

# KakaoBank

## 4Q 2024 Earnings Release

February 2025

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## Disclaimer

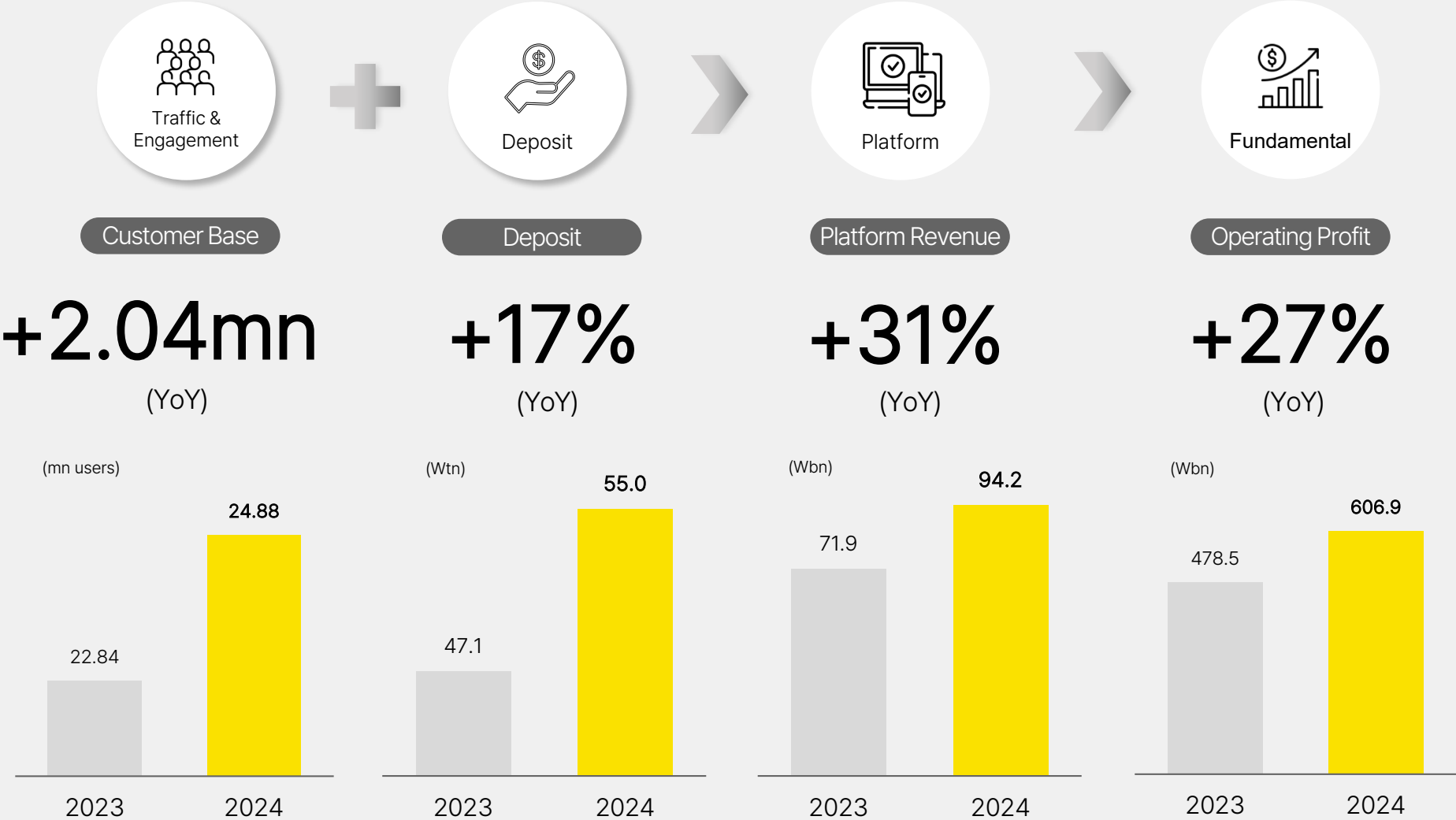
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## I. 2024 Highlights

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Achieved high growth in operating profit through customer base expansion and differentiated deposit growth



## II. Customer Base

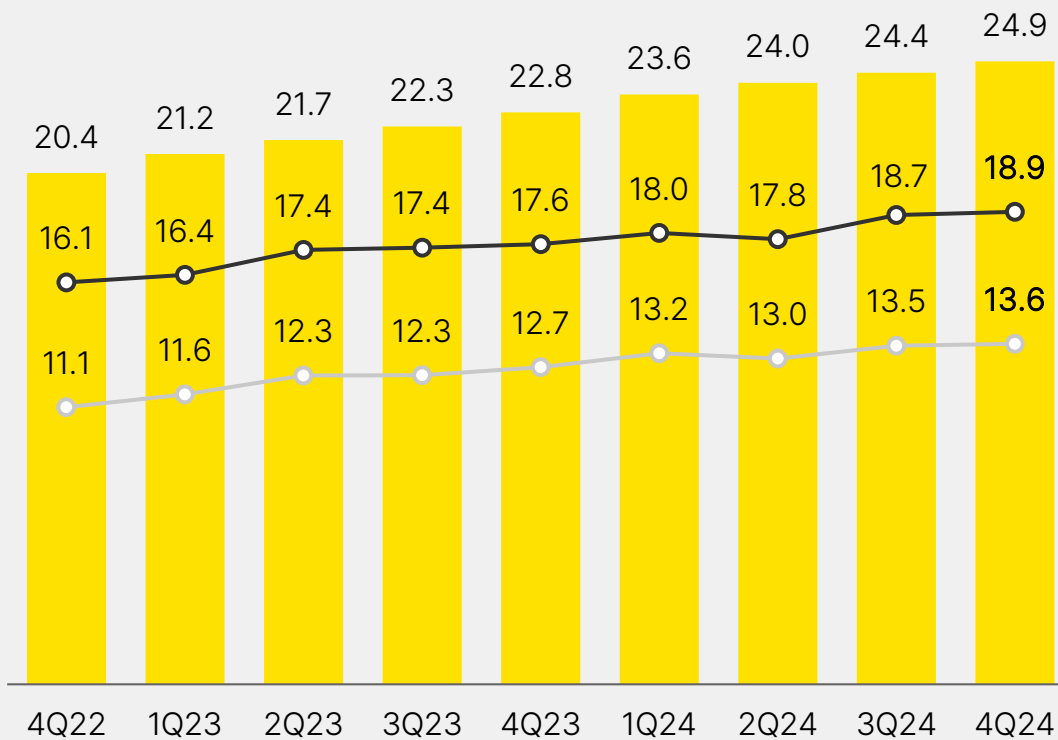
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Customer base reached 24.88mn(YTD +2.04mn), thanks to increased penetration across all age groups

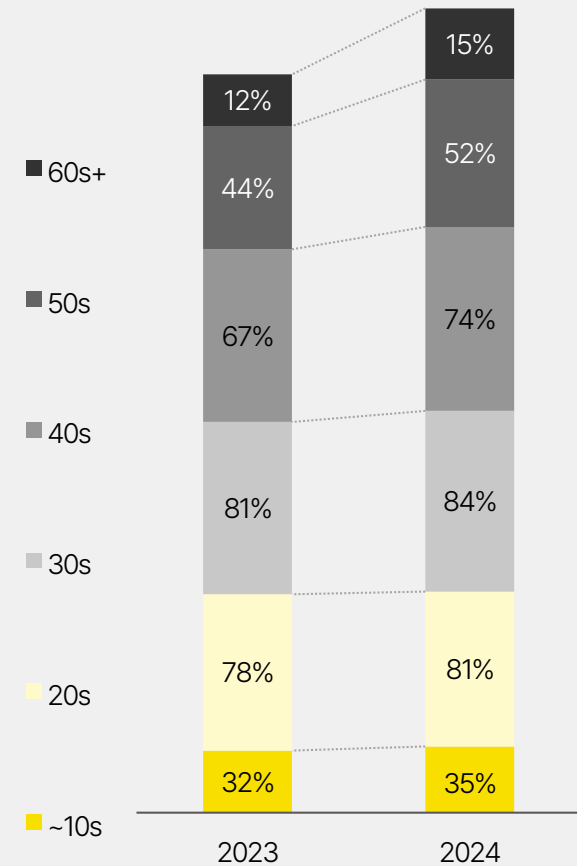
### MAU, WAU<sup>(1)</sup> and Customer

(mn users)

