

# Earnings Release

2023 1Q

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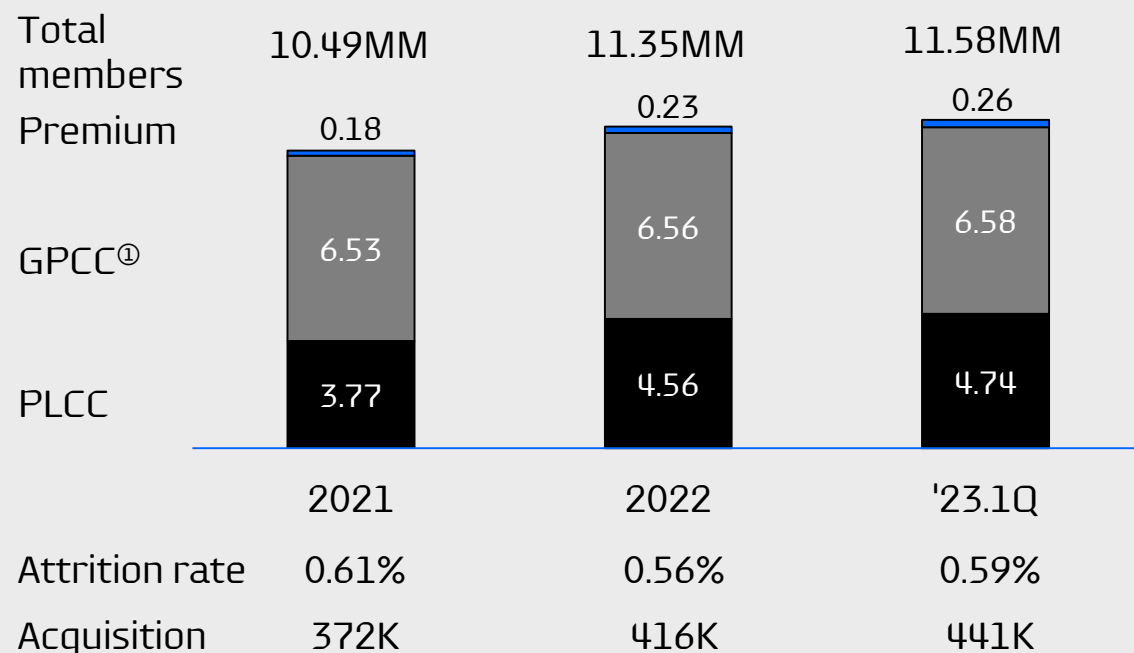
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# Member & volume ↑ from expanded acquisition by exclusive launch of Apple Pay & industry-lowest attrition rate

## Members

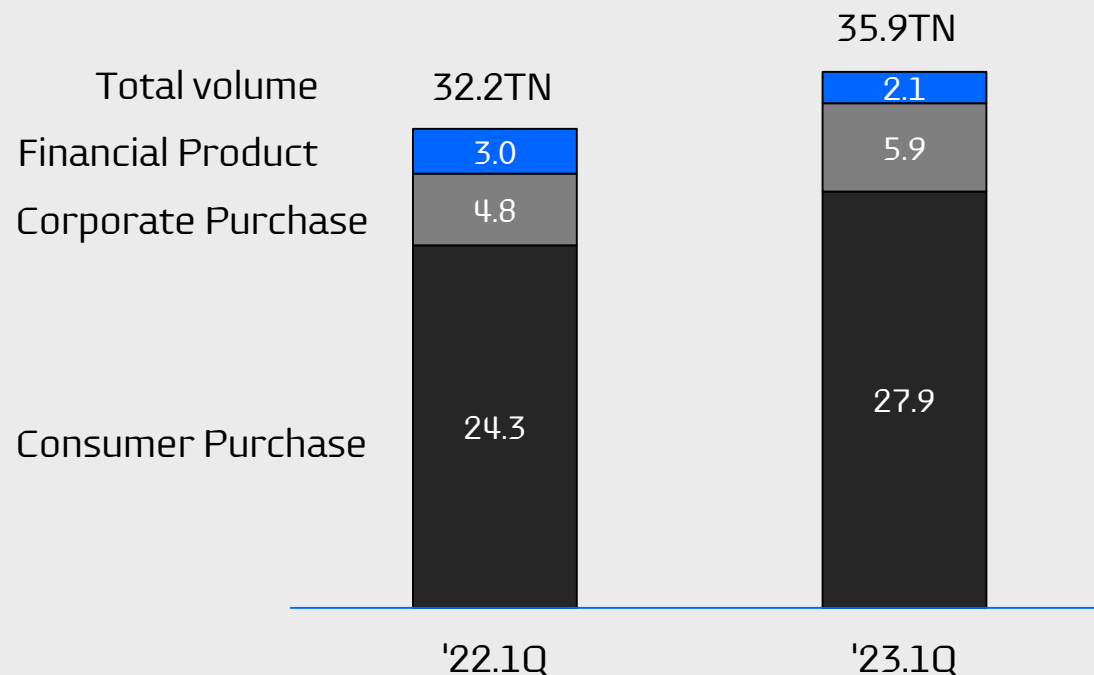
- Largest acquisition in 3 years w/ Apple Pay launch
- Industry-lowest attrition maintained by managing attrition based on data science
- Continued member expansion in all product lines resulting in industry-highest net increase of members



