

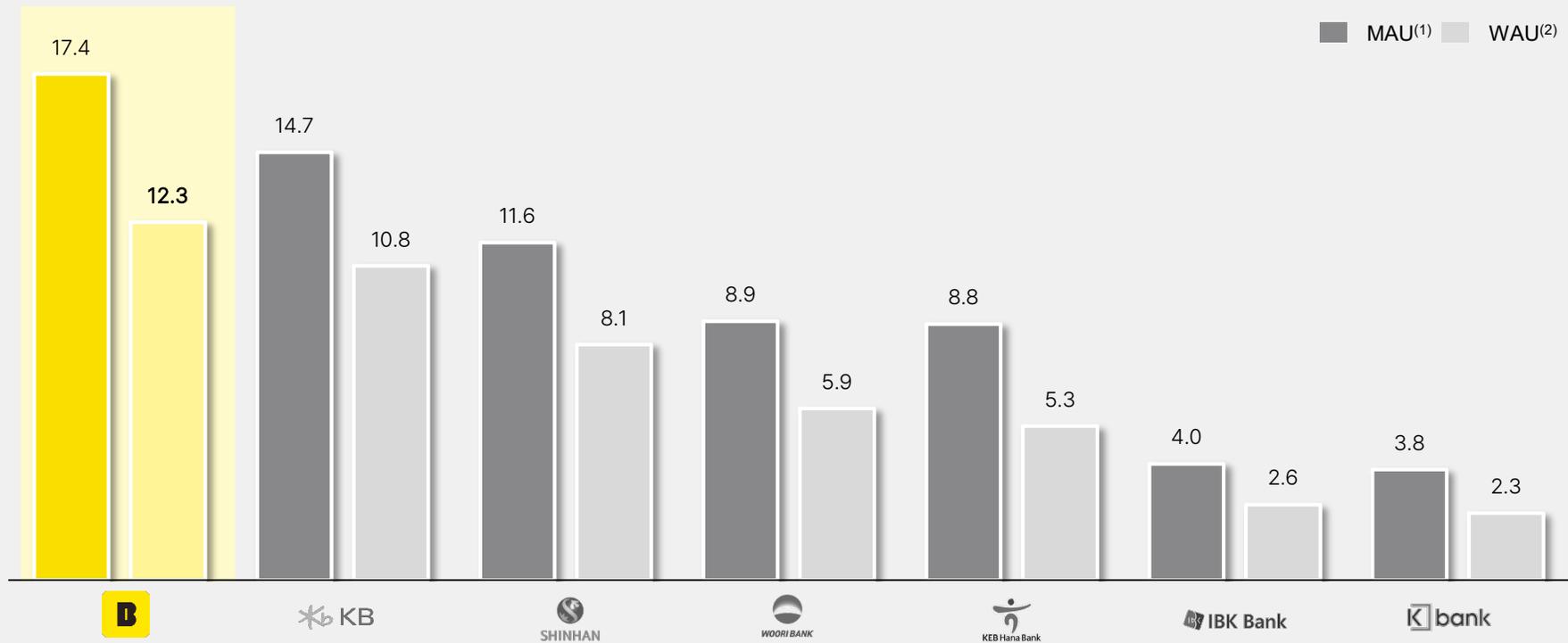
KakaoBank Investor Relations

August 2023

MAU & WAU ranks #1

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)

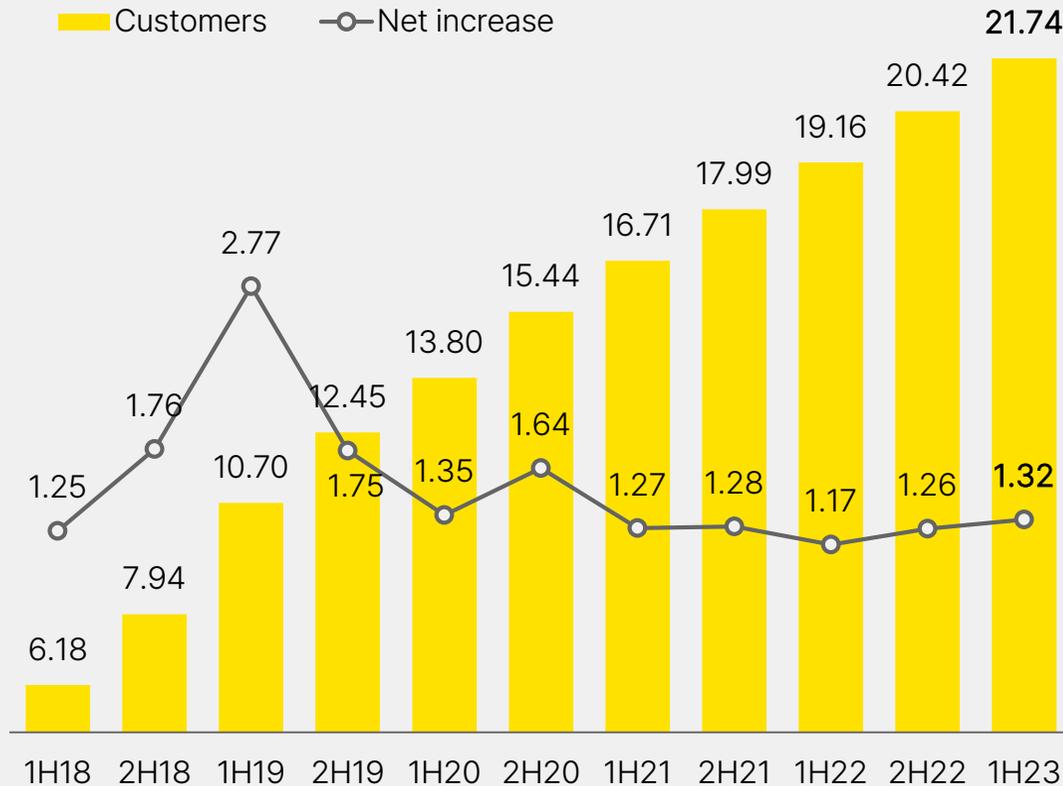


Source: Company data, Nielsen Media Korea Digital Data
Note: (1) Quarterly average MAU of 2Q23
(2) Quarterly average WAU of 2Q23

