

# 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

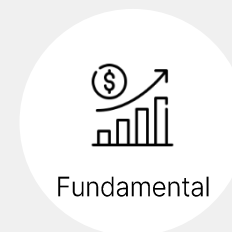
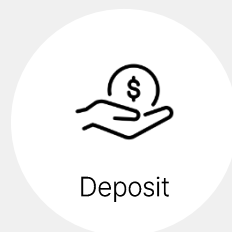
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## I. 1Q25 Highlights

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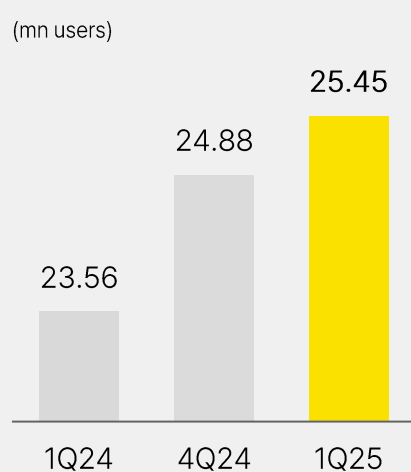
Robust earnings growth through customer base expansion and differentiated deposit growth



Customer Base

**+0.57mn**  
(YTD)

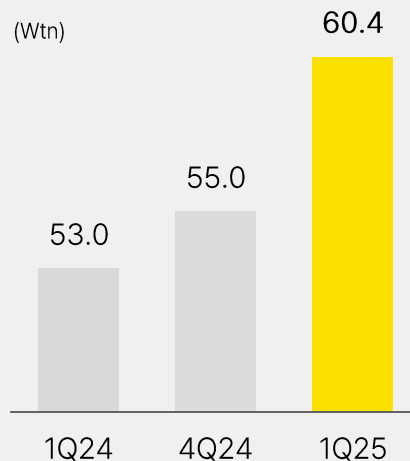
(mn users)



Deposit Balance

**+14%**  
(YoY)

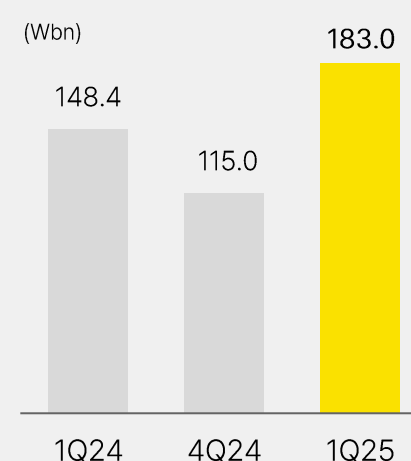
(Wtn)



Operating Profit

**+23%**  
(YoY)

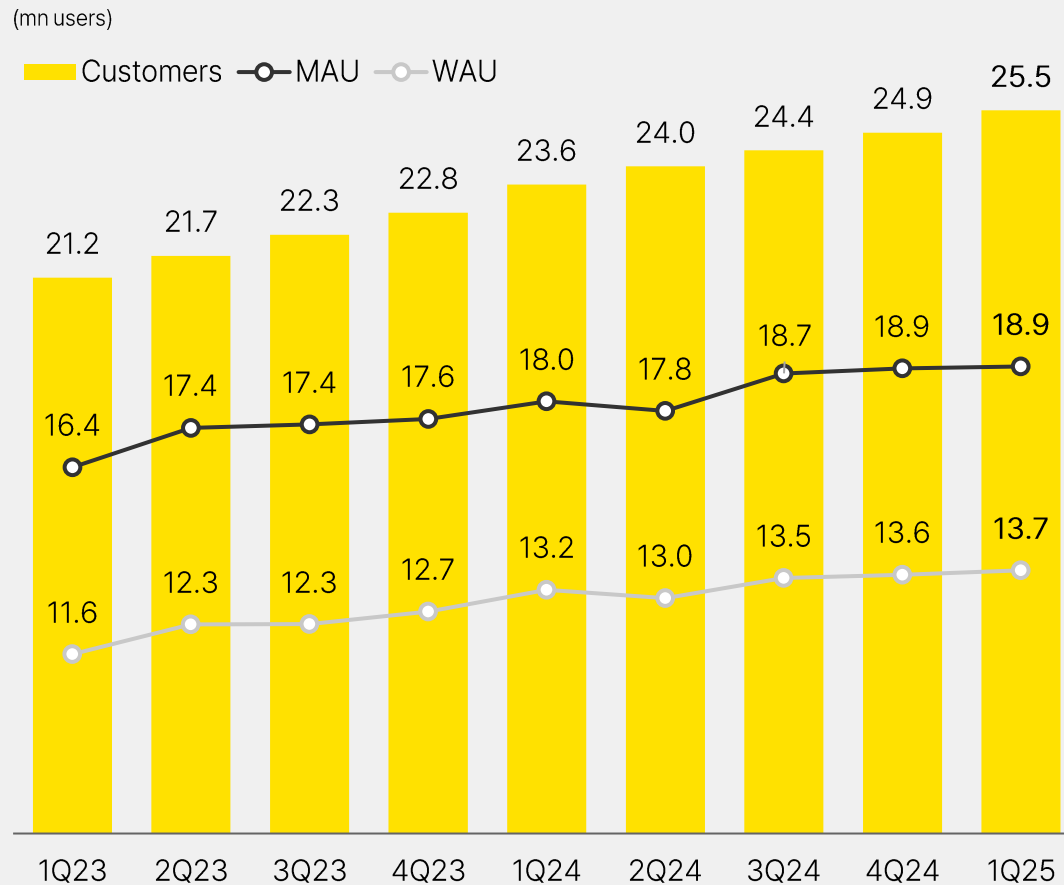
(Wbn)