① Includes CLCC

## Market position

- Consumer Purchase: Guarded M/S #3 with member growth & expanding financing support for HMG car sales
- Corporate: Effect of increased demand for business trips & expanding volume of prime customers
- Financial: Volume drop due to preemptive risk actions



# Guarded P&L w/ bad debt expense ↓ from assets growth & enhanced portfolio

## Summary of Financial Statement

(BN KRW)	2021	2022	'22. 1Q	'23. 1Q	YoY	
Product assets	18.9TN	21.2TN	18.7TN	19.4TN	4.1%	①
Operating revenue <sup>①</sup>	2,537.2	2,768.4	629.1	717.1	14.0%	②
Card income	1,286.5	1,310.8	311.2	353.5	13.6%	
Interest income	1,122.8	1,277.2	290.3	317.3	9.3%	
Operating expense <sup>②</sup>	2,144.0	2,463.6	539.6	626.2	16.0%	
Card expense	774.3	805.0	184.4	217.4	17.9%	
Interest expense	271.2	403.7	73.6	132.6	80.0%	③
Bad debt expense	287.1	391.8	79.5	61.6	-22.5%	④
SG&A	727.1	768.9	183.4	192.2	4.8%	
Operating income	406.7	315.3	94.3	95.7	1.5%	
Income before tax	410.1	330.1	95.8	95.9	0.1%	
Net income	314.1	254.0	76.9	70.8	-8.0%	
ROA <sup>③</sup>	1.7%	1.3%	1.6%	1.4%	-0.2%p	

### Positive factors

- ① Volume effect
  - Volume: 32.2TN → 35.9TN (+11.7%)
- ② Operating rev.: MDR ↑, interest-charged installment, etc.
- ④ Bad debt exp.: Decrease w/ improved portfolio
  - Bad debt expense rate ↓ (1.7% → 1.2%)

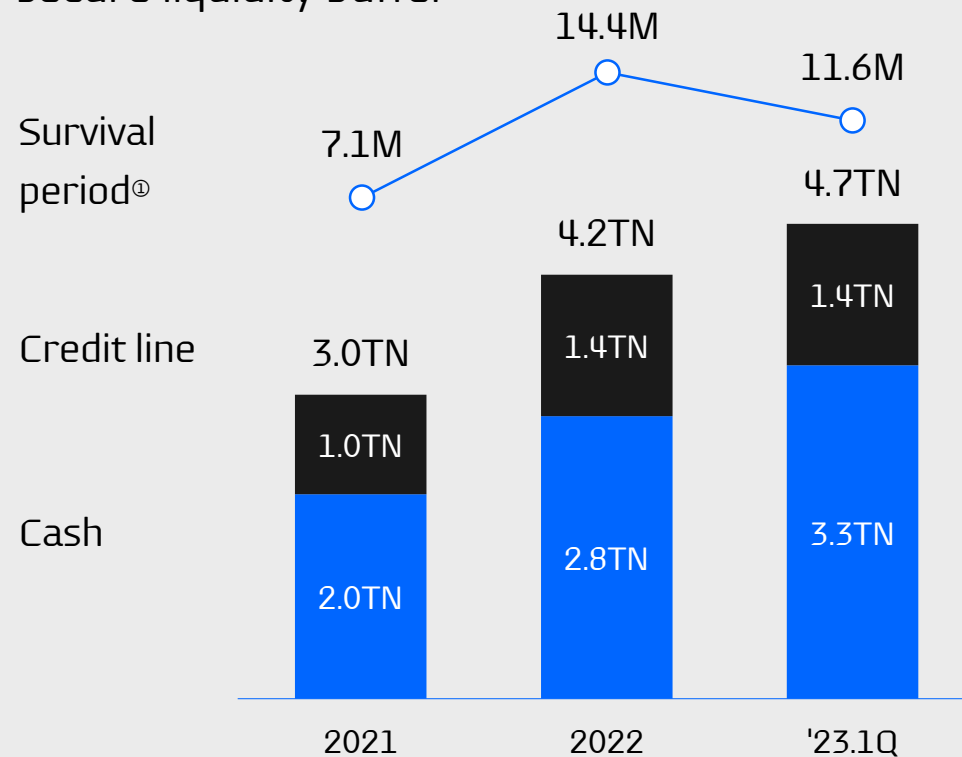
### Negative factors

- ③ Interest exp.: CoF ↑ due to benchmark rate hike
  - New CoF ↑ (2.54% → 4.83%)
  - Impact of preemptive liquidity exp.(17.5BN)