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

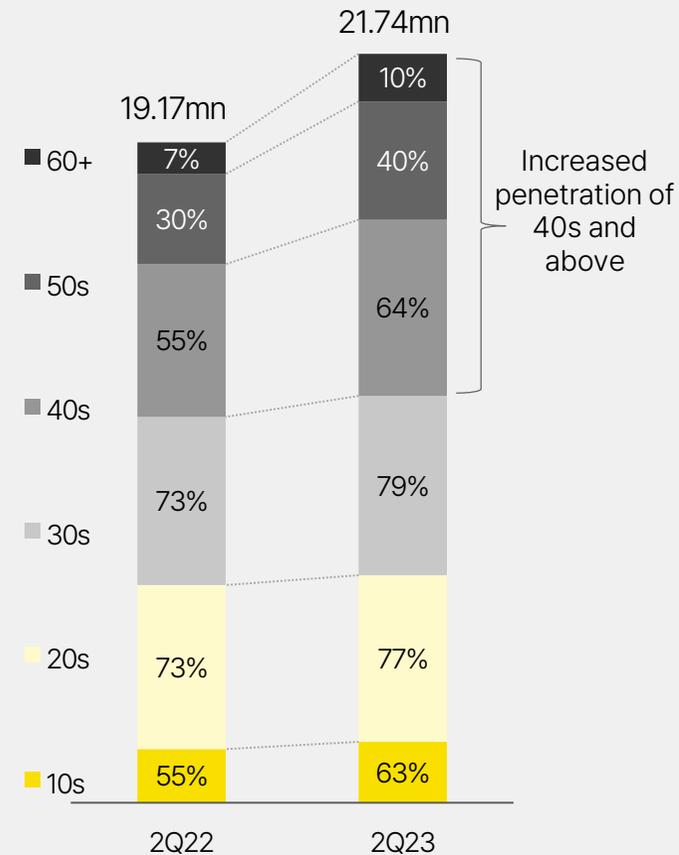
MAU⁽¹⁾ and Customer

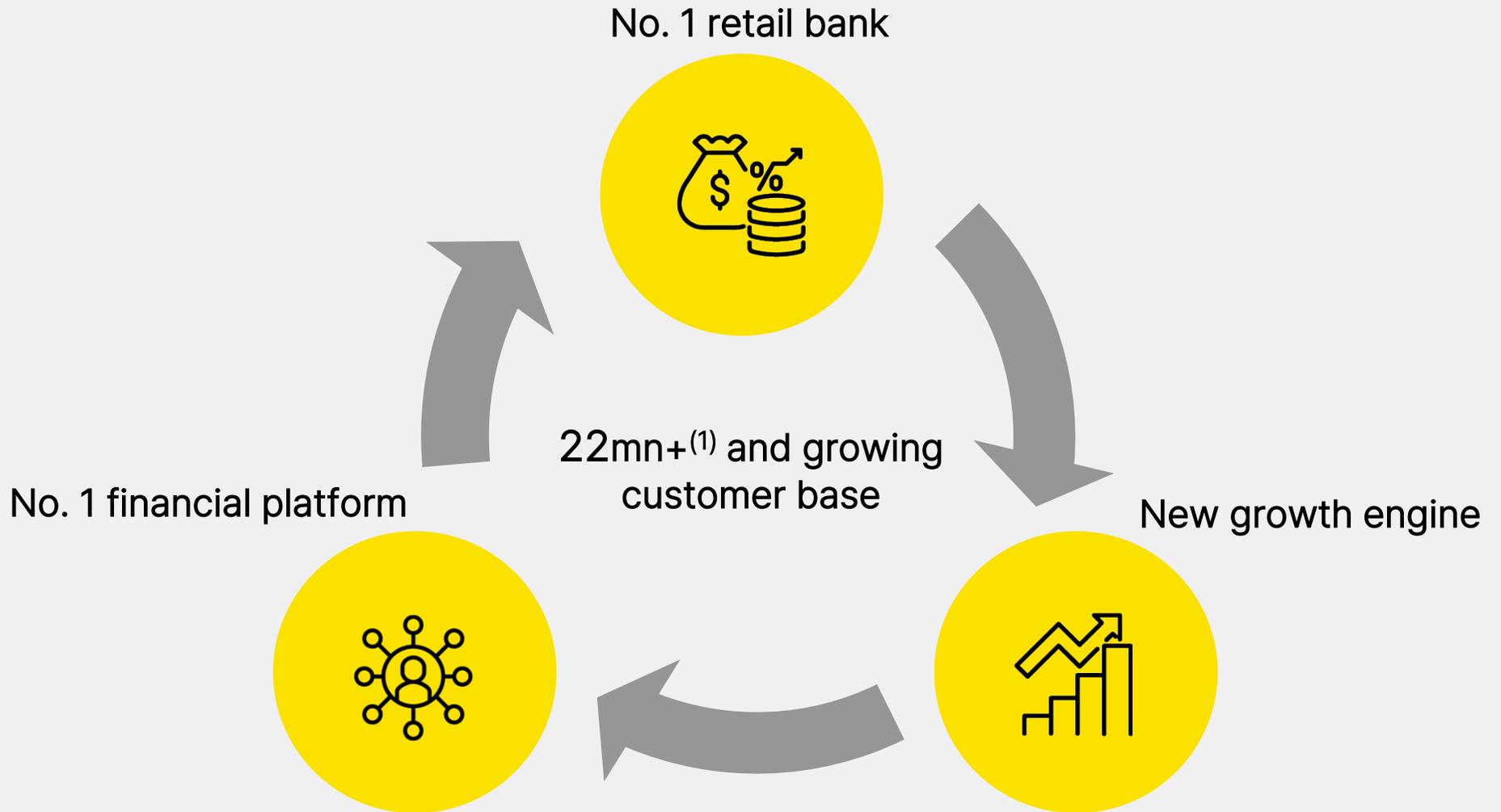
(mn users)



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

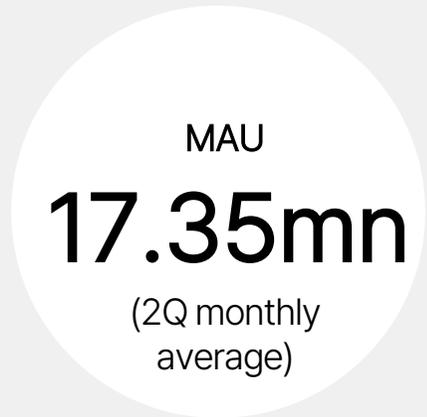
Penetration by Age Group⁽²⁾



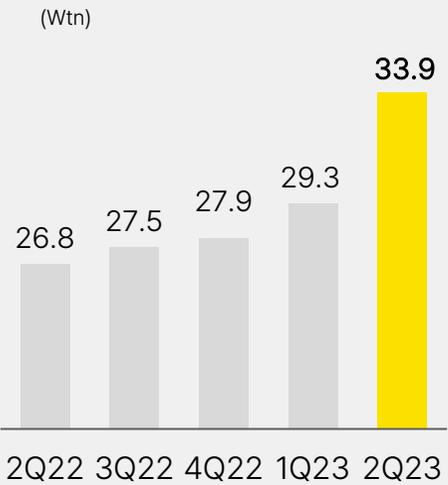


Note: (1) As of Jun 2023

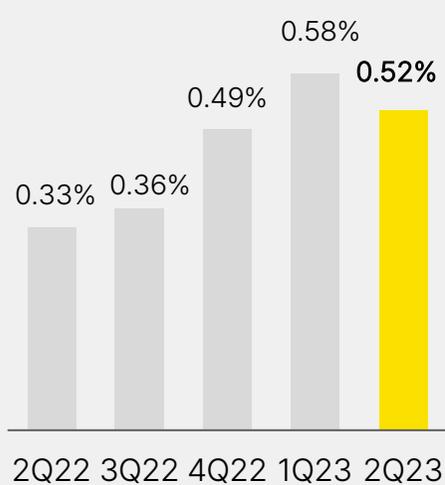
Operating income increased 50% YoY thanks to robust loan growth and sound asset quality management;
Enhanced platform influence owing to new customer acquisition and MAU expansion