Customers MAU WAU



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



Source: Nielsen Media Korea Digital Data, Company data

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

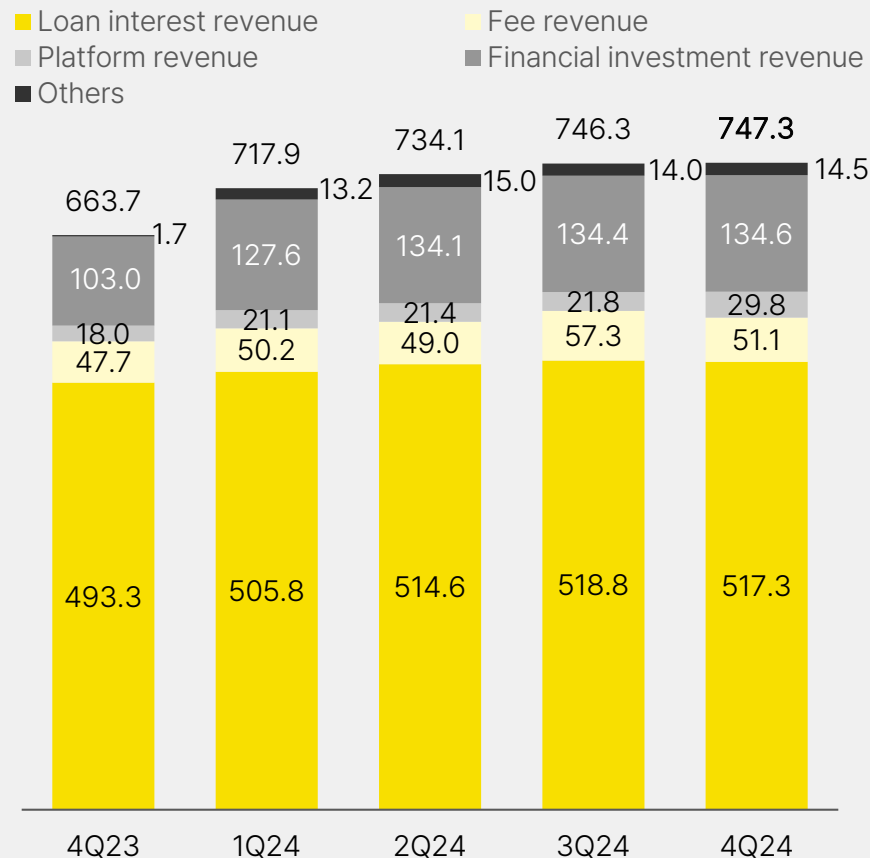
(2) Ministry of the Interior and Safety population by age group, ~10s population is based on 7~19 year old

### III. Operating Revenue

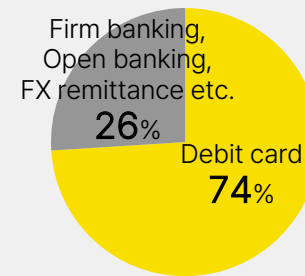
Operating revenue maintained flat QoQ thanks to advertisement revenue and loan comparison revenue  
QoQ +39% and +37% respectively, despite one-off adjustment from fee revenue

#### Operating Revenue

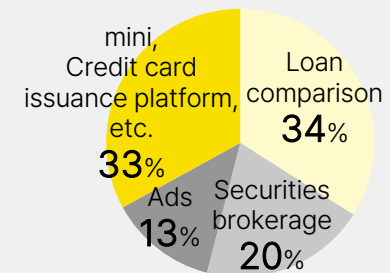
(Wbn)



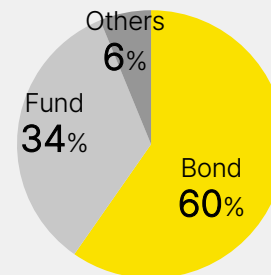
#### Key Components (2024)



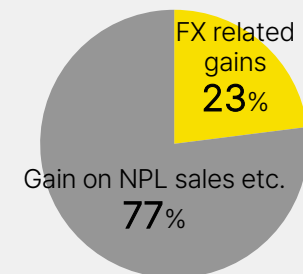
Fee revenue



Platform revenue



Financial investment revenue <sup>(1)</sup>



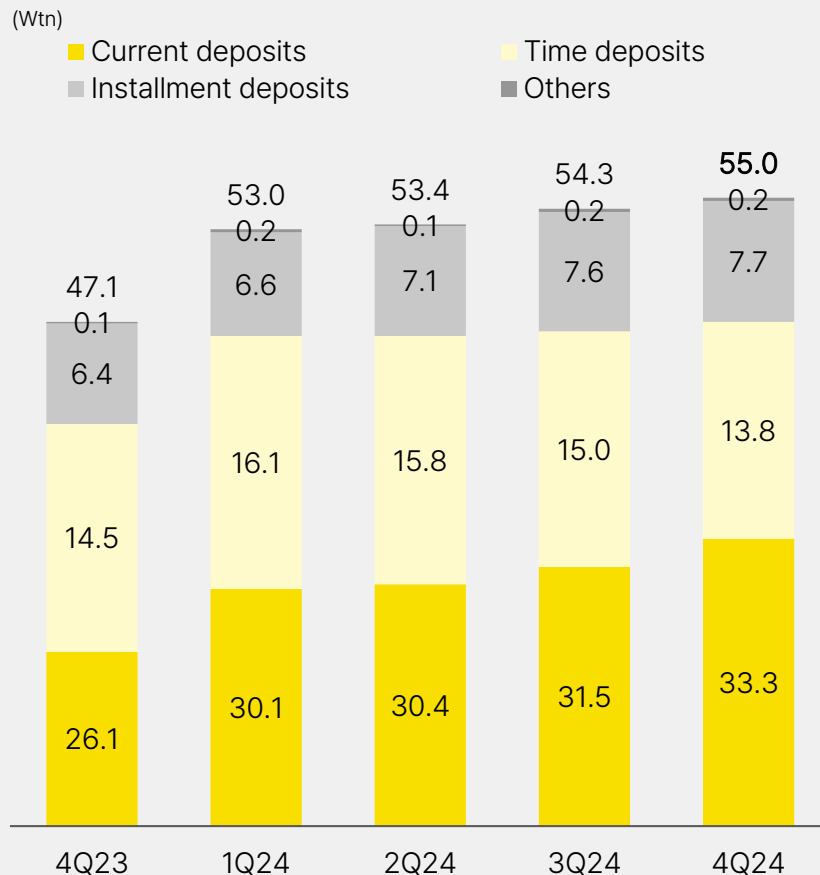
Others

Note: (1) Bond: Bond interest revenue and gain on bond sales / Fund: Revenue from fund(including MMF) / Others: Revenue from Call, RP, due from financial institutions, etc.

