

Basel III Capital Disclosure

1. BIS-based Capital

Unit : KRW Billion, %

Description	Amounts	Reference (accounts from balance sheet)
Common Equity Tier 1 capital: instruments and reserves		
1 Common shares (issued by the bank that meet the qualification), stock surplus (share premium) and capital adjustments	5,339	F+G
2 Retained earnings	257	J
3 Accumulated other comprehensive income (including other disclosed reserves)	-43	H+I
4 Directly issued capital subject to phase-out from CET1 (only applicable to non-joint stock companies)	-	
5 Common shares issued by consolidated subsidiaries of the bank and held by third parties	-	
6 Common Equity Tier1 capital before regulatory adjustments	5,553	
Common Equity Tier 1 capital: adjustments		
7 Fair value adjustments	-	
8 Goodwill	-	
9 Intangible assets other than mortgage service rights	34	B
10 Deferred tax assets depending on future income (net of related tax liability)	19	C
11 Valuation gains/losses related to cash flow hedging	-	
12 Shortfall of loan loss provisions compared to expected loss	-	
13 Profits from sale of asset backed securities	-	
14 Accumulated gains/losses due to changes in self-credit risk subject to fair value valuation	-	
15 Defined benefit pension assets	2	D
16 Treasury shares	-	
17 Investment in Common Equity Tier 1 capital through mutual holding agreement	-	
18 Non-significant investments in unconsolidated bank, financial and insurance entities	-	
19 Significant investments in unconsolidated bank, financial and insurance entities	-	
20 Mortgage service rights	-	
21 Deferred tax assets arising from temporary differences	-	
22 Sum of 23, 24, 25, exceeding 15% of CET1	-	
23 Significant investments in CET1 of unconsolidated financial institutions	-	
24 Mortgage service rights	-	
25 Deferred tax assets arising from temporary differences	-	
26 Adjustment according to regulatory difference by country	-	
27 Common Equity Tier 1 capital adjustment due to insufficient deferred coverage of Additional Tier 1 and Tier 2	-	
28 Total deductions related to Common Equity Tier 1	55	
29 Common Equity Tier 1 capital (CET1)	5,498	
Additional Tier 1 capital: items		
30 Additional Tier 1 capital that meets the qualifications and capital surplus related to the issuance of such capital	-	
31 Of which: classified as equity under accounting standards	-	
32 Of which: classified as liabilities under accounting standards	-	
33 Additional Tier 1 capital subject to transitional arrangements	-	
34 Additional Tier 1 instruments issued by subsidiaries	-	
35 Gradual deduction amount according to transitional arrangements	-	
36 Additional Tier 1 capital before adjustments	-	

Unit : KRW Billion, %

Description	Amounts	Reference (accounts from balance sheet)
Additional Tier 1 capital: adjustments		
37	Investments in additional Tier 1 capital instruments	-
38	Additional Tier 1 capital investment under mutual holding agreement	-
39	Non-significant investments in unconsolidated bank, financial and insurance entities	-
40	Significant investments in unconsolidated bank, financial and insurance entities	-
41	Country specific deduction items	-
42	Amount not deducted from supplementary capital	-
43	Total adjustments to additional Tier 1 capital	-
44	Additional Tier 1 capital (AT1)	-
45	Tier 1 capital (T1 = CET1 + AT1)	5,498
Tier 2 capital: instruments and reserves		
46	Tier 2 capital that meets the qualifications and capital surplus related to the issuance of such capital	-
47	Tier 2 capital subject to transitional arrangements	-
48	Tier 2 instruments issued by subsidiaries	-
49	Gradual deduction amount according to transitional arrangements	-
50	Provisions ¹⁾	131
51	Tier 2 capital before adjustments	131
Tier 2 capital: adjustments		
52	Investments in Tier 2 capital instruments	-
53	Tier 2 capital investment under mutual holding agreement and other total loss absorbing liabilities	-
54	Non-significant investments in unconsolidated bank, financial, insurance entities, and total loss absorbing liabilities	-
54a	Non-significant investments in unconsolidated bank, financial, insurance entities, and total loss absorbing liabilities	-
55	Significant investments in unconsolidated bank, financial and insurance entities	-
56	Country specific deduction items	-
57	Total adjustments to additional Tier 2 capital	-
58	Tier 2 capital (T2)	131
59	Total capital (TC = T1 + T2)	5,629
60	Total risk-weighted assets	15,273
Capital Ratios		
61	Common Equity Tier 1 (out of risk-weighted assets)	36.00
62	Tier 1 (out of risk-weighted assets)	36.00
63	Total capital (out of risk-weighted assets)	36.85
64	Additional capital buffer requirement	6.375
65	Capital conservation buffer requirement	1.875
66	Countercyclical capital buffer requirement	-
67	SIB-related additional capital buffer requirement	-
68	Common Equity Tier 1 (out of risk-weighted assets) after meeting the bank's capital requirements	31.50