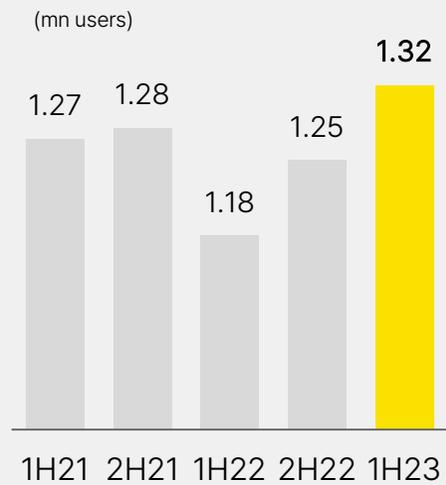
Loan Balance



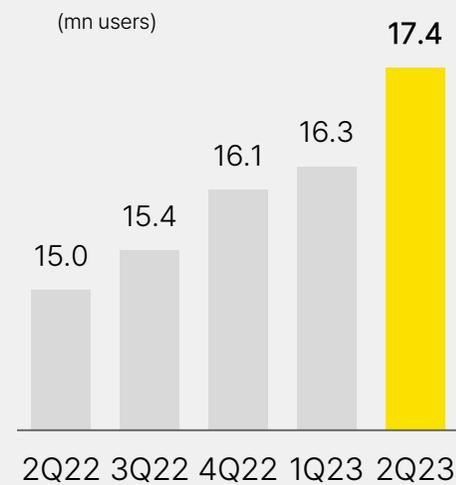
Delinquency



Net Customer Increase



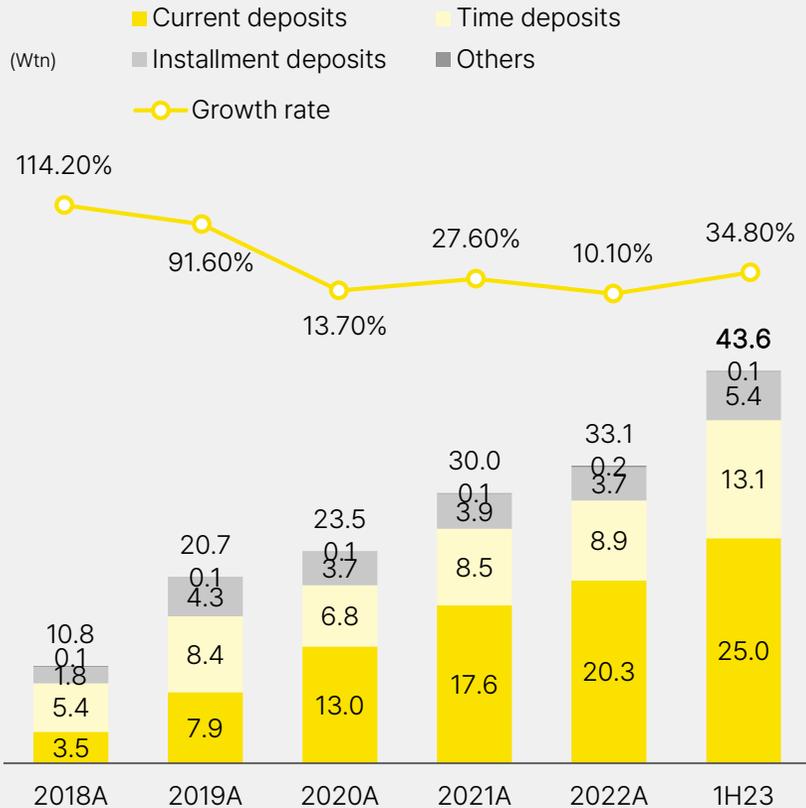
MAU



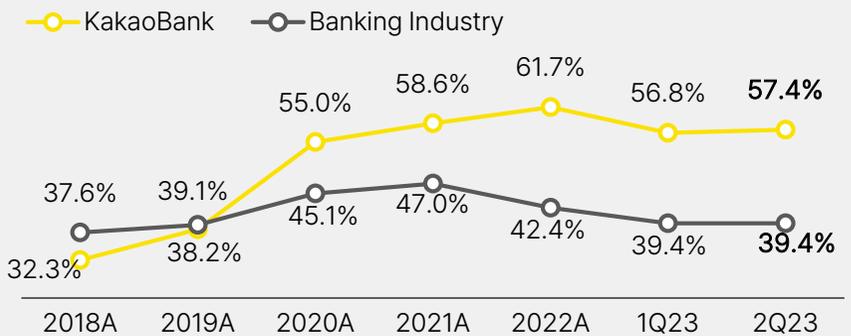
Banking Business

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

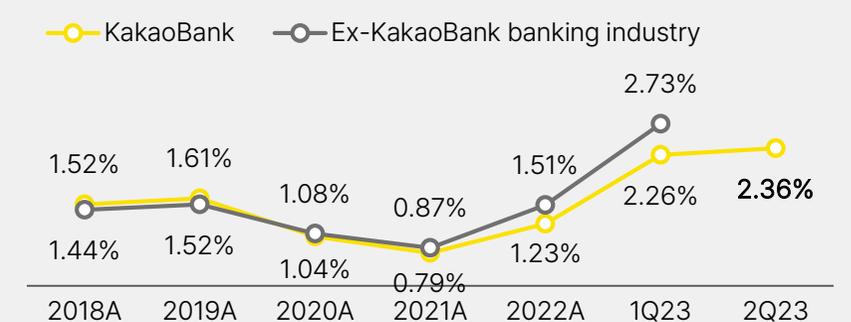
Deposit Balance Trend & Breakdown



Low-Cost Deposit Portion⁽¹⁾



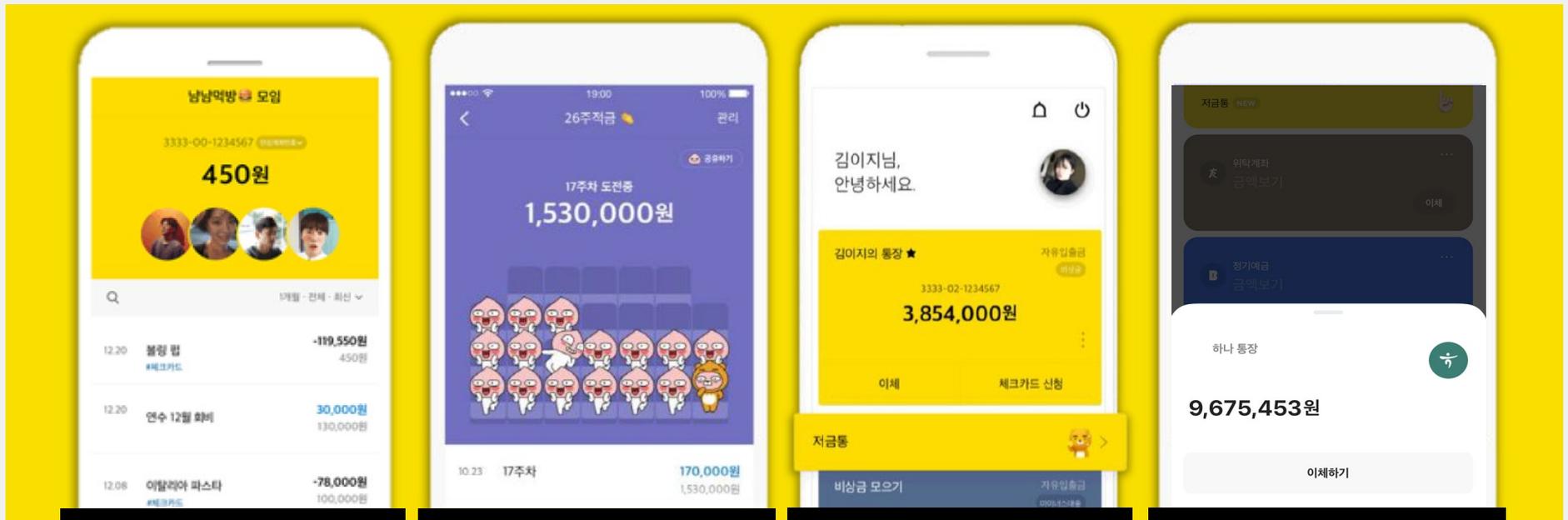
Funding Cost⁽²⁾



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

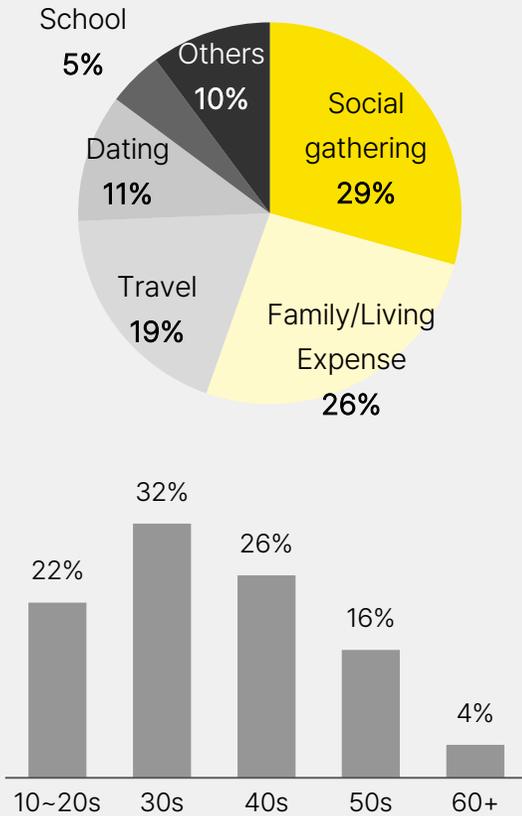
Open Banking
4.5 mn users

