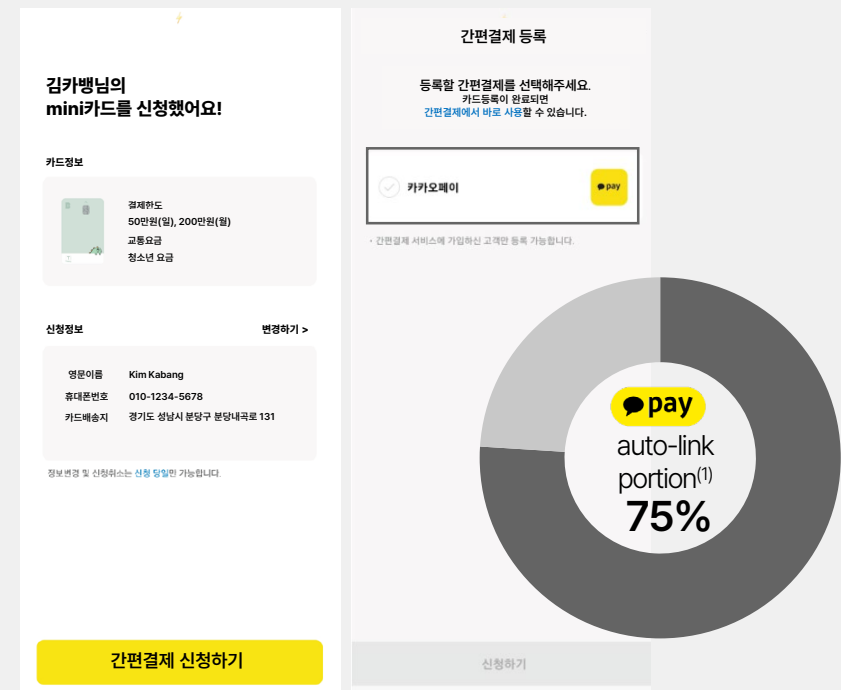
### mini Transaction Value

(Wbn; quarterly)



### kakaopay Auto-Link Service (Jun 2023 launch)

- Connect kakaopay registration process upon mini card issuance for mini users
- mini card users show 50% higher kakaopay link vs. Friends debit card users



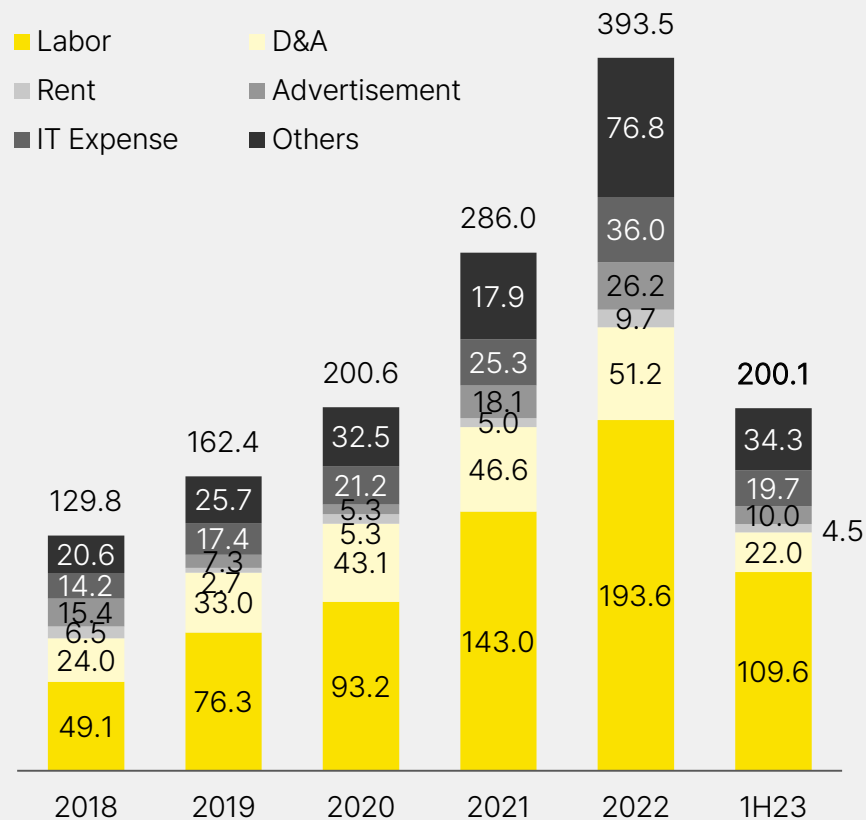
Note: (1) based on mini cards issued between 19<sup>th</sup> June 2023 ~ 30<sup>th</sup> June 2023