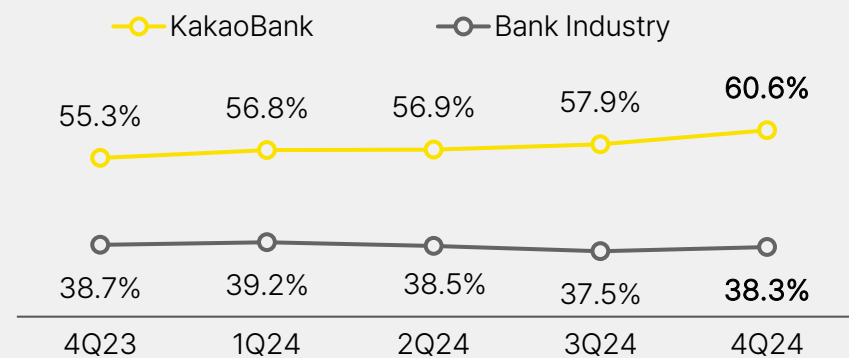
## IV. Banking Biz : Deposit (1/2)

Deposit balance YoY +17%, QoQ +1%; Low-cost deposit portion expanded against peers, demonstrating a competitive funding structure

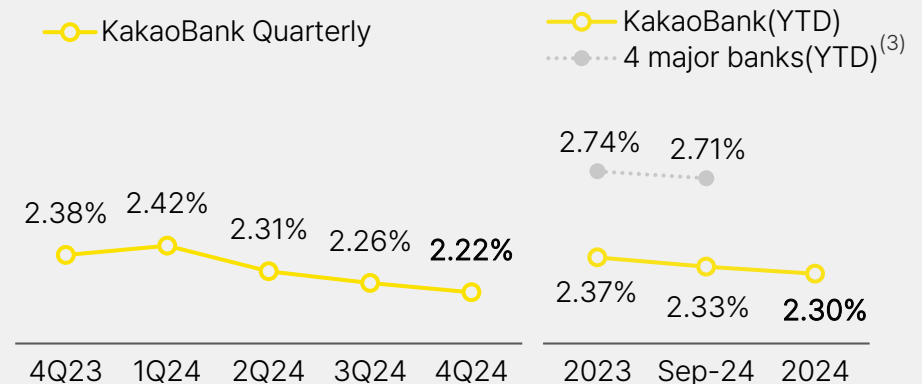
### Deposit Balance Trend & Breakdown



### 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 in Won

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

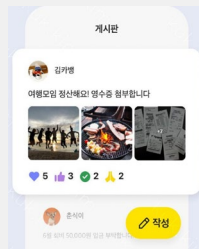
## IV. Banking Biz : Deposit (2/2)

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Group Account 'bulletin board' and exclusive debit card launched in 2024;  
Constant growth of Group Account user base and deposit balance, contributing to low-cost deposits

### Group Account Users

(mn users)

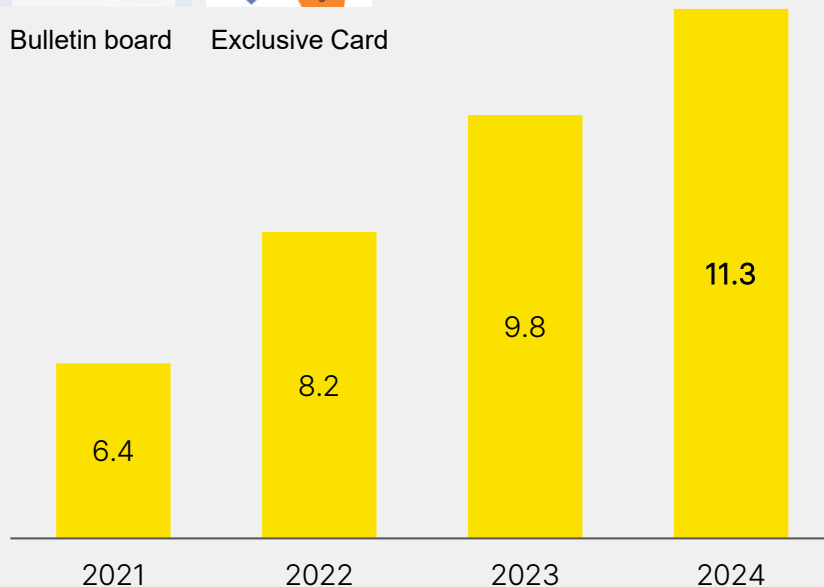


Bulletin board



Exclusive Card

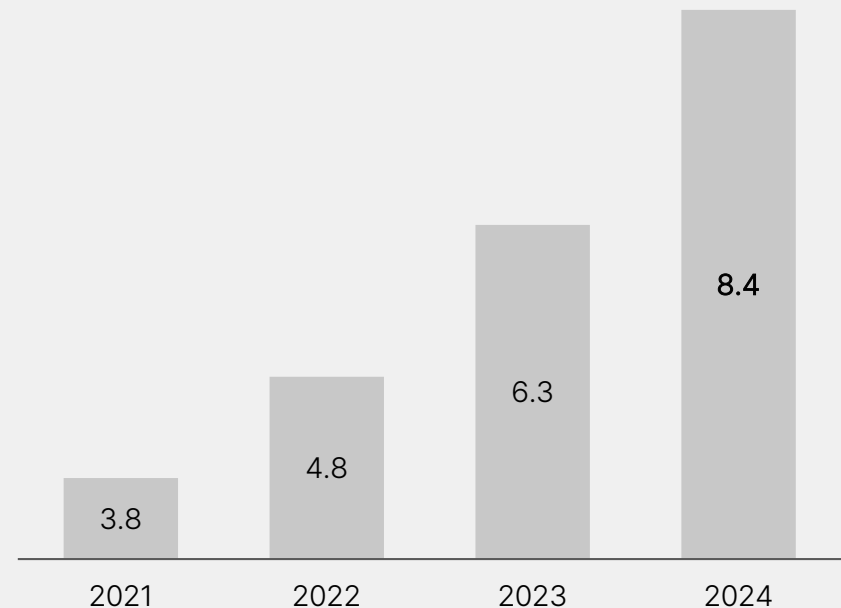
YoY  
+15%



### Group Account Balance

(Wtn)

YoY  
+33%

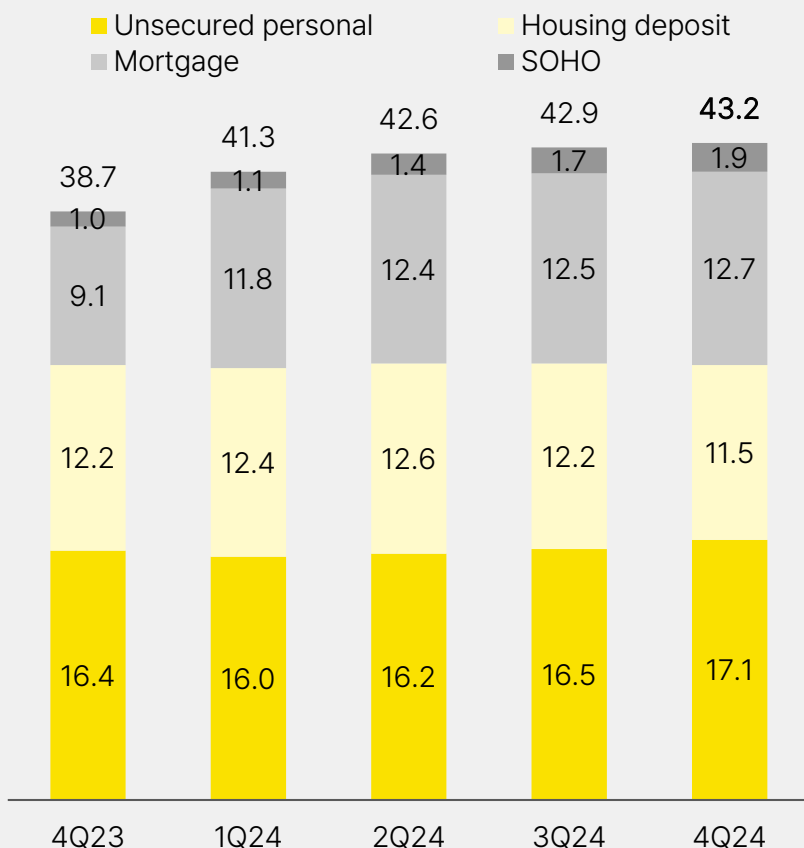


## IV. Banking Biz : Loan (1/2)

Loan balance increased YoY +12%, QoQ +1% thanks to growth from SOHO and unsecured personal loans; NIM flat QoQ thanks to lower funding cost, despite decline in asset-liability ratio<sup>(1)</sup>