Note: As of Jun 2023

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

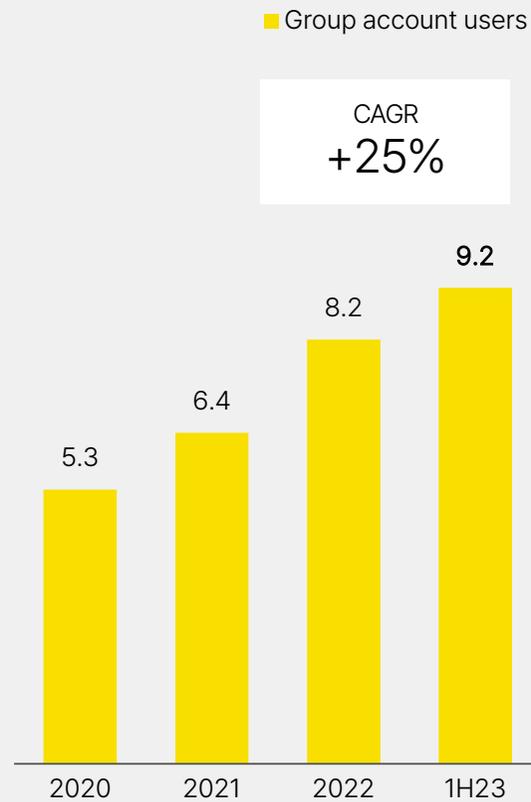
Group Type · User Age

(30th June 2023)



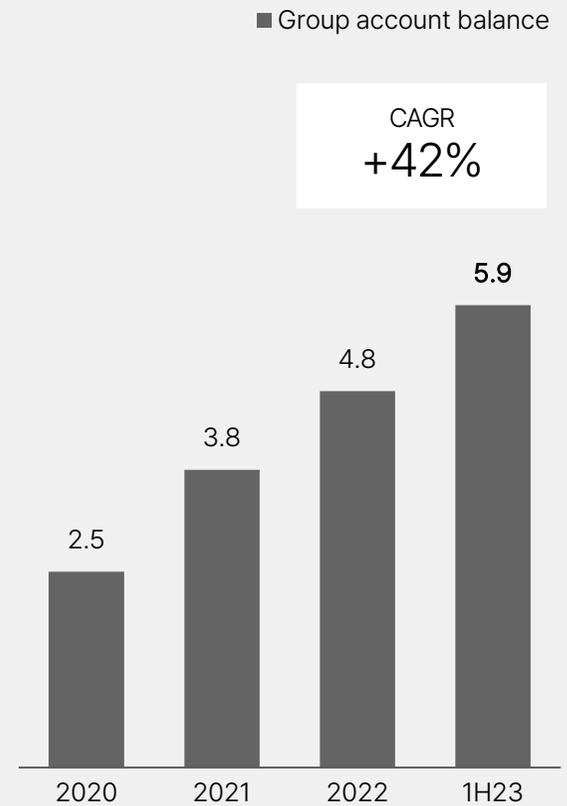
Group Account Users

(mn users)



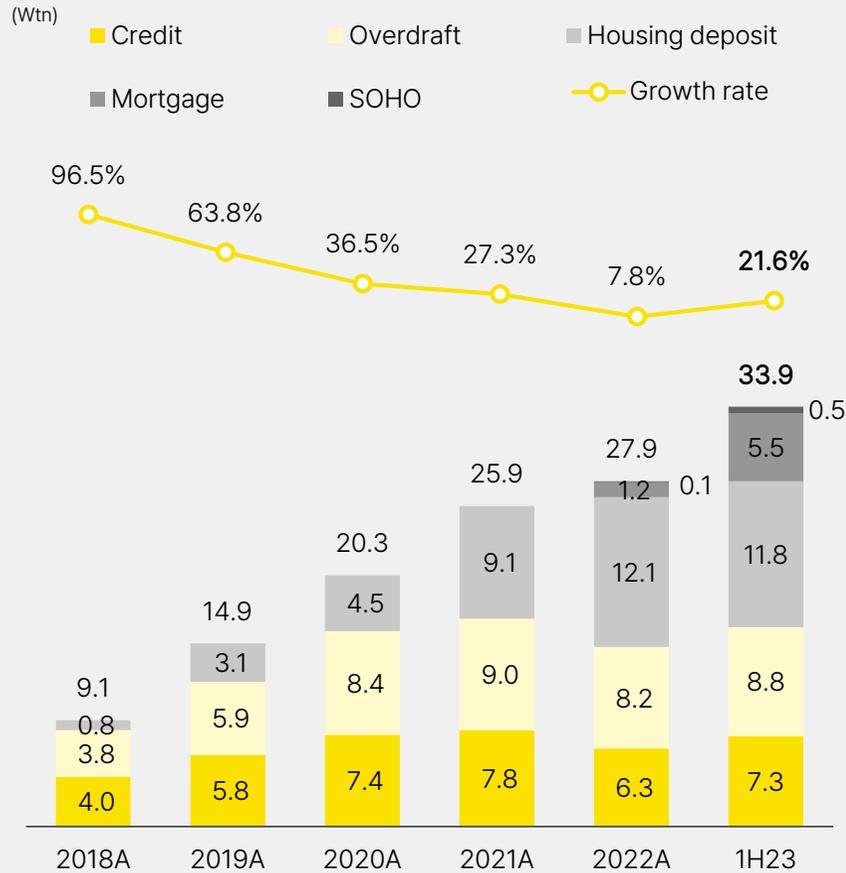
Group Account Balance

(Wtn)

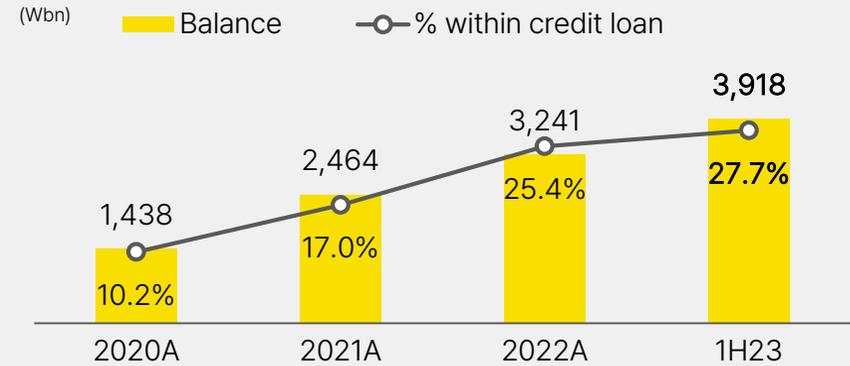


Outstanding loan growth with thanks to product convenience and differentiated user interface

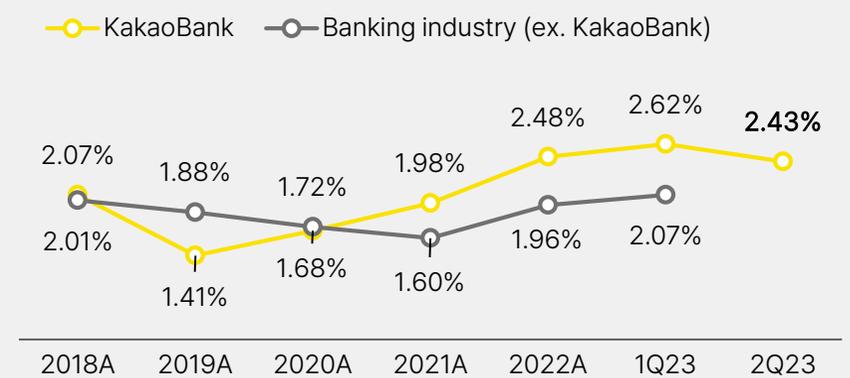
Loan Balance Trend & Breakdown



Mid-Credit Loan

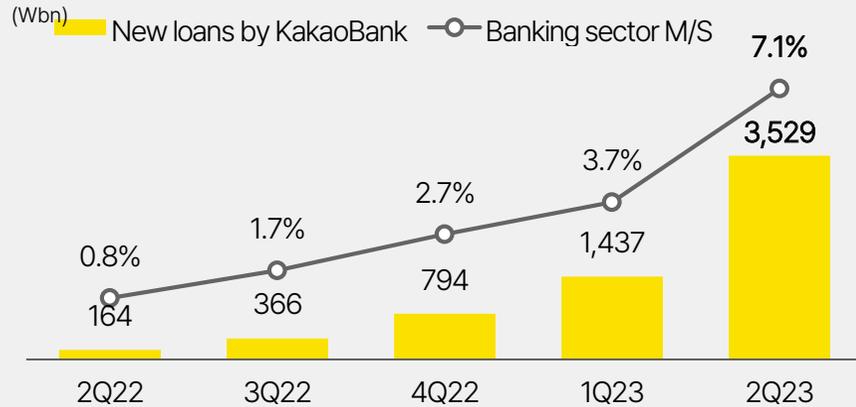


Net Interest Margin (NIM)