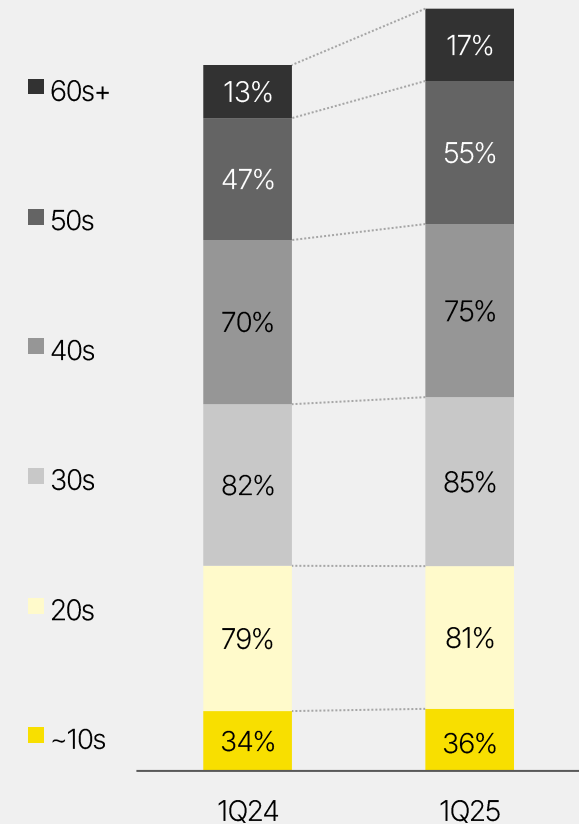
## II. Customer Base

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



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

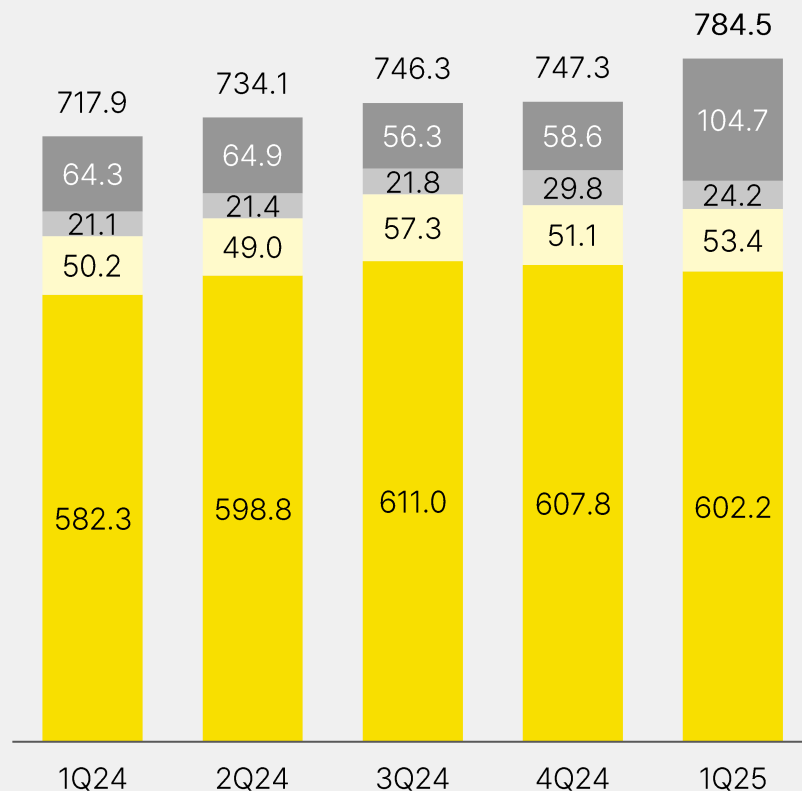
### III. Operating Revenue

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

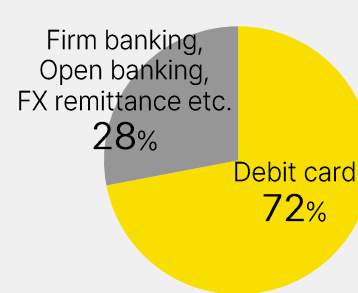
#### Operating Revenue

(Wbn)

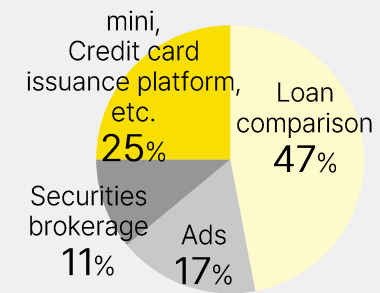
■ Interest revenue ■ Fee revenue ■ Platform revenue ■ Others



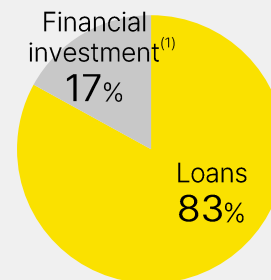
#### Key Components (1Q25)



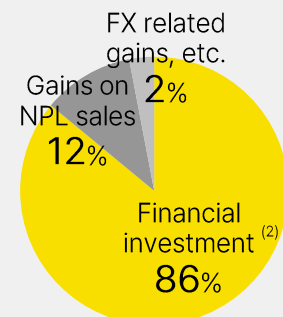
Fee revenue



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)

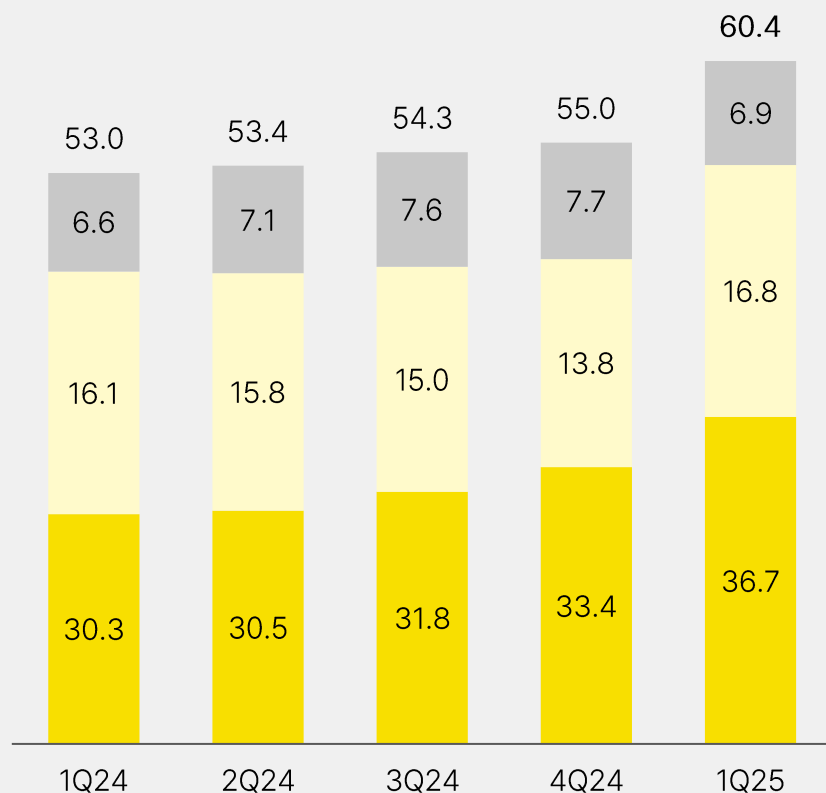
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Deposit balance grew YoY +14%, QoQ +10%; Maintained competitive low-cost deposit portion against peers

### Deposit Balance Trend & Breakdown

(Wtn)

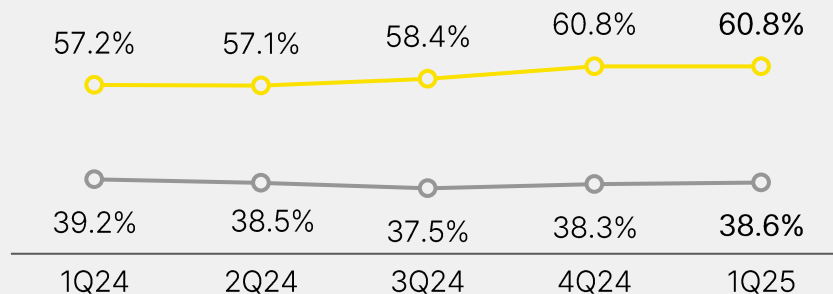
■ Current deposits ■ Time deposits ■ Installment deposits