### Loan Balance Trend & Breakdown

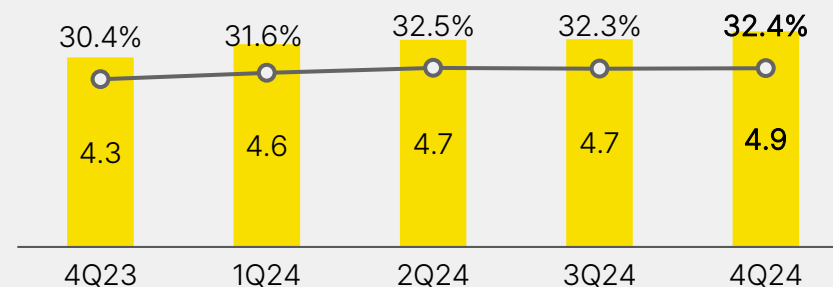
(Wtn)



### Mid-Credit Loan<sup>(2)</sup>

(Wtn)

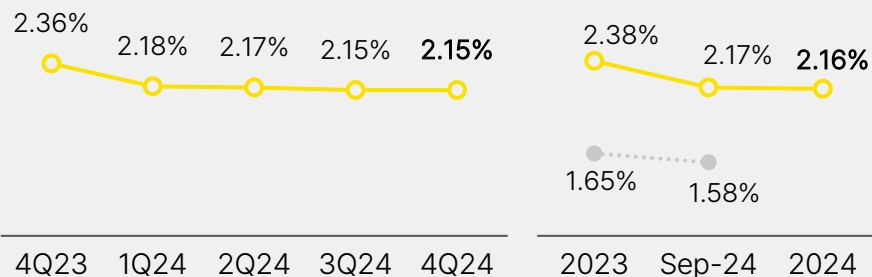
■ Average balance    ○ % within unsecured loan



### Net Interest Margin (NIM)

○ KakaoBank Quarterly

○ KakaoBank(YTD)  
● 4 major banks(YTD)<sup>(3)</sup>



Note: (1) Average balance of interest bearing assets / Average balance of interest bearing liabilities

(2) 4Q23: Based on retail unsecured loan end-balance / 1Q24~4Q24: Based on retail + SOHO unsecured loan average-balance (in accordance with change in calculation method in Dec 2023)

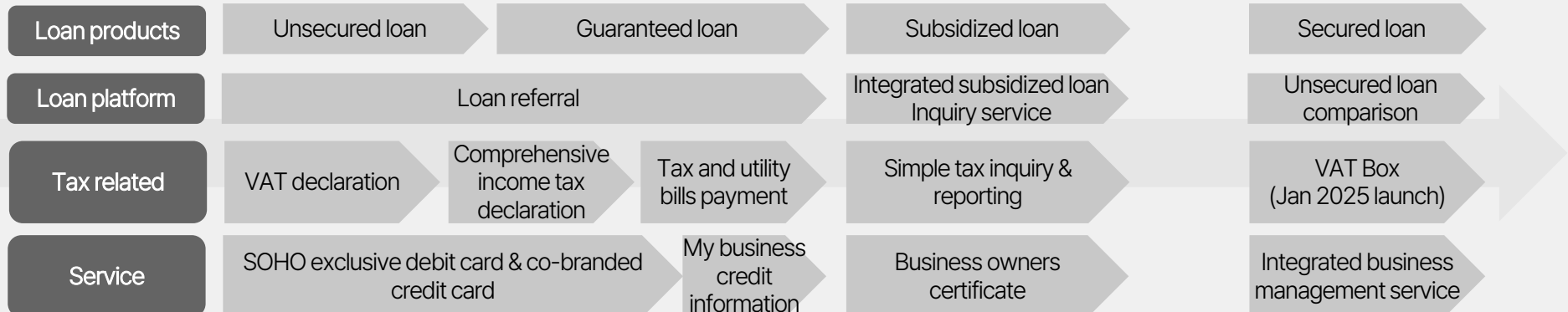
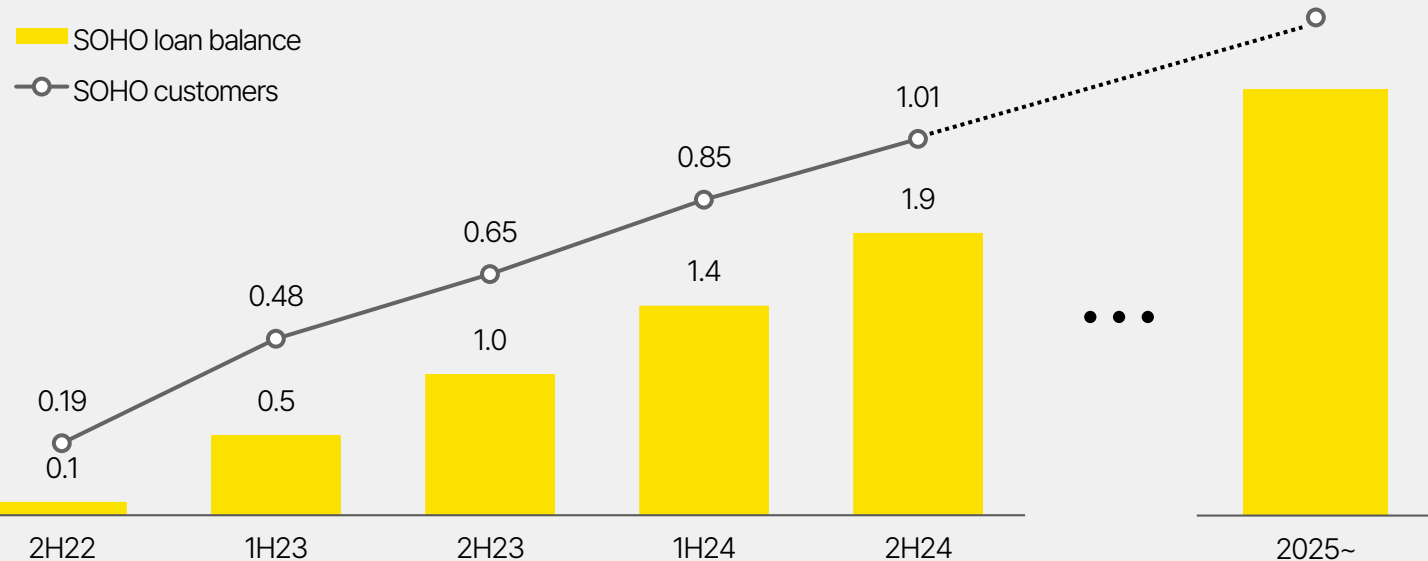
(3) Financial Statistics Information System – Average of 4 Major banks(KB, Shinhan, Hana, Woori)



SOHO business exceeded 1 million customers and SOHO loans doubled YoY, reaching W1.9tn in balance

### SOHO Loan Coverage Expansion

(Wtn, mn customers)



## V. Fee & Platform Biz (1/3) – Loan comparison

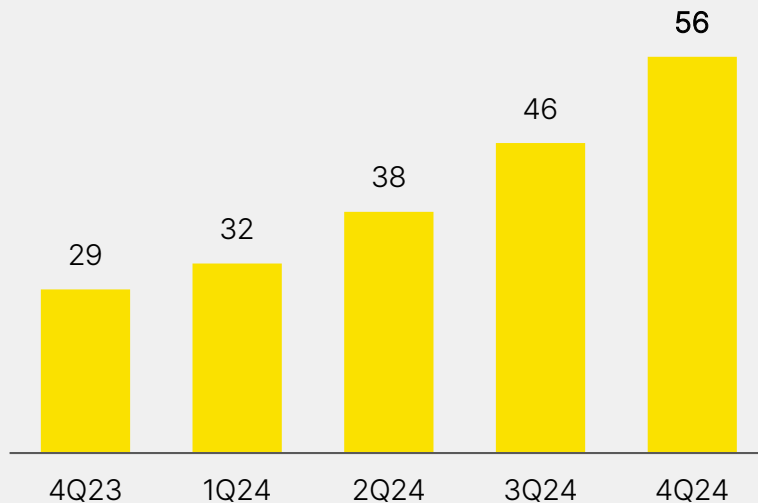
Growth in loan comparison execution value grew YoY +521%, QoQ +11% due to strengthening service competitiveness, including continuous expansion of partnership

### Loan Comparison Partners

(number of partners)