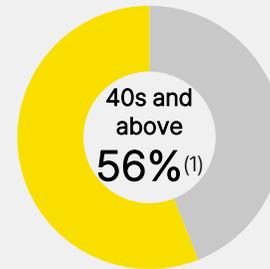
Mortgage balance reached W5.5tn, with quarterly new loans doubling QoQ since mortgage loan launch, achieving 1% M/S based on mortgage balance; convenience and competitive rate attracted greater portion of customers in their 40s+ contributed to higher current deposit balance

KakaoBank Mortgage Loan and M/S

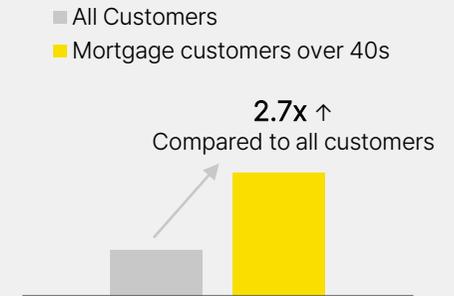


Mortgage Customers Age and Deposit Balance

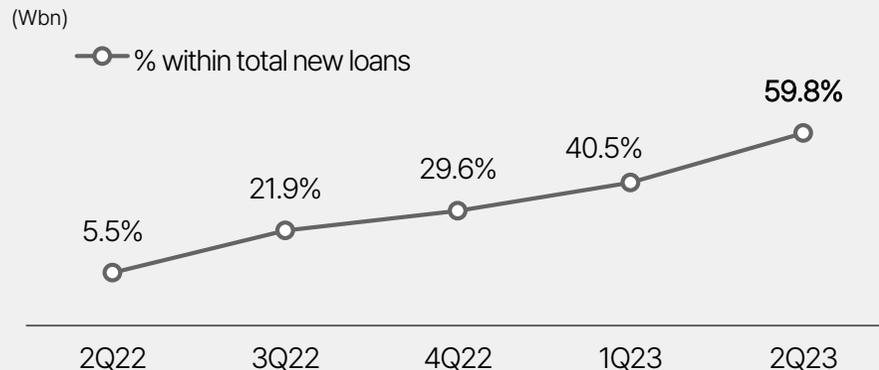
<Distribution by age>



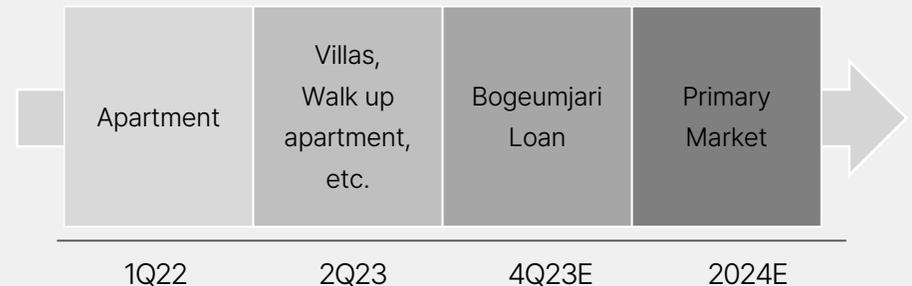
<1H23 current deposit balance per person>



Mortgage Loan for Refinancing Purpose



Market Coverage Expansion Plan



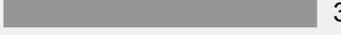
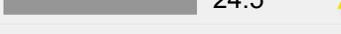
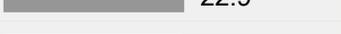
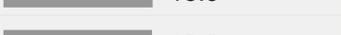
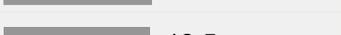
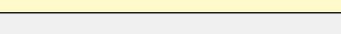
Note: (1) Proportion of KakaoBank mortgage loan balance by customers over 40 years of age (based on end of June 2023 balance)

Fee & Platform Business

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



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

Ranking ⁽¹⁾	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 kakaobank	 17.9	WhatsApp		Amazon Shopping	

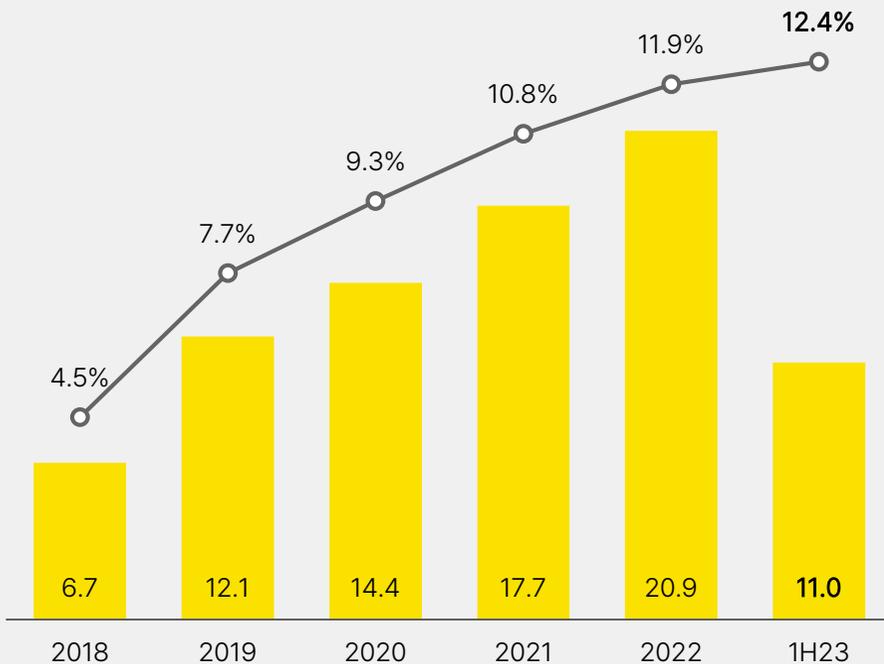
Source: Company data , Nielsen Media Korea Digital Data, SimilarWeb
 Note: (1) For the month of June 2023 (including both Android OS mobile and iOS mobile)

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

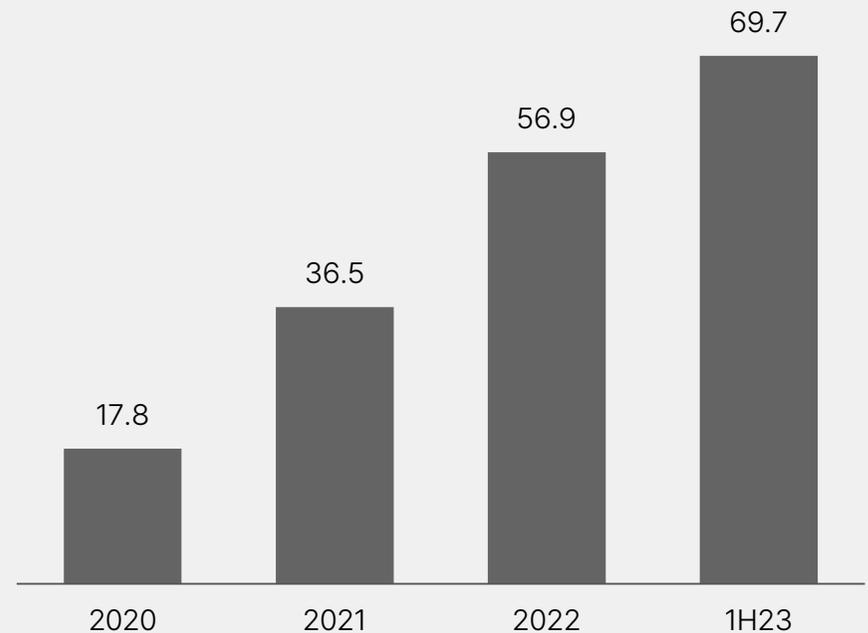
Debit Card Transaction Value and M/S

(Wtn; Quarterly)