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

○ KakaoBank

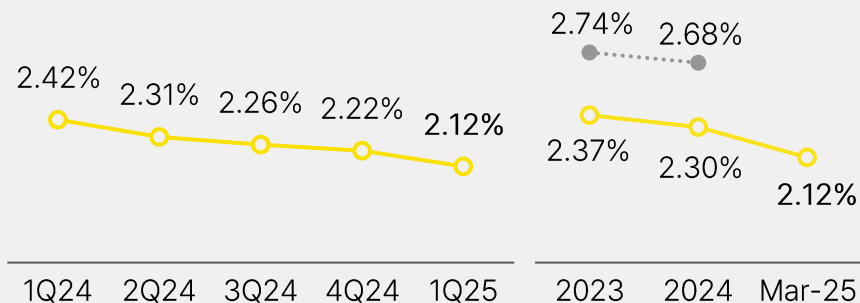
○ Bank Industry



### 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

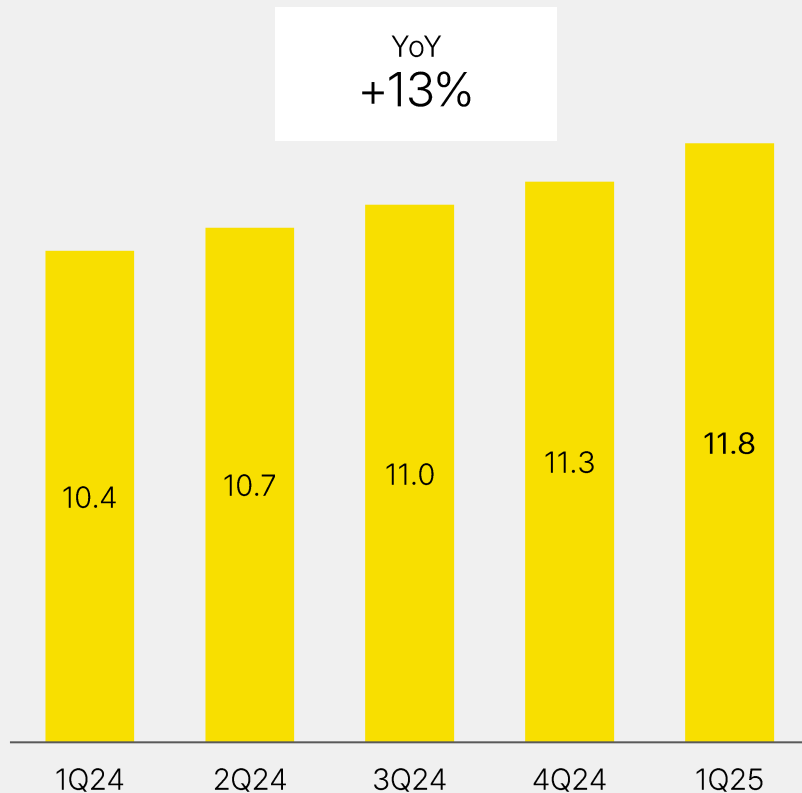
(3) Financial Statistics Information System - Average of 4 Major banks (KB, Shinhan, Hana, Woori)

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

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

### Group Account Users

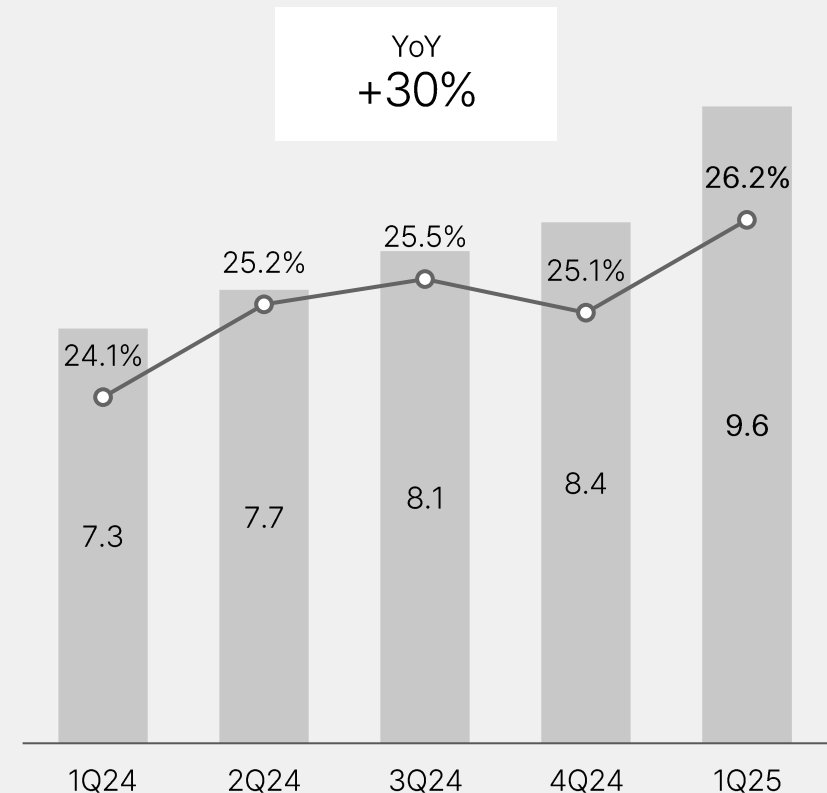
(mn users)



### Group Account Balance

(Wtn)

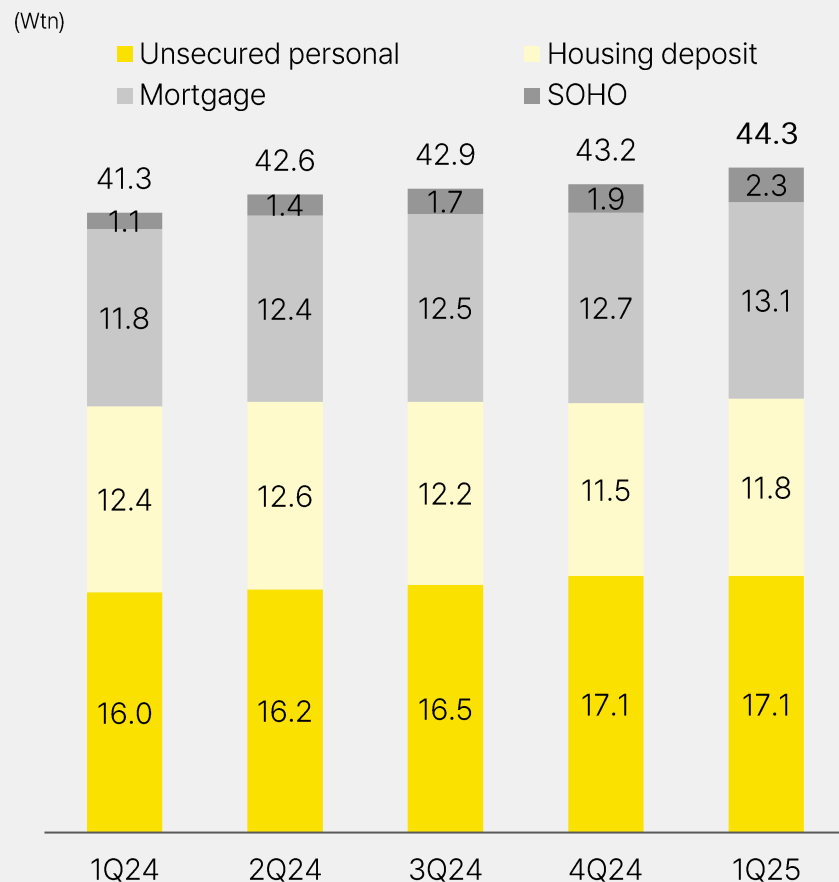
■ Group account balance —○ % out of current deposits



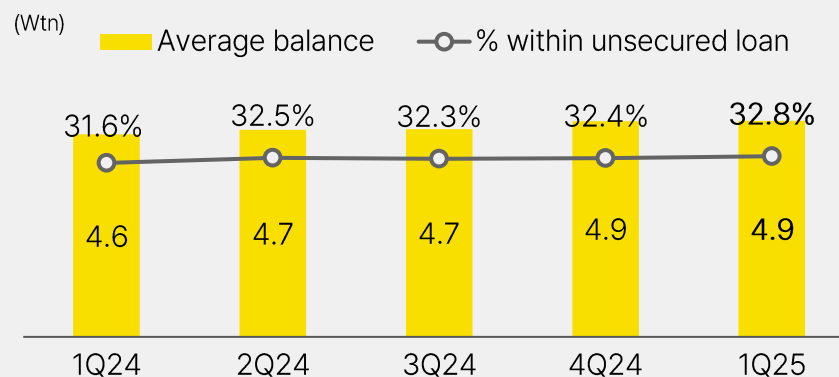
## IV. Banking Biz : Loan (1/2)