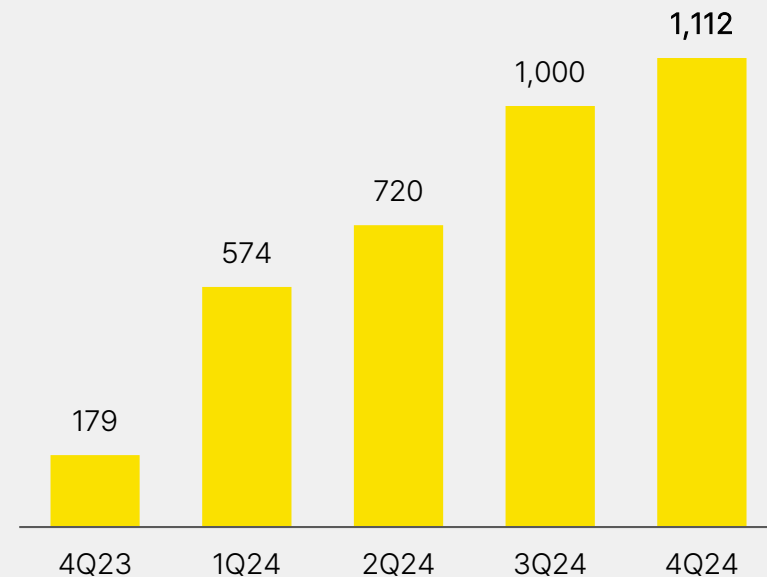
- Expanded coverage to insurance sector (Hanwha Life in Nov 2024, Kyobo Life in Dec 2024)
- 56 partners by 4Q24 end



### Loan Comparison<sup>(1)</sup> Execution Value

(Wbn)

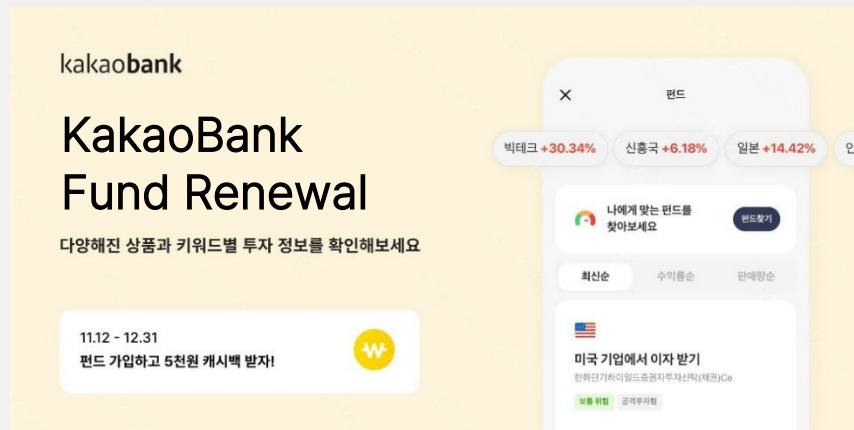
YoY  
+521%



Note: (1) Unsecured loan comparison service launched in Dec 2023

Fund service renewal with expanded product line-up and fund recommendation features;  
IRP account opening service expands customers' accessibility to pension products

### Fund Service Renewal (Nov 2024 Launch)

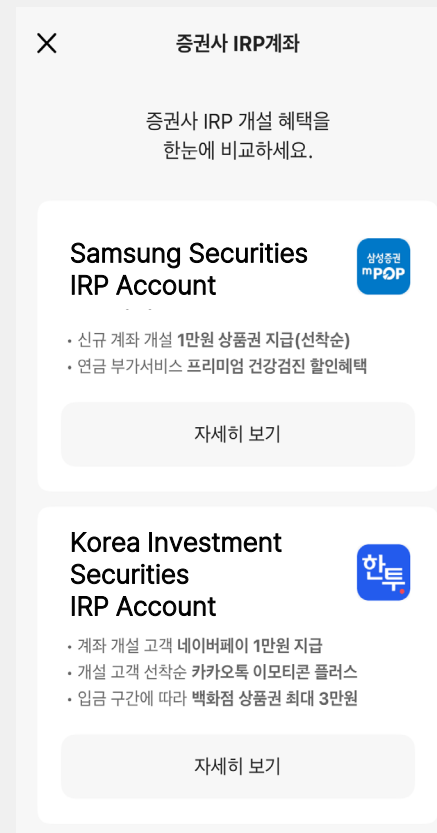


#### Strengthened fund line-up reflecting recent trends

- Strengthened fund line-ups including AI, big tech, emerging market funds etc.
- Fund recommendation features that matches customers' risk appetite and fund search features based on yield/sales volume



### IRP Account Opening Service (Dec 2024 Launch)



#### Expand Service Coverage

Brokerage account opening service



Tax saving & retirement products

#### Improve Accessibility & Convenience

- Compare benefits and open IRP account
- Add more partnership, starting with KIS (Korea Investment Securities) and Samsung Securities

## v. Fee & Platform Biz (3/3) – Advertisement

Successful establishment of advertising platform that encompasses the diverse needs of advertisers;  
Maximize advertisement efficiency and customer visits by integrating signature products & services

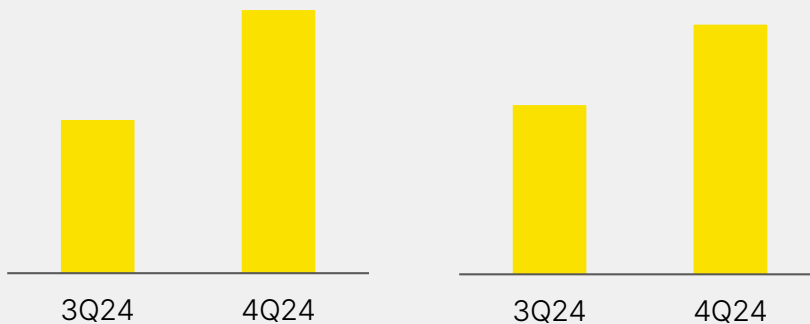
### Increased Traffic from Benefit tab

Benefit Tab Users

Benefit Tab Traffic (PV)<sup>(1)</sup>

QoQ +38%

QoQ +48%

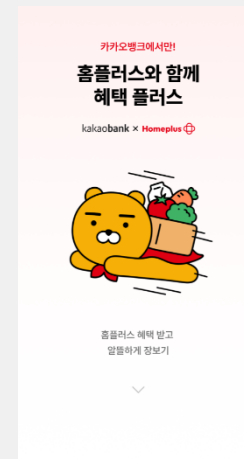


Average daily users QoQ +38%, traffic QoQ +48% since 'Benefit tab' launch

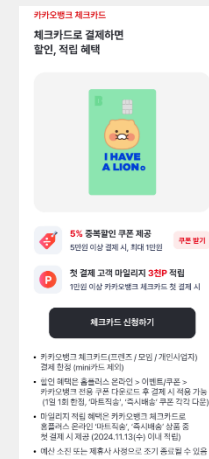
### KakaoBank Products X Brand Integration

Customer acquisition by integrating KakaoBank's product & services with existing brands