# Financials

Superior cost structure with improving CIR ratio

## SG&A

(Wbn)

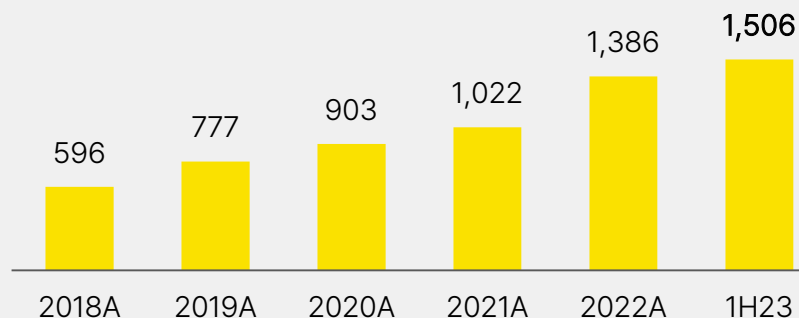


## CIR



## # of Employees

(persons)



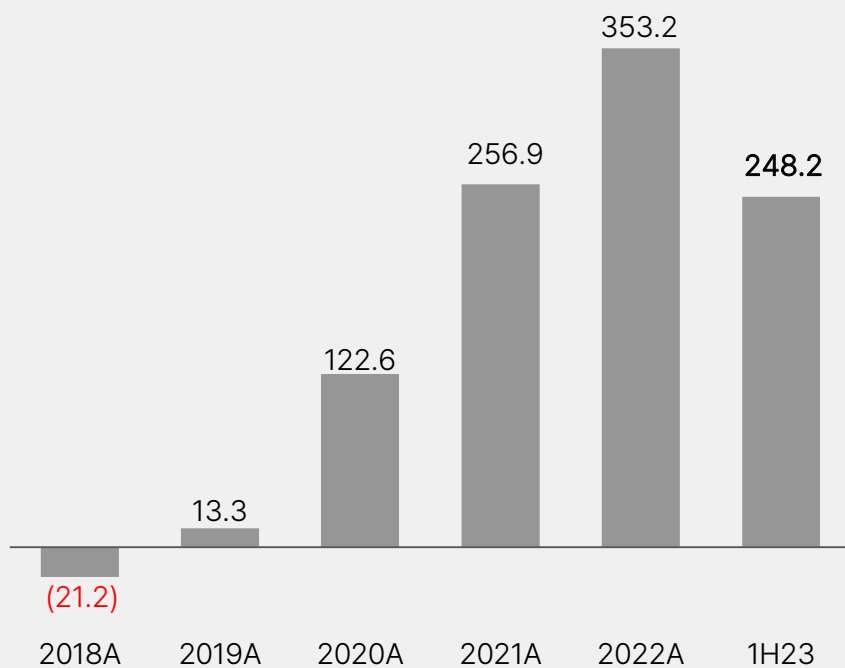
## Operating profit and ROE, ROA

kakaobank

One of the fastest globally to turn profitable, with more room for growth

### Operating Profit

(Wbn)