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

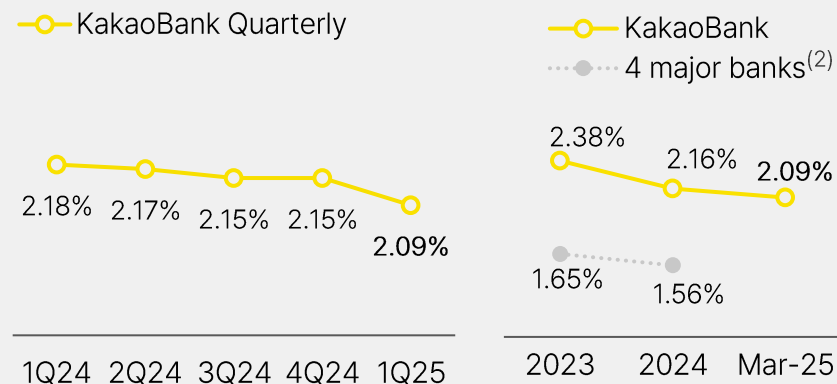
### Loan Balance Trend & Breakdown



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



### Net Interest Margin (NIM)

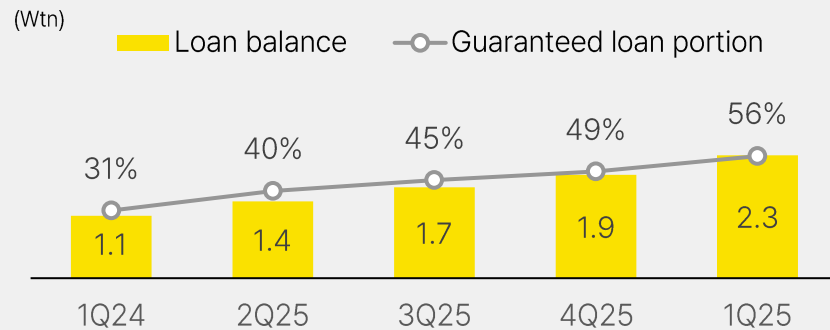


Note: (1) Based on retail + SOHO unsecured loan average-balance  
(2) Financial Statistics Information System – Average of 4 Major banks(KB, Shinhan, Hana, Woori)

## 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



#### Loan Products

Unsecured Loan

Guaranteed Loan

Interest Subsidized Loan

Integrated Subsidized  
Loan Inquiry Service

Unsecured Loan  
(T/S over W100mn)

Secured Loan

#### Tax Service

VAT Declaration

Comprehensive  
Income Tax Return

Tax & Utility  
Bill Payment

Tax Reporting

Register NTS account

VAT Box

Integrated Tax  
Mgmt Service

#### Other Service

Debit Card for  
Business Owners

Credit Card for  
Business Owners

MyBusiness  
Credit Information

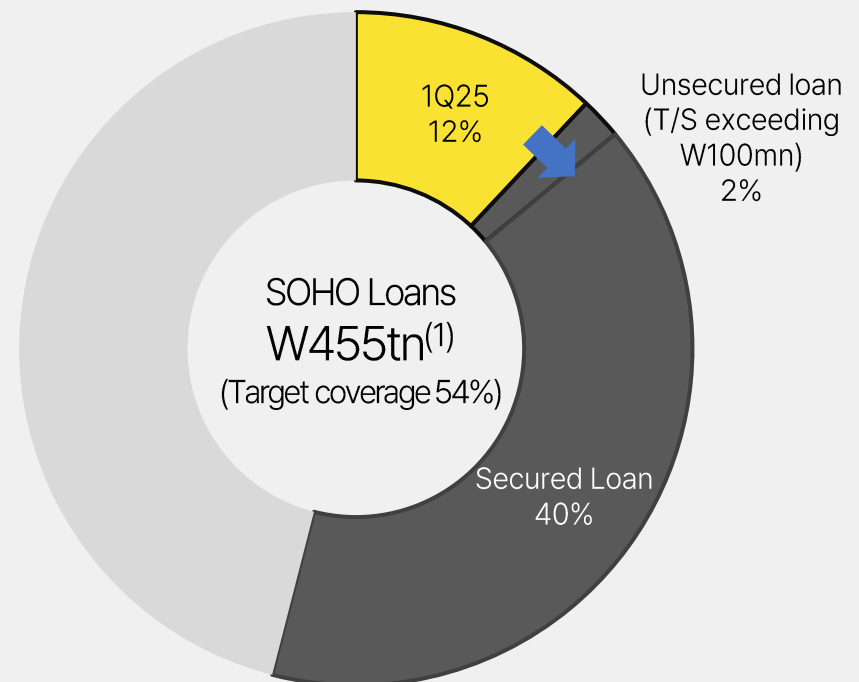
Business Certificate

Find Applicable  
Government Subsidy

### 2025 SOHO Loans Coverage Expansion Plan

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

Secured loan (2H25)



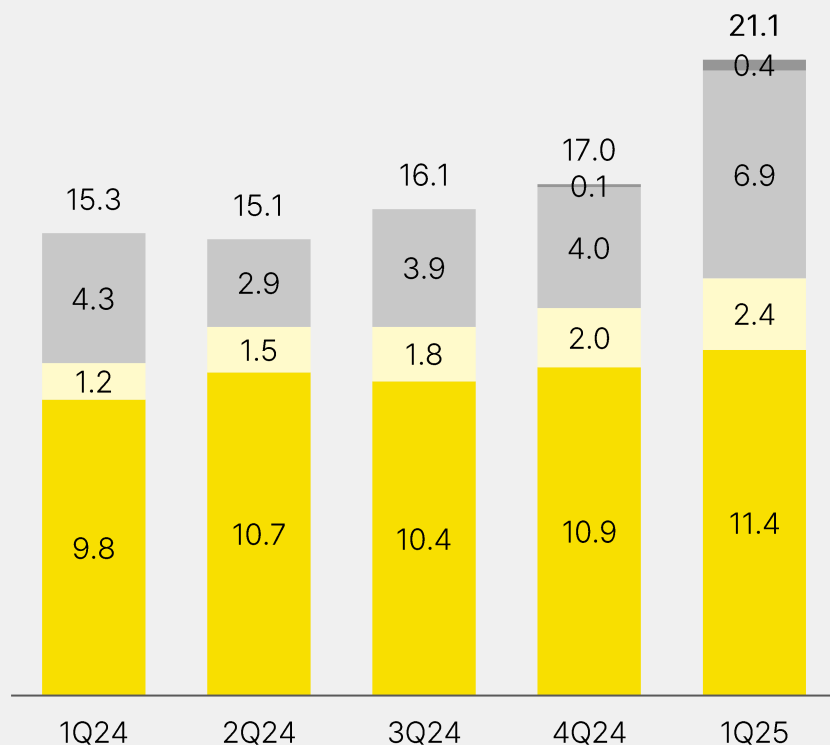
## IV. Banking Biz : Treasury Management

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

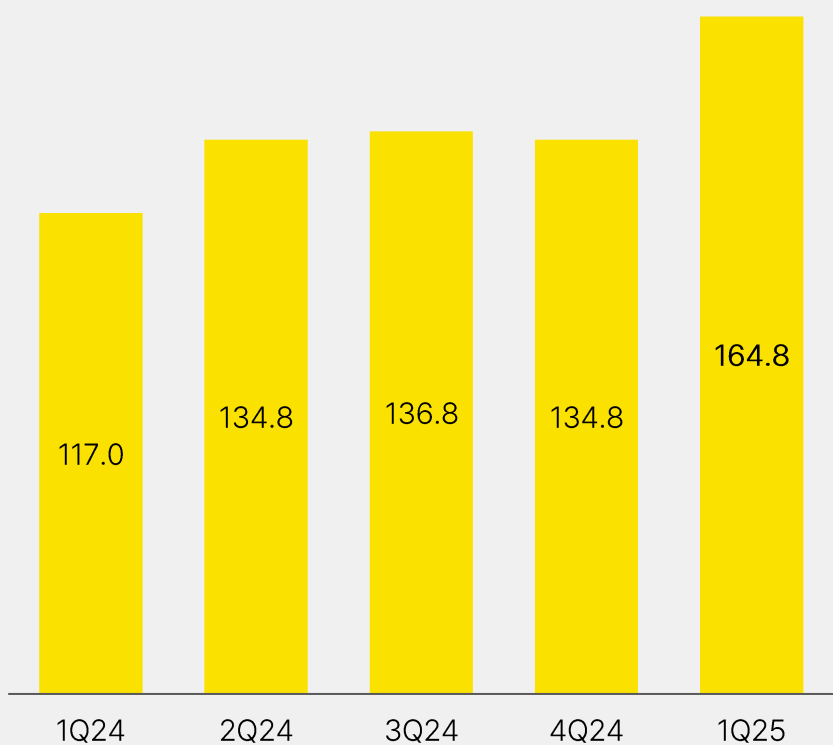
(Wtn)