Co-branded Credit Card

(10k; cumulative)

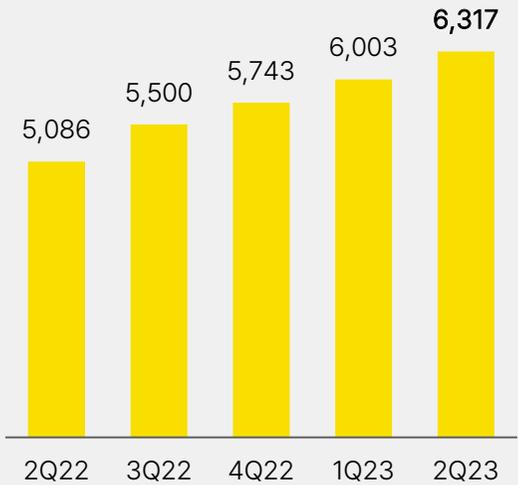
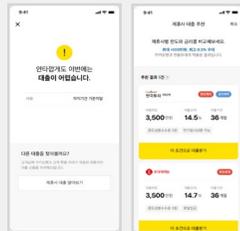


Loan Platform

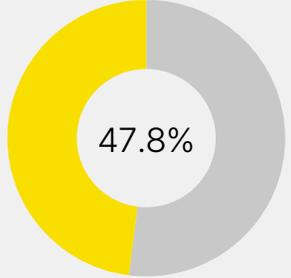
Under current regulation, KakaoBank could only serve limited pool of customers for loan referral business
 But as regulation becomes more favorable towards loan platform, KakaoBank can leverage its 20mn customers and convenient UI/UX to initiate loan platform business including loan exchange and comparison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



(Wbn; cumulative)

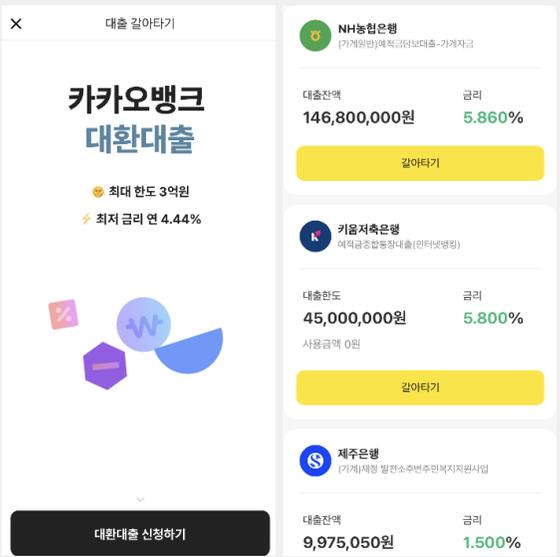


KakaoBank M/S⁽¹⁾ out of 53 financial companies participating in loan refinancing service



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

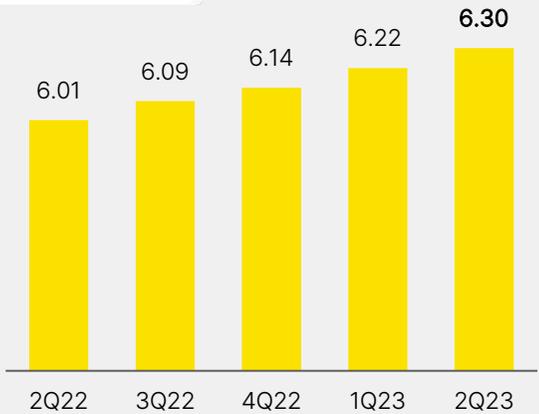
Full stock trading coverage within KakaoBank app

Revenue source expansion by portfolio diversification

(mn accounts; cumulative)



YTD +3%
(8 partners)



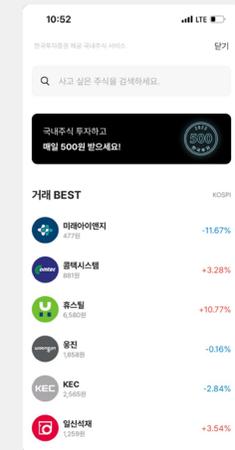
Done

Overseas



Ministock
(released in Sep 2020)

Domestic



Web Trading System
(released in Dec 2022)

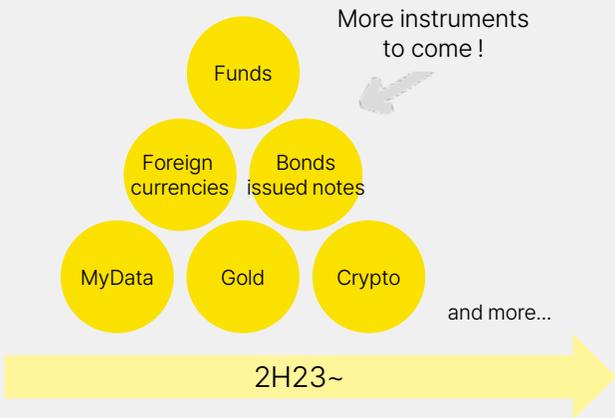


(released in Jun 2023)