Unit : KRW Billion, %

Description	Amounts	Reference (accounts from balance sheet)
Differences by country (if different from Basel III)		
69 Common Equity Tier 1 ratio (if different from Basel III minimum)	-	
70 Tier 1 ratio (if different from Basel III minimum)	-	
71 Total capital ratio (if different from Basel III minimum)	-	
Amount less than deducted value		
72 Non-significant investments in the capital of financial entities	-	
73 Significant investments in the common stock of financial entities	-	
74 Mortgage service rights	-	
75 Deferred tax assets arising from temporary differences	-	
Applicable caps on the inclusion of provisions in Tier 2		
76 Provisions eligible for inclusion in Tier 2 under standardised approach	131	
77 Cap on inclusion of provisions in Tier 2 under standardised approach	180	
78 Provisions eligible for inclusion in Tier 2 under internal rating method	-	
79 Cap for inclusion of provisions in Tier 2 under internal rating method	-	
Capital instruments subject to phase-in arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)		
80 Cap on CET1 instruments subject to phase-in arrangements	-	
81 Amount excluded from CET1 due to cap	-	
82 Cap on AT1 instruments subject to phase-in arrangements	-	
83 Amount excluded from AT1 due to cap	-	
84 Cap on T2 instruments subject to phase-in arrangements	-	
85 Amount excluded from T2 due to cap	-	

1) Provisions eligible for inclusion in Tier 2 defined in Appendix 3 of Enforcement Decree of Supervision on Banks

2. Consolidated balance sheet linked to BIS-based Capital (Accounting and Supervisory Purposes)

Unit : KRW Billion

accounts	Consolidated B/S for Accounting purposes	Consolidated B/S for Supervisory purposes	Reference
Assets			
I. Cash and due from financial institutions	2,099	2,099	
II. Financial assets at fair value through profit or loss	1,753	1,753	
III. Financial Investments	7,727	7,727	
IV. Investments in associates and others	4	4	
V. Loans	26,686	26,686	
(-)-allowance for loan losses)	-	161	A
VI. Property and equipment	155	155	
VII. Intangible assets	34	34	B
VIII. Deferred tax assets	19	19	C
IX. Net defined benefit assets	2	2	D
X. Other assets	726	726	
Total assets	39,205	39,205	
Liabilities			
I. Deposits	33,041	33,041	
II. Provisions	31	31	E
III. Current tax liabilities	8	8	
IV. Other liabilities	573	573	
Total liabilities	33,653	33,653	
Equity			
I. Share capital	2,381	2,381	F
II. Capital surplus	2,958	2,958	G
III. Capital adjustments	24	24	H
IV. Accumulated other comprehensive loss	(67)	(67)	I
V. Retained earnings	257	257	J
(Provision of regulatory reserve for credit losses)	(190)	(190)	
(Provision of unearned reserve for credit losses)	(3)	(3)	
(Amount required to reserve for credit losses)	13	13	
(Amounts estimated to be appropriated)	10	10	
Total equity	5,553	5,553	
Total liabilities and equity	39,205	39,205	

3. Main features of Issuance of Capital Instruments

Unit : KRW Billion, %

Main Features		1
1	Issuers	KakaoBank Corp.
2	KRX Standard Code	KR7323410001
3	Governing law(s) of the instrument	Commercial Law, Banking Act
Regulatory treatment		
4	Basel III Transitional Arrangements Capital classification when applicable	Common Equity Tier 1 Capital
5	Basel III Transitional Arrangements Capital classification at closing	Common Equity Tier 1 Capital
6	Securities recognized as capital	KakaoBank Corp.
7	Security type	Common Stock
8	Amount recognized in regulatory capital (KRW Bn.)	2,381
9	Par Value (KRW Bn.)	2,381
10	Accounting classification	Equity
11	Date of Issuance	-
12	Existence of maturity	Perpetual
13	Date of maturity	-
14	Subject to call option	NA
15	Call option exercisable date, call option price,	-
16	Additional call option dates or period	-
Coupons / Dividends		
17	Form of payment	Floating dividend
18	Coupon rate and any related index	Within the limit of dividend available
19	Existence of a dividend stopper	-
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	None
22	Noncumulative or cumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger	-
25	If convertible, fully or partially	-
26	If convertible, conversion rate	-
27	If convertible, mandatory or optional conversion	-
28	If convertible, specify instrument type convertible into	-
29	If convertible, specify issuer of instrument it converts into	-
30	Write-down feature	-
31	If write-down, write-down trigger	-
32	If write-down, full or partial	-
33	If write-down, permanent or temporary	-
34	If temporary write-down, description of write-up mechanism	-
35	Previously Senior Securities(the security column number)	-
36	Basel III Non-compliant transitioned features	compliant
37	If non-compliant, specify non-compliant features	-