■ Bond ■ Fund ■ Short-term investment ■ Others



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

(Wbn)



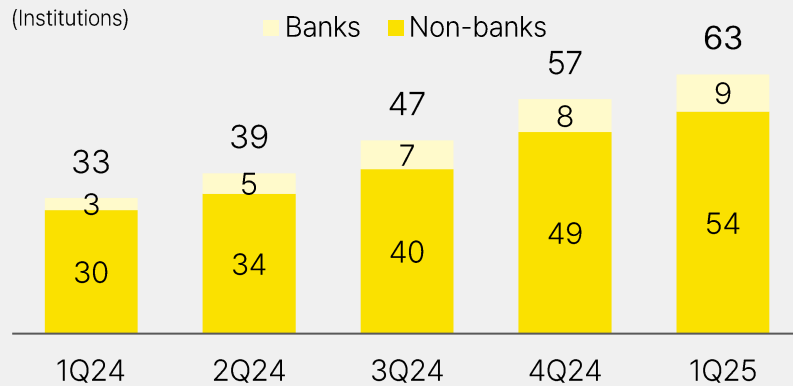
Note: (1) Short-term Investment: MMF, Call, RP, etc.; Others: Trading asset, etc.

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

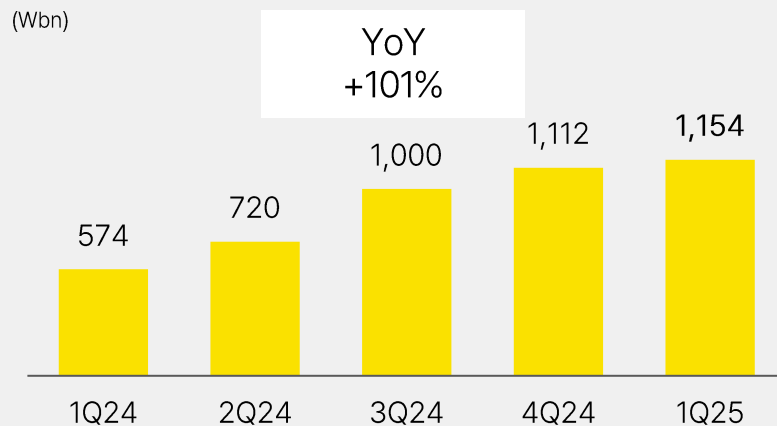
## V. Fee & Platform Biz (1/3) – Loan comparison

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

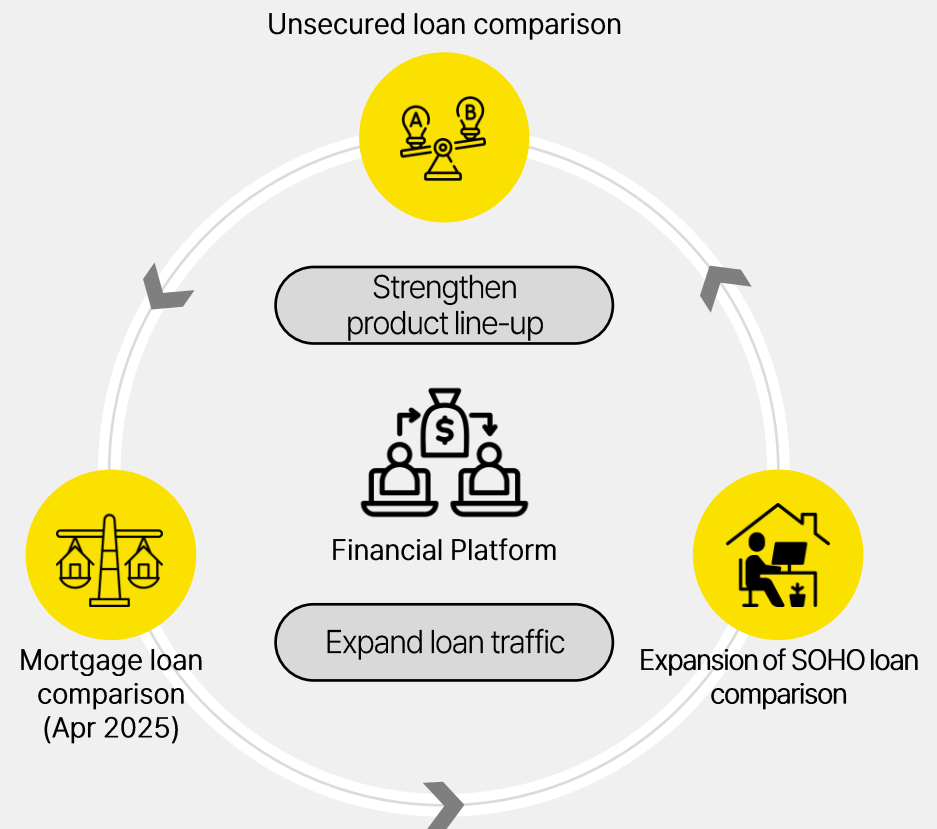
### Loan Comparison Partners



### Loan Comparison Execution Amount



### Loan Comparison Service Expansion Plan



## V. Fee & Platform Biz (2/3) – Advertisement

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

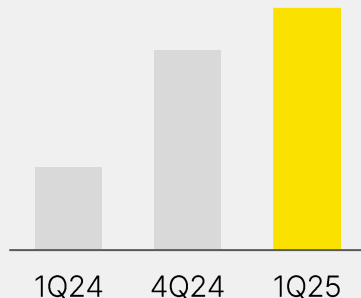
### Expansion in Ad Space and Pricing Model