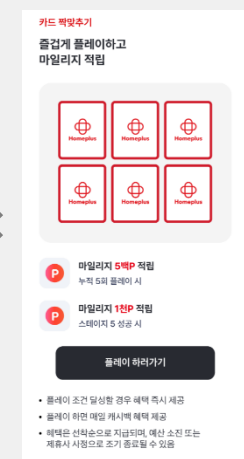
<26 week installments>



<Friends debit card>



<Card matching game>



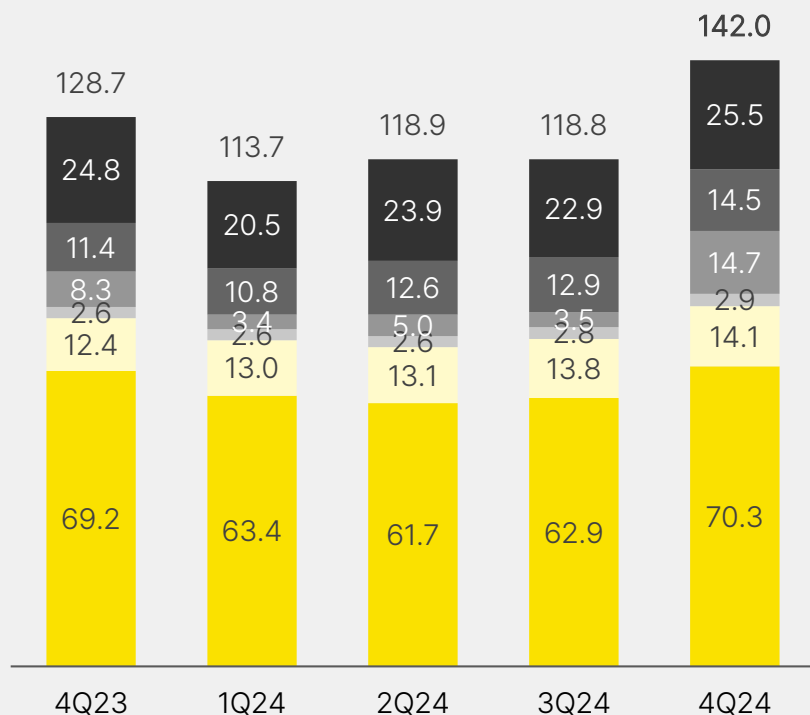
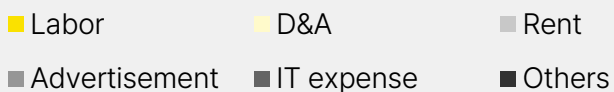
Maximizing advertising efficiency and customer visits

## VI. SG&A & CIR

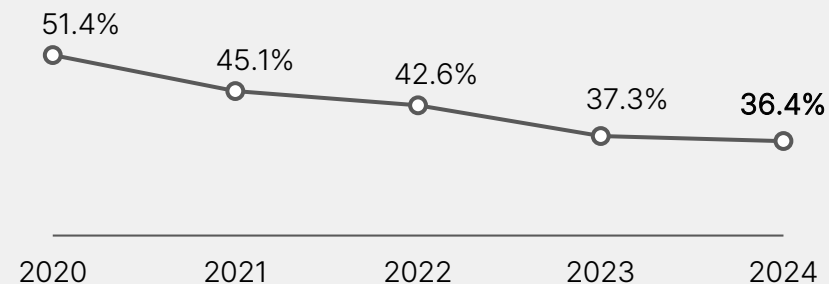
SG&A increased from higher advertisement expense and one-off labor cost;  
CIR improved YoY 1%p thanks to disciplined cost management and stabilized hiring

### SG&A

(Wbn)

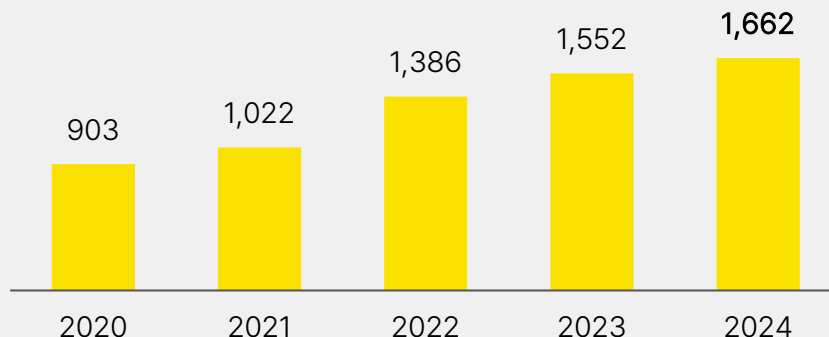


### CIR (Cost to Income Ratio)



### Number of Employees

(persons)

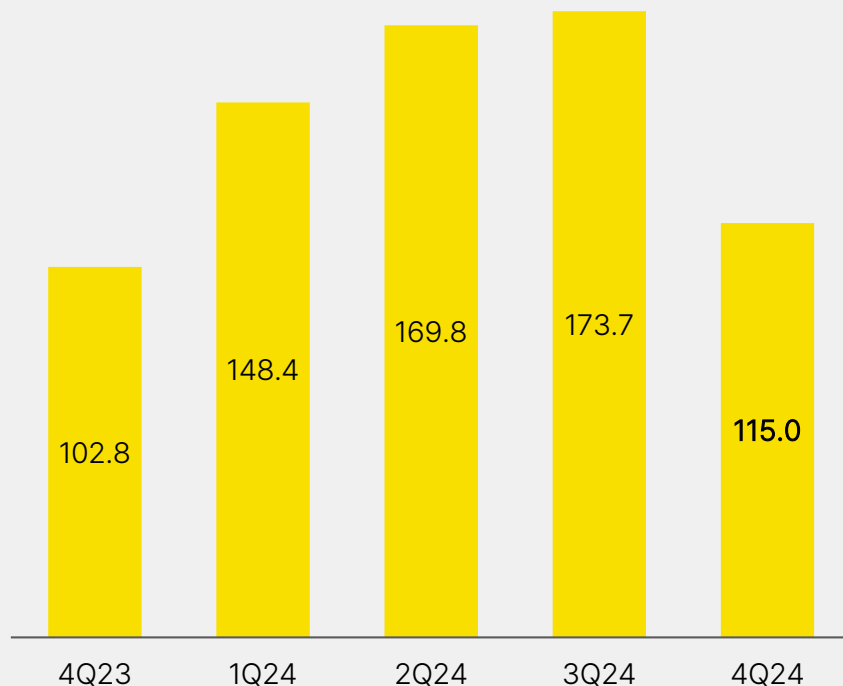


## VII. Operating profit and ROE, ROA

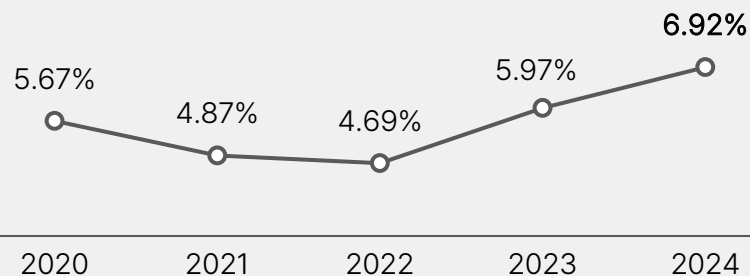
Operating profit YoY +12%, thanks to balanced growth across loan interest, Fee & Platform and financial investment businesses; ROE and ROA improved along with the profit expansion

### Operating Profit

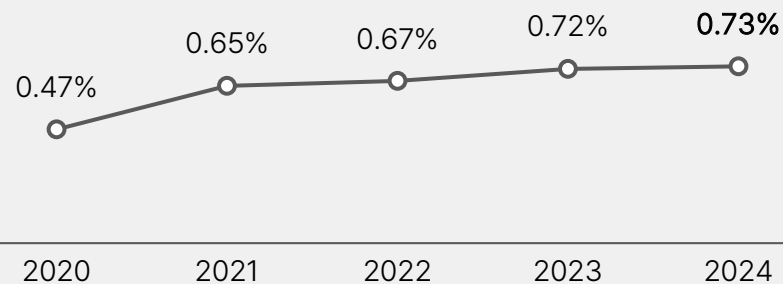
(Wbn)