# Stable treasury index

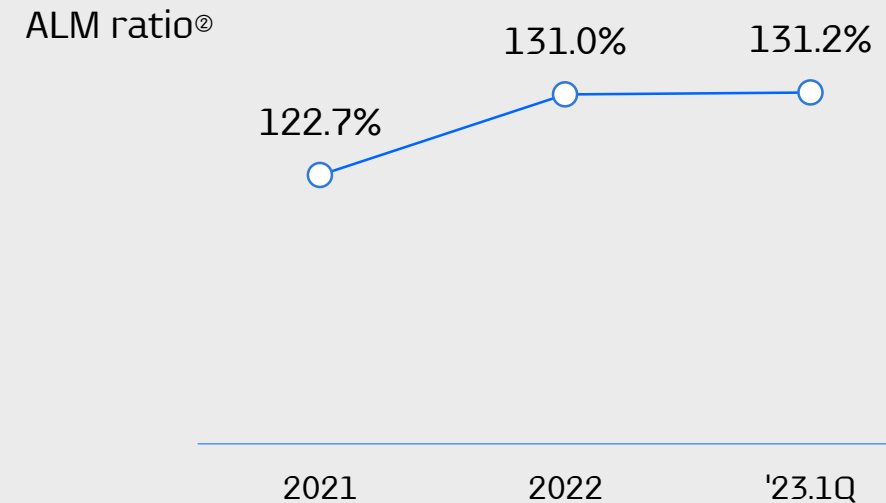
## Liquidity

- Longer survival period than normal times (7M) to secure liquidity buffer



## Maturity

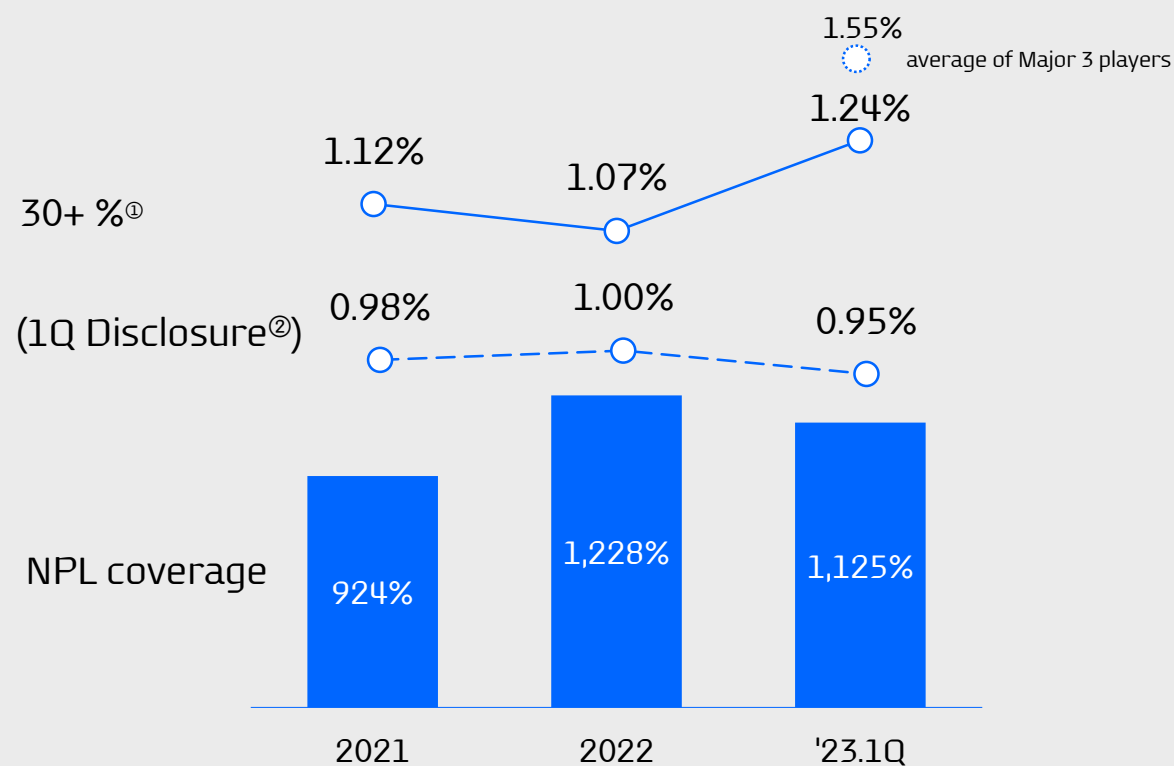
- Reinforced funding stability by lengthening maturity of liabilities