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



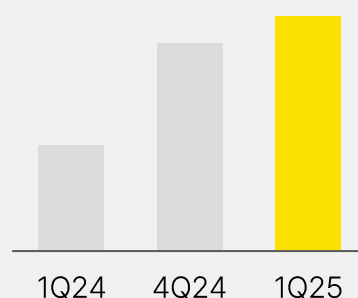
#### Number of ad inventory

QoQ  
+11%



#### Ad revenue

QoQ  
+6%



### Advertisers from Various Sectors

#### Telecommunication/Manufacture



#### Public Sector



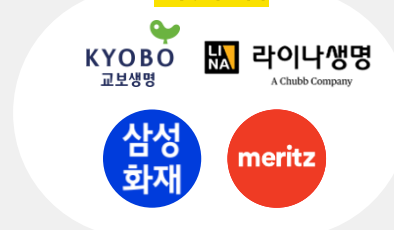
#### Finance



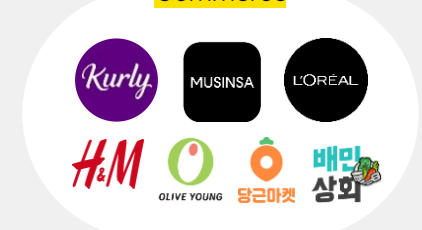
#### Entertainment



#### Insurance



#### Commerce



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

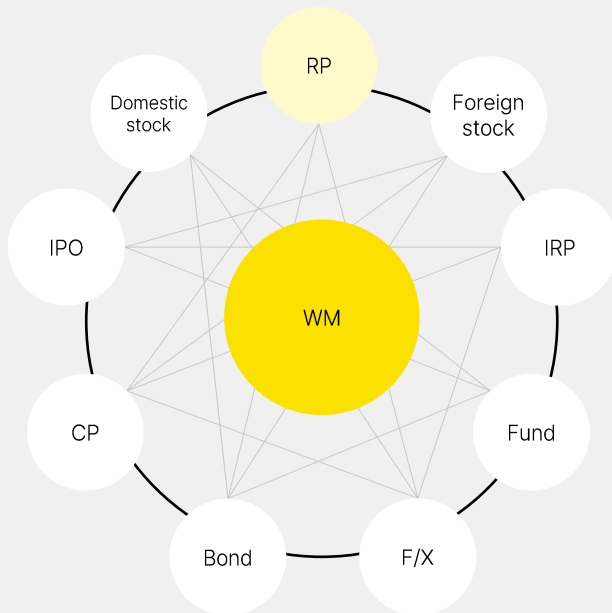
## V. Fee & Platform Biz (3/3) – Investment

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

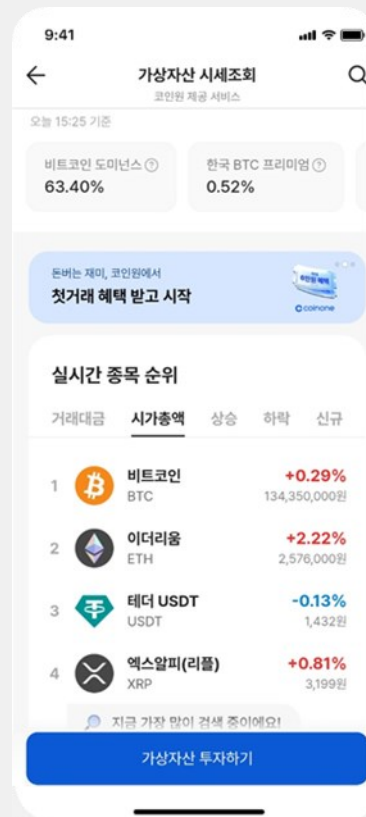
### Enhanced Product Portfolio

Mar 2025  
RP(Repurchase Agreement) launch



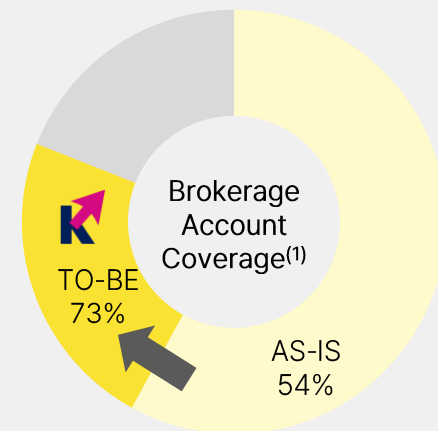
### Check Your Cryptocurrency Balance

2Q25  
Check cryptocurrency price and balance  
on KakaoBank App



### Brokerage Account Opening Expansion

3Q25  
Add Kiwoom Securities as a new partner



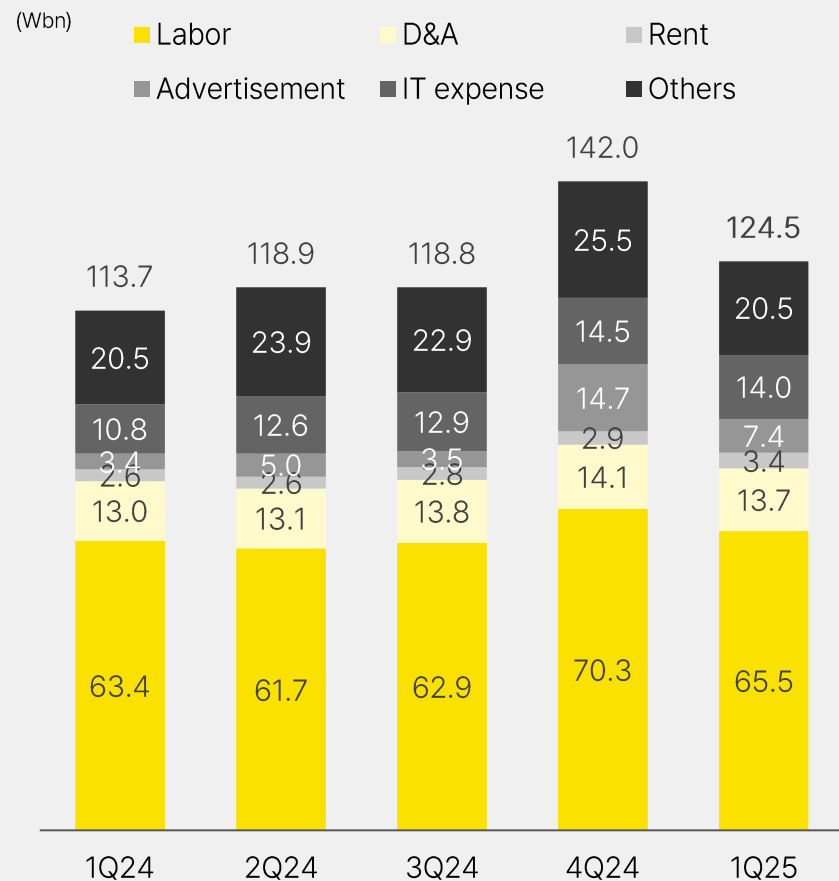
- » Expand Coverage by adding Kiwoom Securities as a partner
- » Link financial products/services based on account opening