### ROE



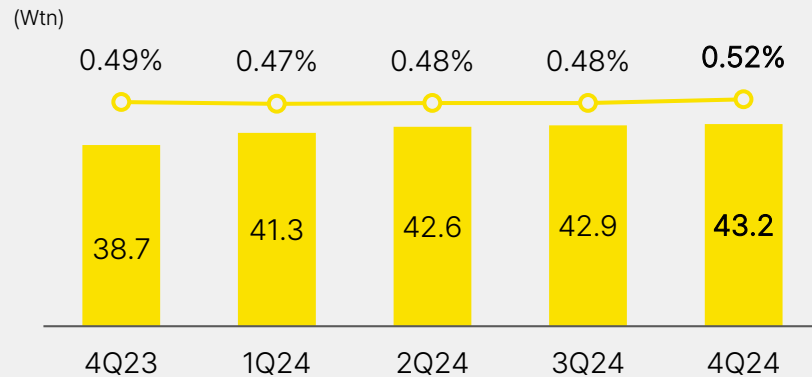
### ROA



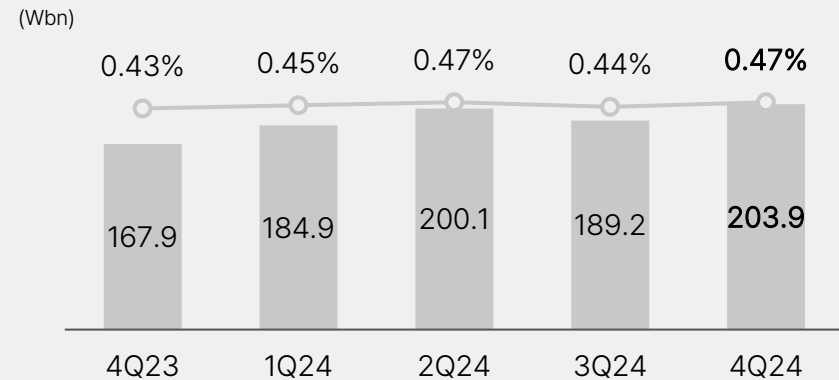
## VIII. Asset Quality

Delinquency rate QoQ +4bp at 0.52% due to slower growth in mortgage loan and reduced write-offs;  
Credit cost ratio recorded 0.65% owing to preemptive provisioning considering economic environment

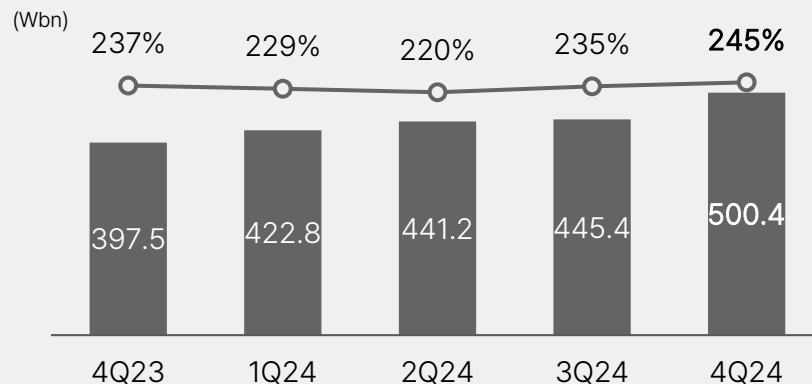
### Total Loans & Delinquency Rate



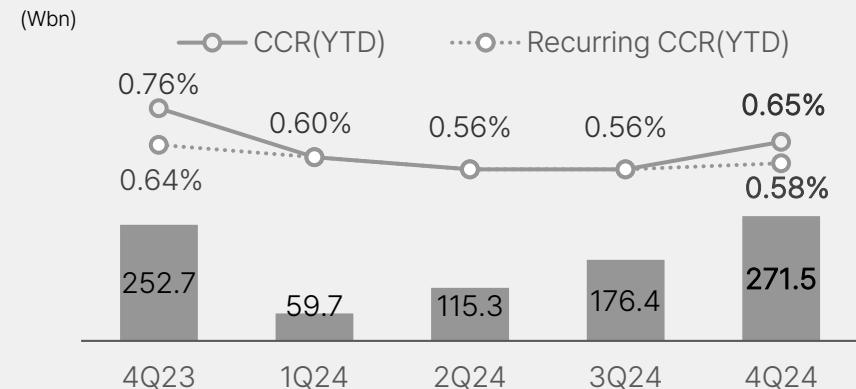
### SBL & NPL Ratio



### 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



### Mortgage Loan Comparison Service (2Q25)

- ◆ Loan comparison service allowing instant comparison of Kakaobank and other partners loan rates and limits



### Investment Box (2Q25)

- ◆ Service utilizing MMF product that generates profits even for just one day, creating synergy with KakaoBank's various investment products



### SOHO Secured Loan (4Q25)

- ◆ Convenient digital secured loan that meets the needs of various business owners with wide range of collateral coverage



### VAT Box (1Q25)

- ◆ Customized VAT collection service, using KakaoBank AI technology, that allows business owners to easily collect and manage tax payment



### Mobile Identification (2Q25)

- ◆ Mobile ID service, registering magnetic ID card on mobile phone, to enhance customer convenience



### PLCC Credit Card (3Q25)

- ◆ Payment service expansion providing credit card application, payment details, benefits and additional services via KakaoBank application



### Interactive AI Financial Calculator (4Q25)

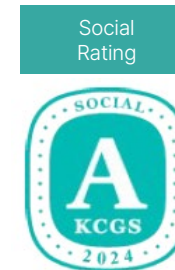
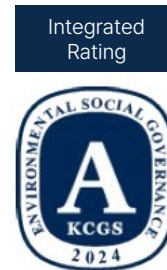
- ◆ Conversational AI service to assist customers to understand and calculate financial information conveniently



2024 KCGS ESG Rating improved by one notch, reaching A rating for all ESG segments;  
KakaoBank's Integrated A rating ranks in the top 23% of the 1,066 domestic companies subject to evaluation

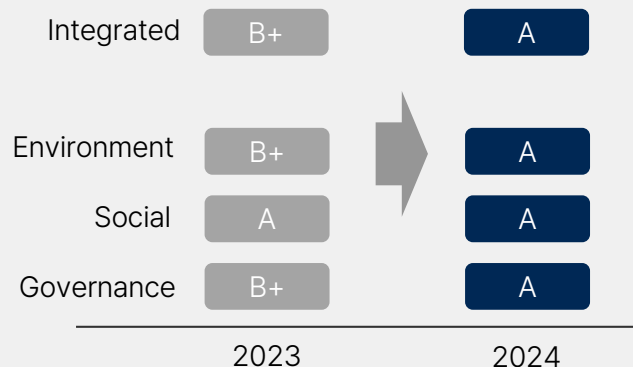
### KCGS ESG Rating

- Evaluated companies : Total 1,066 companies (794 Kospi, 207 Kosdaq, 65 non-listed)
- ESG ratings are used for 5 <sup>(1)</sup> KRX ESG thematic indices



### Rating Components and Major Improvements

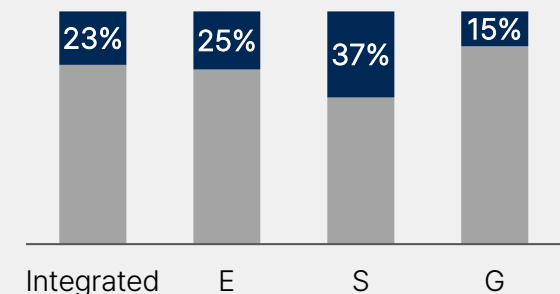
(Rating : S, A+,A, B+, B, C, D)



- Reduced carbon emission and energy intensity for 2 consecutive years by strengthening environmental management through ESG Committee under BoD
- Obtained ISO 45001 safety and health management system certification
- Established outside BoD and BoD Bureau and strengthened ESG communications with related parties