### ROE

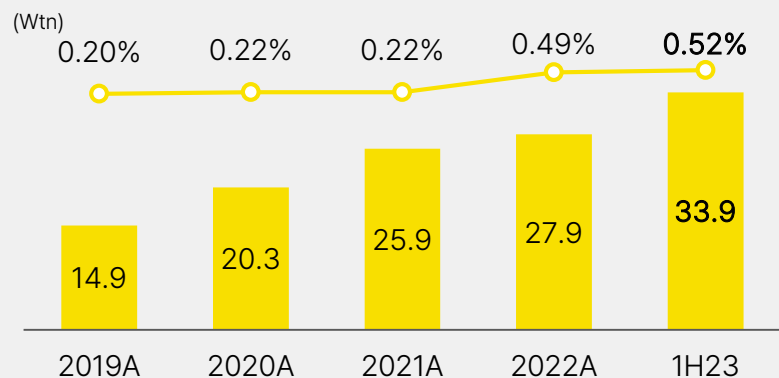


### ROA

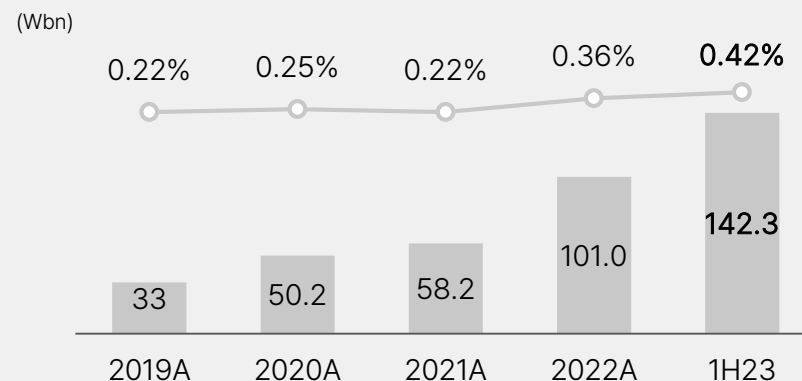


## Stable delinquency rate and NPL ratio

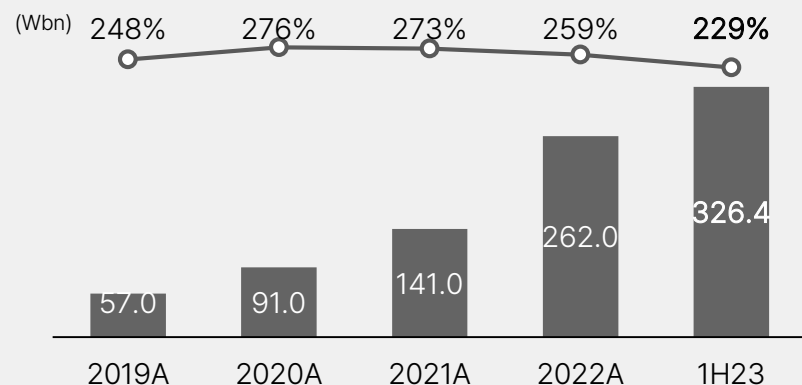
### Total Loans & Delinquency Rate



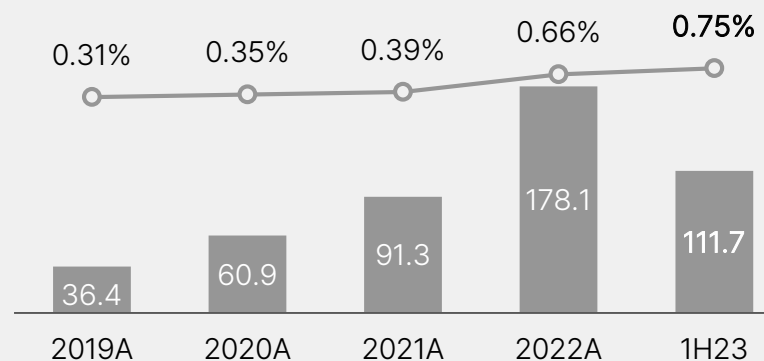
### SBL & NPL Ratio



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



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



Note: (1) NPL coverage ratio = Loan Loss Allowance / Substandard or Below Loans

EOD