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

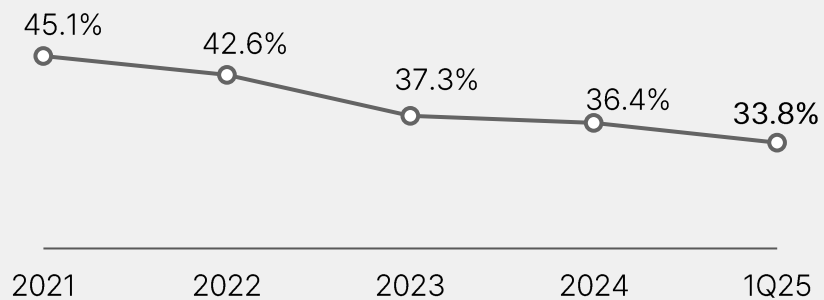
## VI. SG&A & CIR

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

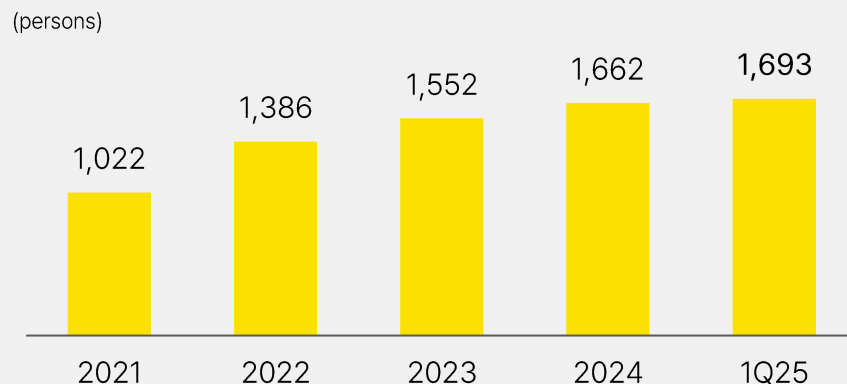
### SG&A



### CIR (Cost to Income Ratio)



### Number of Employees



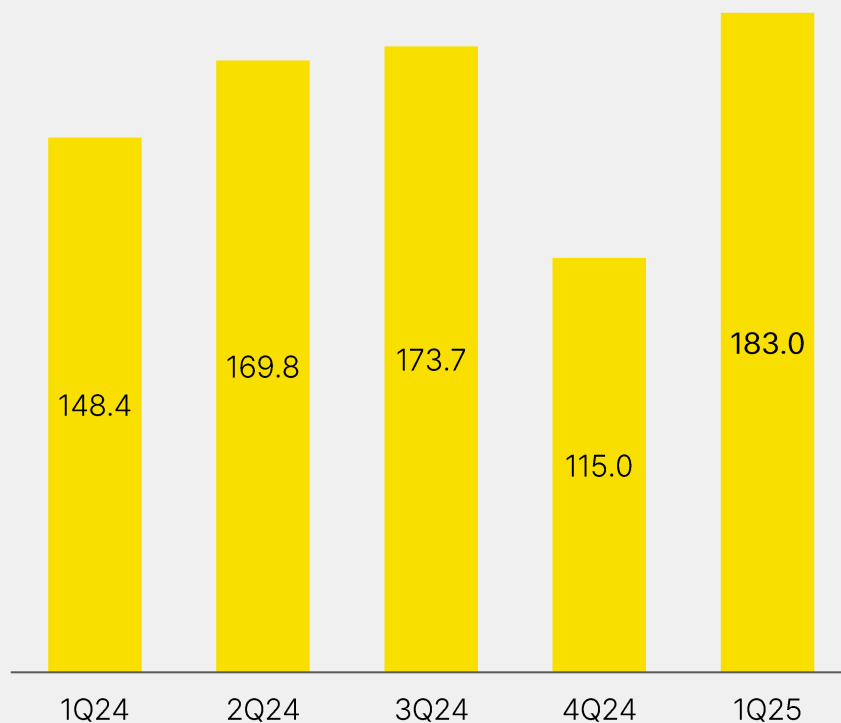
## VII. Operating profit and ROE, ROA

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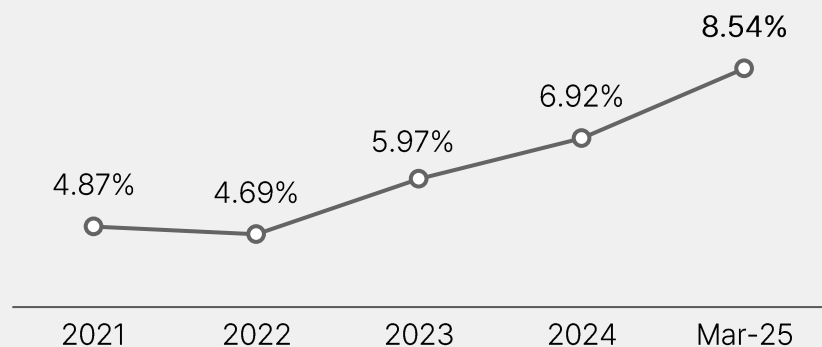
Operating profit YoY +23%, QoQ +59% backed by loan growth and profitable treasury management;  
ROE and ROA improved meaningfully along with profit expansion

### Operating Profit

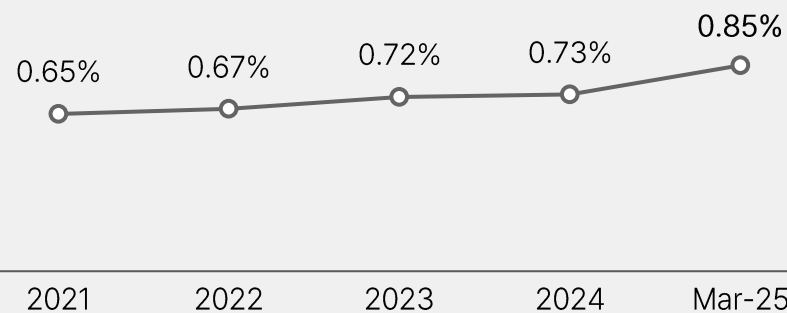
(Wbn)