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



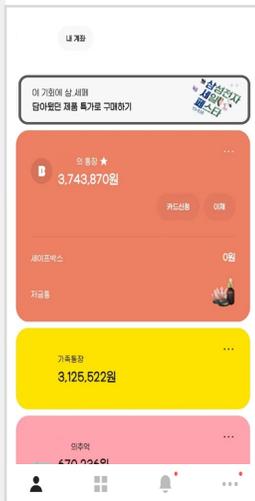
Advertisement

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

Advertisement Inventory

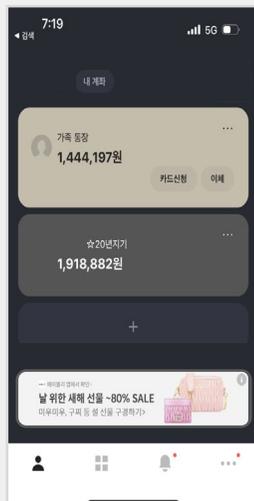
Premium Ads

Multiple display w/ switchable sections



Kakao Adfit

Kakao biz board advertisement



Loan ads

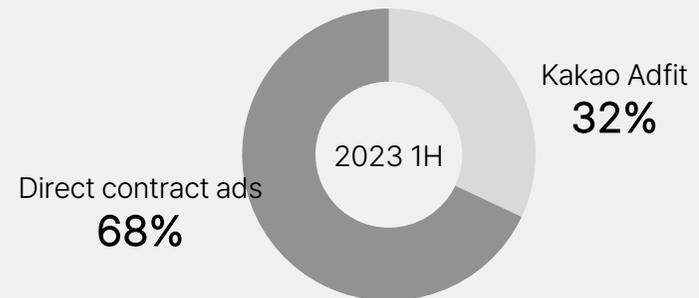
3rd party loan ads on My Credit page



% within Platform Revenue



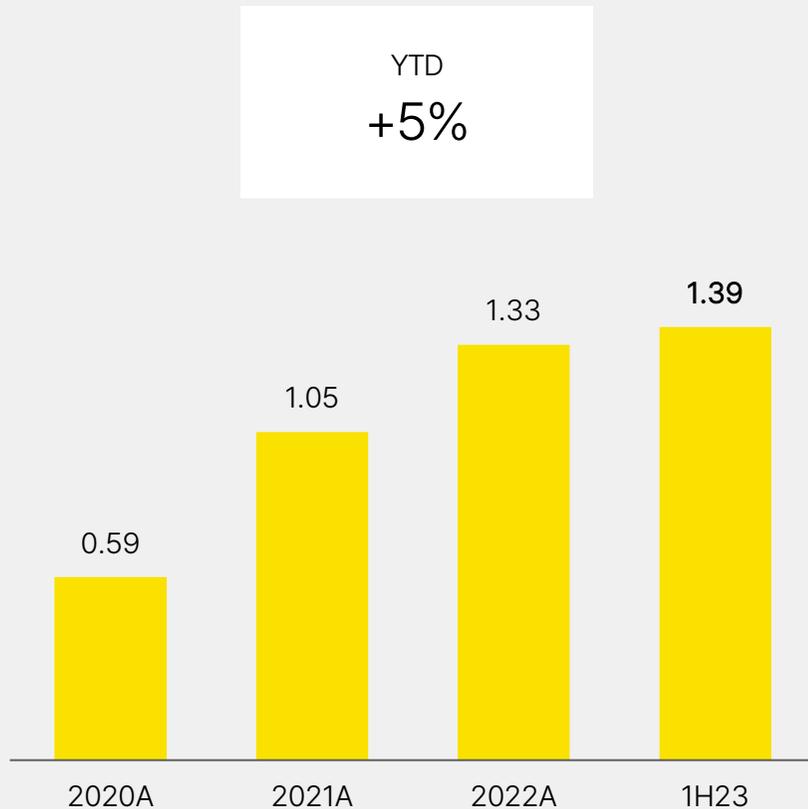
Revenue Composition



mini customers reach 1.4mn cumulatively;
 'mini Life' launched in May 2023, expands service context from finance to daily life

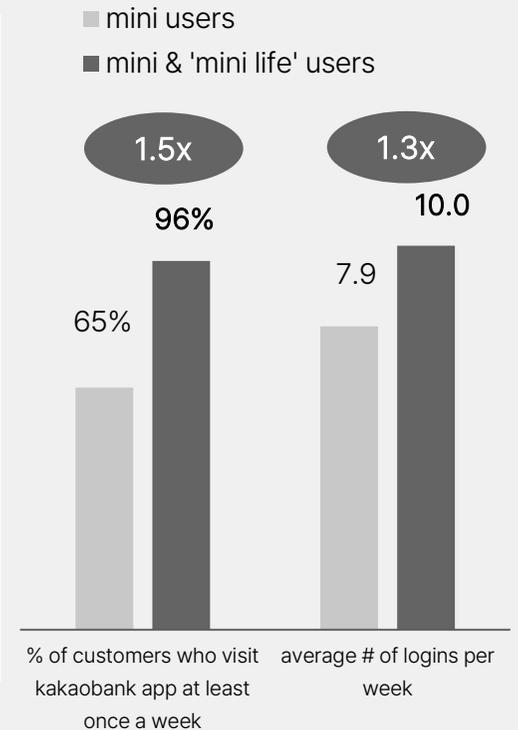
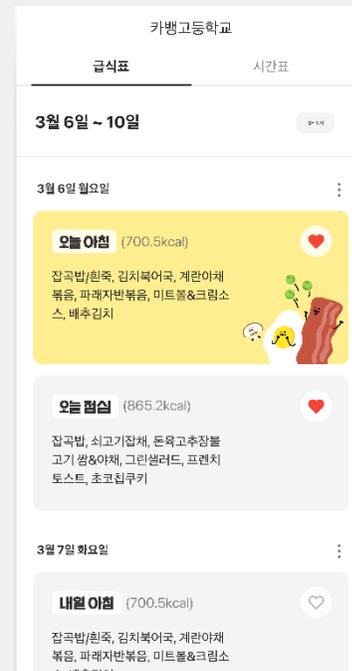
mini Users

(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

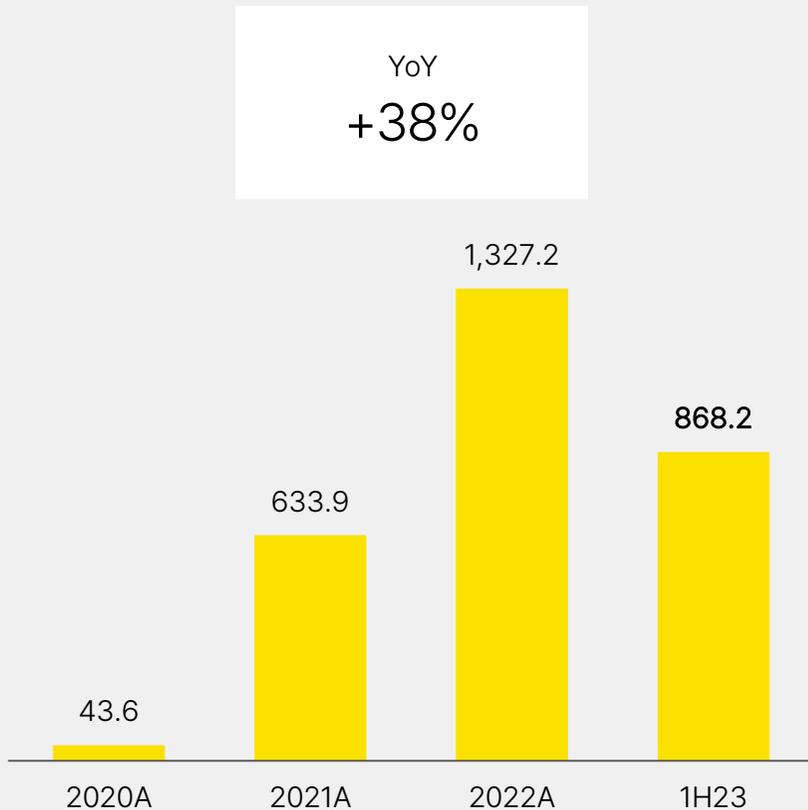


Note: (1) mini users vs. mini & 'mini life' users comparison during 5th week of May ~ 4th week of June (29th May 2023~25th June 2023)

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

간편결제 등록

등록할 간편결제를 선택해주세요.
카드등록이 완료되면
간편결제에서 바로 사용할 수 있습니다.

카카오페이

간편결제 서비스에 가입하신 고객만 등록 가능합니다.

pay auto-link portion⁽¹⁾ 75%

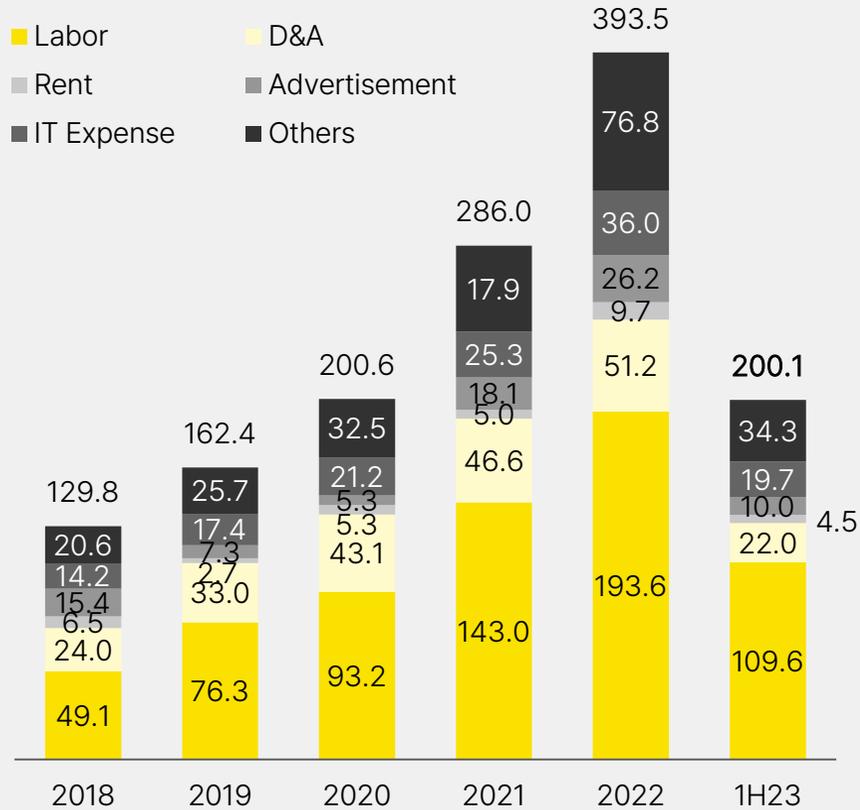
Note: (1) based on mini cards issued between 19th June 2023 - 30th June 2023