### ESG Ratings Distribution

KakaoBank's integrated rating ranks in the top 23%



## IX. Appendix : Income Statement

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(Wbn)	4Q24	4Q23	YoY		3Q24	QoQ	
<b>Income Statement</b>							
<b>Operating Revenue</b>	<b>747.3</b>	<b>663.7</b>	<b>83.6</b>	<b>12.6%</b>	<b>746.3</b>	<b>1.0</b>	<b>0.13%</b>
Interest Revenue	607.8	566.1	41.7	7.4%	611	-3.2	-0.5%
Fee Revenue	51.1	47.7	3.4	7.1%	57.3	-6.2	-10.8%
Platform Revenue	29.8	18.0	11.8	65.6%	21.8	8.0	36.7%
Others	58.6	31.9	26.7	83.7%	56.2	2.4	4.3%
<b>Operating Expense</b>	<b>535.7</b>	<b>496.1</b>	<b>39.6</b>	<b>8.0%</b>	<b>511.7</b>	<b>24.0</b>	<b>4.7%</b>
Interest Expense	281.2	254.9	26.3	10.3%	284	-2.8	-1.0%
Loan & Deposit related Expense <sup>(1)</sup>	7.5	7.8	-0.3	-3.8%	6.4	1.1	17.2%
Fee & Platform Expense	47.7	45.4	2.3	5.1%	47.1	0.6	1.3%
CD/ATM Expense	15.8	16.4	-0.6	-3.7%	15.9	-0.1	-0.6%
SG&A	142.0	128.7	13.3	10.3%	118.8	23.2	19.5%
Others	41.5	42.9	-1.4	-3.3%	39.5	2.0	5.1%
<b>Provision for Credit Cost</b>	<b>96.6</b>	<b>64.8</b>	<b>31.8</b>	<b>49.1%</b>	<b>60.9</b>	<b>35.7</b>	<b>58.6%</b>
<b>Operating Profit</b>	<b>115.0</b>	<b>102.8</b>	<b>12.2</b>	<b>11.9%</b>	<b>173.7</b>	<b>-58.7</b>	<b>-33.8%</b>
<i>% Operating Revenue</i>	15.4%	15.5%		-0.1%p	23.3%		-7.9%p
Non-operating Income	0.8	0.6	0.2	33.3%	0.5	0.3	60.0%
Non-operating Expense	3.8	4.4	-0.6	-13.6%	5.2	-1.4	-26.9%
Pre-tax Profit	112.0	99.0	13.0	13.1%	169.0	-57.0	-33.7%
<b>Net Profit</b>	<b>84.5</b>	<b>75.7</b>	<b>8.8</b>	<b>11.6%</b>	<b>124.2</b>	<b>-39.7</b>	<b>-32.0%</b>
<i>% Operating Revenue</i>	11.3%	11.4%		-0.1%p	16.6%		-5.3%p

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

## IX. Appendix : SG&A

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(Wbn)	4Q24	4Q23	YoY		3Q24	QoQ	
<b>SG&amp;A</b>	<b>142.0</b>	<b>128.7</b>	<b>13.3</b>	<b>10.3%</b>	<b>118.8</b>	<b>23.2</b>	<b>19.5%</b>
Labor Cost	70.3	69.2	1.1	1.6%	62.9	7.4	11.8%
D&A	14.1	12.4	1.7	13.7%	13.8	0.3	2.2%
IT Expense	14.5	11.4	3.1	27.2%	12.9	1.6	12.4%
Rent	2.9	2.6	0.3	11.5%	2.8	0.1	3.6%
Advertisement	14.7	8.3	6.4	77.1%	3.5	11.2	320.0%
Others	25.5	24.8	0.7	2.8%	22.9	2.6	11.4%

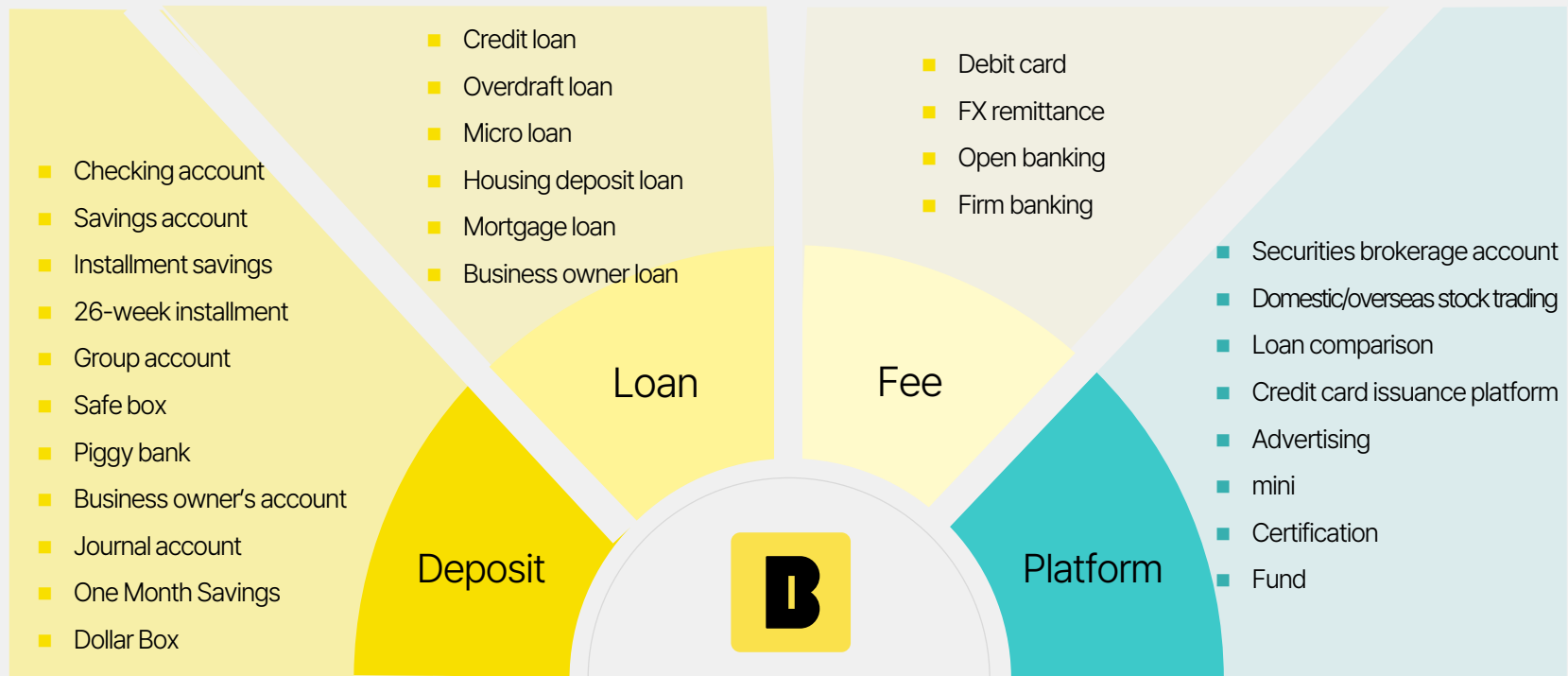
## IX. Appendix : Balance Sheet

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(Wbn)	2024.12	2023.12	YTD	2024.09	QoQ
<b>Balance Sheet</b>					
<b>Total Asset</b>	62,805.3	54,488.2	15.3%	62,159.3	1.0%
Cash & Cash Equivalent	1,855.4	2,733.2	-32.1%	2,427.6	-23.6%
Financial assets at FV through profit or loss	4,288.5	2,554.9	67.9%	3,676.2	16.7%
Financial Investments	10,871.6	9,174.3	18.5%	10,423.3	4.3%
Loan	44,503.8	38,649.0	15.1%	44,538.7	-0.1%
Tangible Assets	176.8	180.8	-2.2%	179.3	-1.4%
Intangible Assets	43.3	34.2	26.6%	37.5	15.5%
Other Assets	1,065.9	1,161.8	-8.3%	876.7	21.6%
<b>Total Liabilities</b>	56,265.2	48,370.5	16.3%	55,714.1	1.0%
Deposit	54,971.0	47,142.8	16.6%	54,340.7	1.2%
Provision Liability	58.0	56.1	3.4%	56.6	2.5%
Other Liabilities	1,236.2	1,171.6	5.5%	1,316.8	-6.1%
<b>Total Equity</b>	6,540.1	6,117.7	6.9%	6,445.2	1.5%
Share Capital	2,384.8	2,384.4	0.0%	2,384.8	0.0%
Capital Surplus	2,988.2	2,987.5	0.0%	2,987.7	0.0%
Capital Adjustments	0.2	0.9	-77.8%	0.7	NA
AOCI	43.7	-9.7	NA	33.3	NA
Retained Earnings	1,123.2	754.6	48.8%	1,038.7	8.1%

## IX. Appendix : Our broad product offering

Highly expandable financial platform with banking and platform services all in one app



ALL in One App



100% Mobile



Intuitive UI/UX



User Utility