### ROE



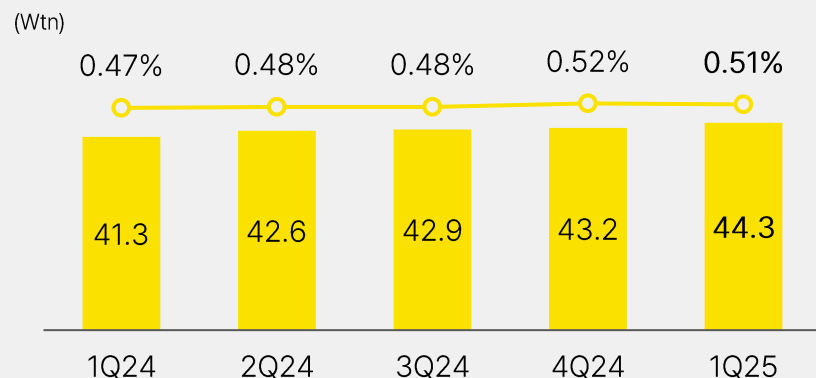
### ROA



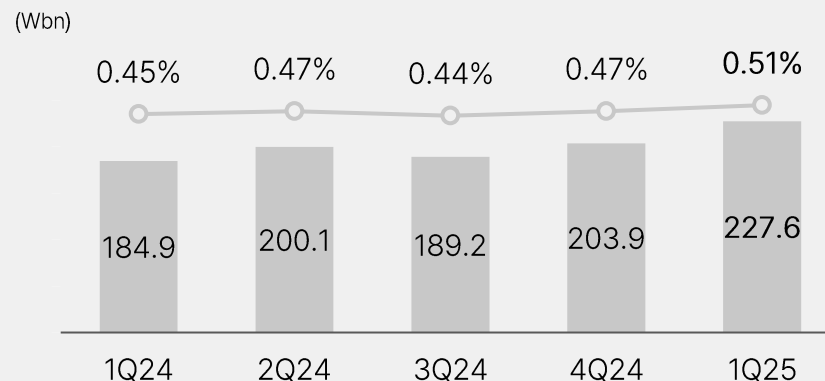
## VIII. Asset Quality

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

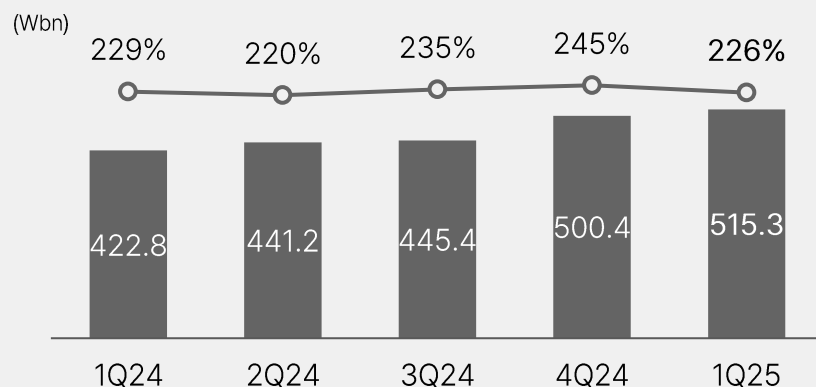
### Total Loans & Delinquency Rate



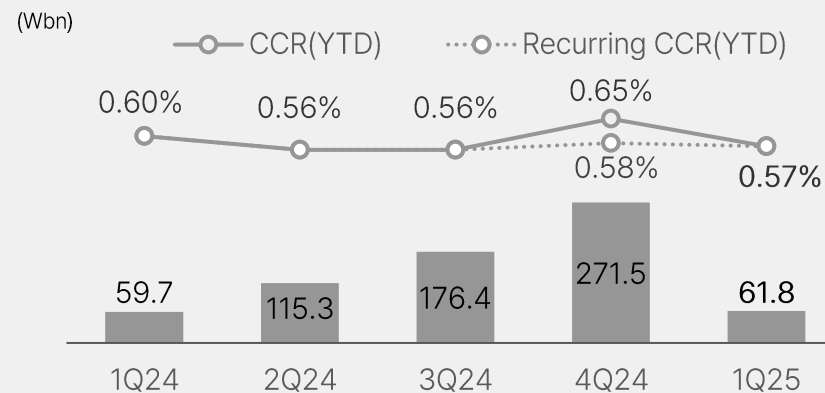
### SBL & NPL Ratio



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



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

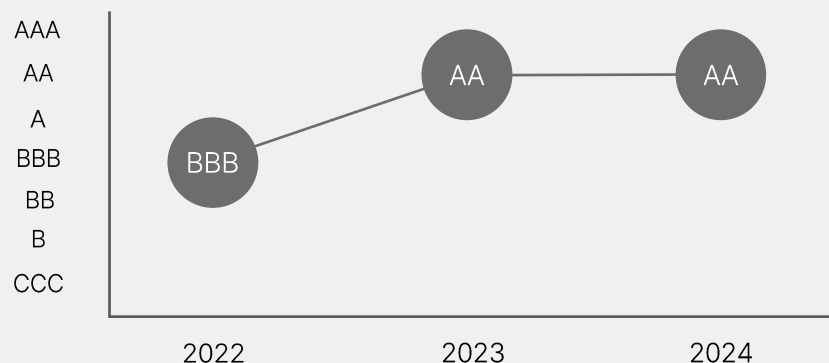


Note: (1) NPL coverage ratio = Loan loss allowance / Substandard or below loans  
(2) Credit Cost Ratio = Provision for credit losses / Average balance of total outstanding credits

## [Reference] ESG Key Achievements

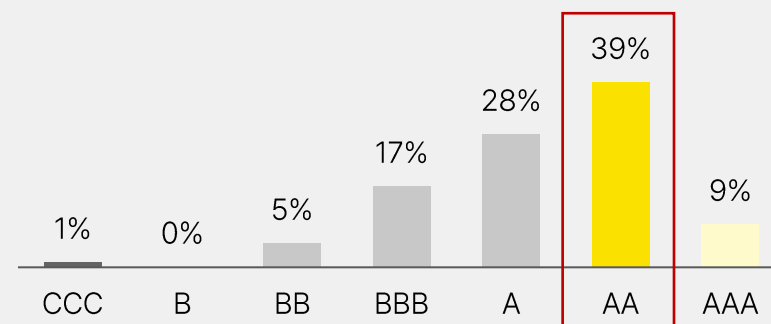
2024 MSCI<sup>(1)</sup> ESG Rating recorded AA rating for two consecutive years;  
Above industry average scores across all components, particularly in consumer protection and data security

### MSCI ESG Ratings Status



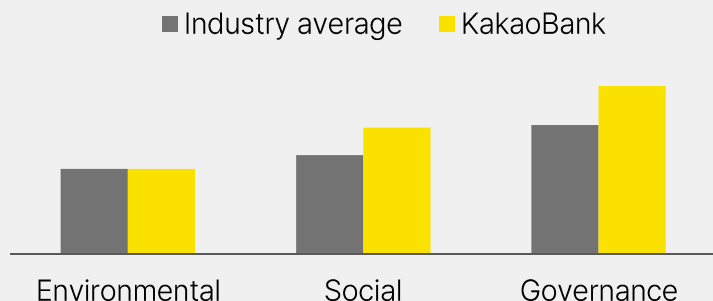
### 2024 MSCI Ratings Distribution

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

## [Reference] Integration of AI-driven Financial Services

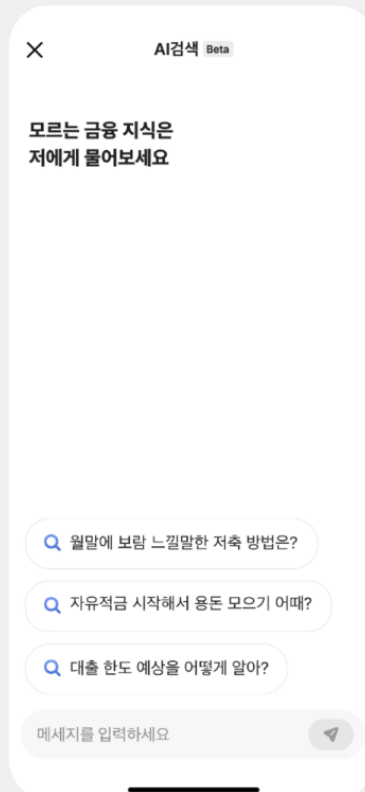
kakaobank

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

### AI-Based Search

May 2025

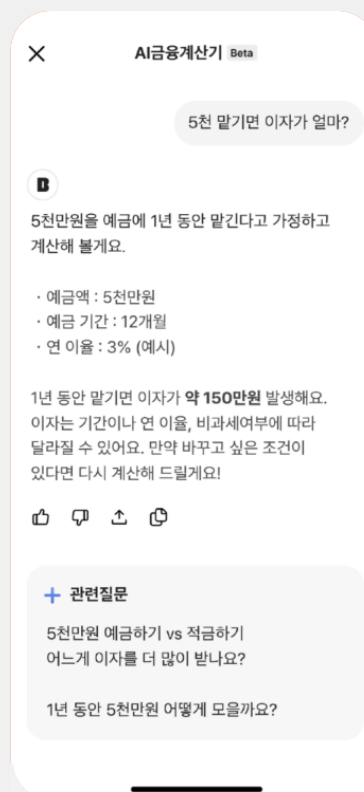
(Designated as "Innovative Financial service" by FSC)



### AI Financial Calculator

June 2025

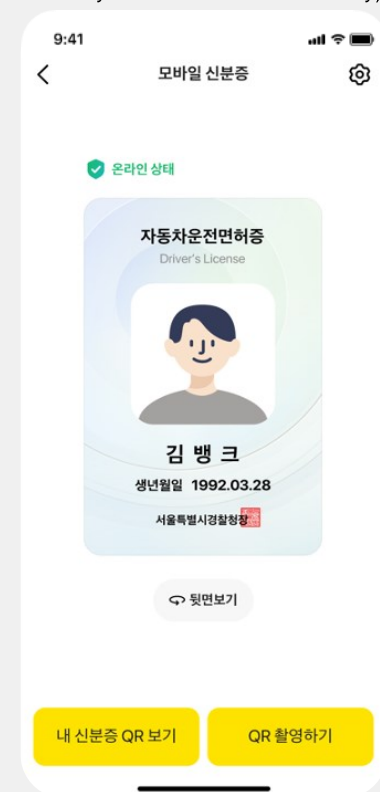
(Designated as "Innovative Financial Service" by FSC)



### 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

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(Wbn)	1Q25	1Q24	YoY		4Q24	QoQ	
<b>Income Statement</b>							
Operating Revenue	784.5	717.9	66.6	9.3%	747.3	37.2	5.0%
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%
Operating Expense	540.6	512.0	28.6	5.6%	535.7	4.9	0.9%
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%
Provision for Credit Losses on Financial Assets	60.9	57.4	3.5	6.1%	96.6	-35.7	-37.0%
Operating Profit	183.0	148.4	34.6	23.3%	115.0	68.0	59.1%
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%
Net Profit	137.4	111.2	26.2	23.6%	84.5	52.9	62.6%
% Operating Revenue	17.5%	15.5%		+2.0%p	11.3%		+6.2%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)	1Q25	1Q24	YoY		4Q24	QoQ	
SG&A	124.5	113.7	10.8	9.5%	142.0	-17.5	-12.3%
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%