Financials

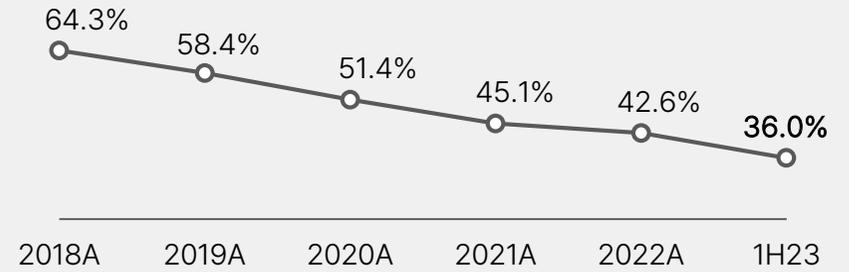
Superior cost structure with improving CIR ratio

SG&A

(Wbn)



CIR



of Employees

(persons)

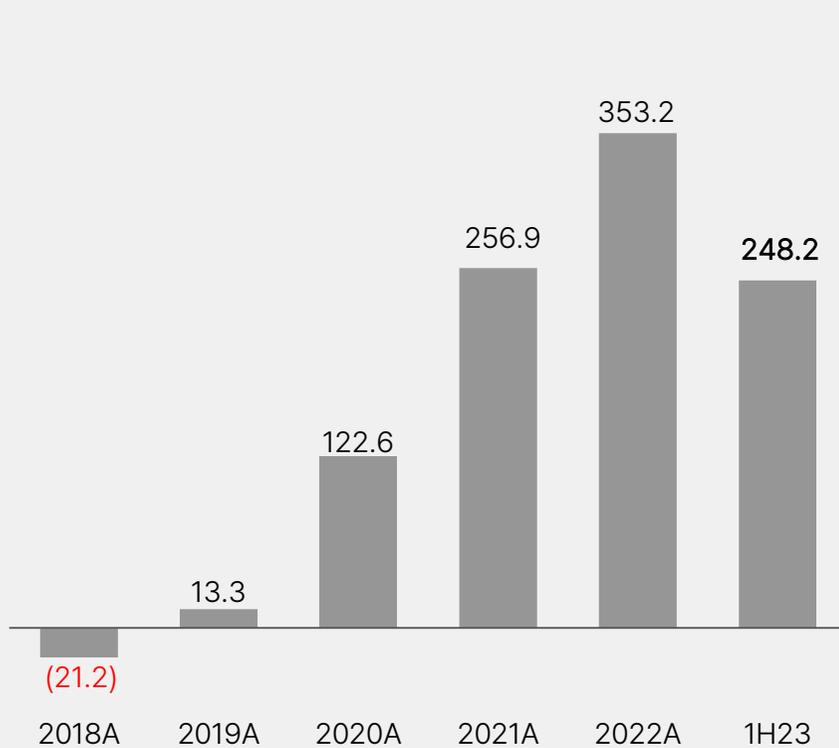


Operating profit and ROE, ROA

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

Operating Profit

(Wbn)



ROE

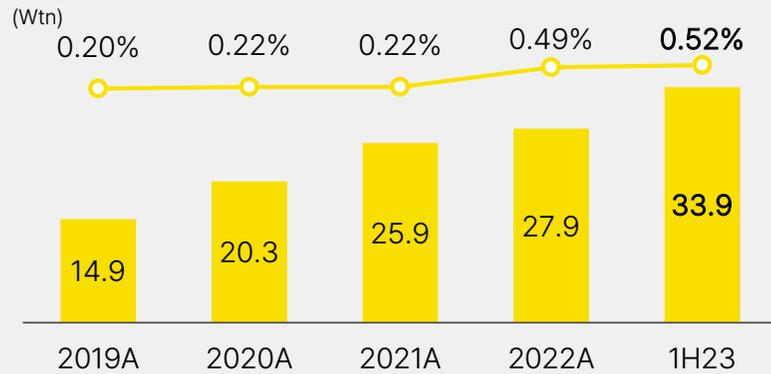


ROA

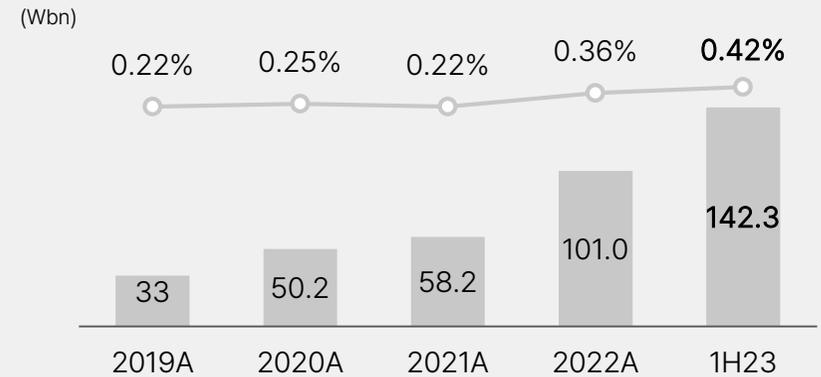


Stable delinquency rate and NPL ratio

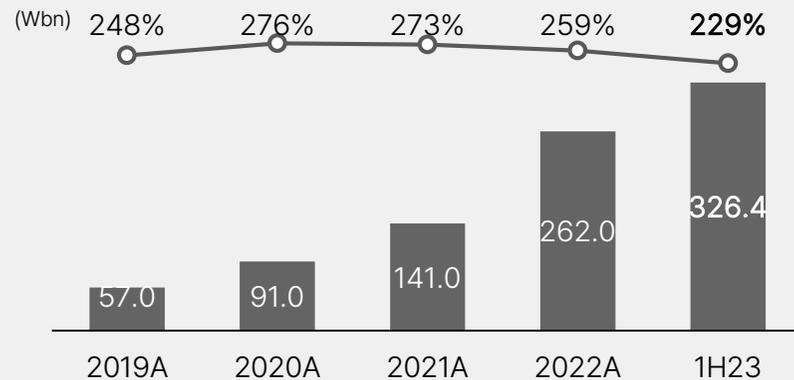
Total Loans & Delinquency Rate



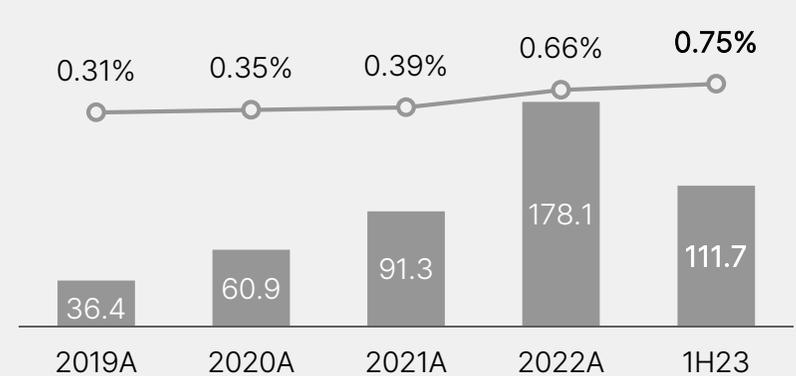
SBL & NPL Ratio



Loan Loss Allowance & Coverage Ratio⁽¹⁾



Provisioning & Credit Cost Ratio⁽²⁾



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

EOD