# Stable treasury index

## Asset quality

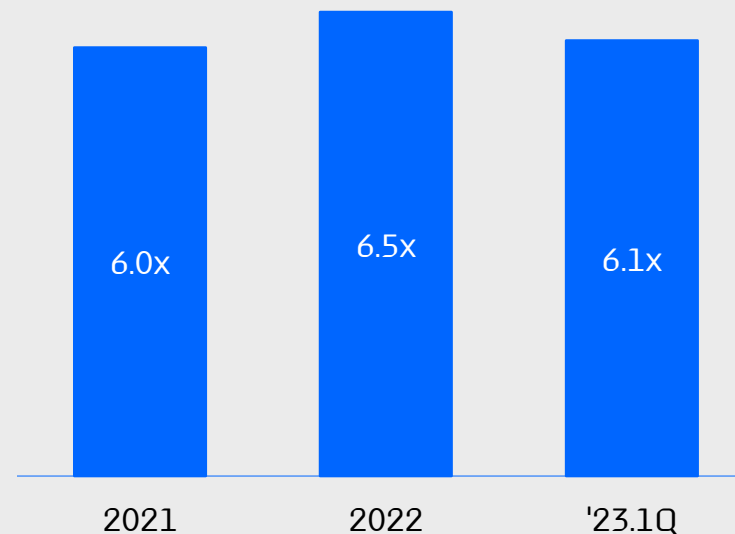
- Despite DQ rising in overall market, recorded the lowest rate w/ the least degree of increase in industry



## Capital adequacy

- Stable management within regulations (8x)

Asset  
leverage



# Appendix

# Financial Statement

## Consolidated Statement of Income

(BN KRW)	2021	2022	'23.1Q
Operating revenue <sup>①</sup>	2,537.2	2,768.4	717.1
Card income	1,286.5	1,310.8	353.5
Interest income	1,122.8	1,277.2	317.3
Gain on valuation and disposal of financial assets	4.2	12.9	7.7
Other	123.7	167.5	38.6
Operating expense <sup>②</sup>	2,144.0	2,463.6	626.2
Card expense	774.3	805.0	217.4
Interest expense	271.2	403.7	132.6
Bad debt expense	287.1	391.8	61.6
SG&A	727.1	768.9	192.2
Other	84.3	94.2	22.4
Operating income	406.7	315.3	95.7
Income before tax	410.1	330.1	95.9
Net income	314.1	254.0	70.8

## Consolidated Statement of Financial Position

(BN KRW)	2021	2022	'23.1Q
Assets	21,654.6	25,102.4	23,618.7
Cash and deposits	696.5	2,364.5	2,326.0
Securities	1,362.7	488.0	1,051.2
Cash assets <sup>③</sup>	18,286.7	20,605.1	18,867.3
Tangible assets	375.4	379.9	377.2
Other	933.3	1,264.9	997.0
Liabilities	18,026.3	21,256.8	19,806.5
Borrowings	15,711.5	18,228.4	17,066.0
Other	2,314.7	3,028.4	2,740.5
Equity	3,628.4	3,845.6	3,812.2
Capital	802.3	802.3	802.3
Capital surplus	57.7	57.7	57.7
Hybrid bond	299.2	299.2	299.2
Retained earnings	2,463.3	2,613.2	2,619.4
Other	5.8	73.1	33.5

①, ② Excluding FX and derivatives effect. Gain on disposal of loan receivables reflected in bad debt expense ('21 45.7BN, '22 39.7BN, '23.1Q 1.2BN) ③ Includes loan receivables ('21 6.1BN, '22 24.4BN, '23.1Q 27.6BN)



## Appendix

# Financial Statement

(BN KRW)		2021	2022	'23.1Q
Total members		10.49MM	11.35MM	11.58MM
	Acquisition	1.44MM	1.60MM	0.43MM
Volume		125,265.1	143,060.0	35,925.6
	Credit Purchase	112,104.6	131,608.5	33,863.8
	Lump sum <sup>①</sup>	90,899.5	107,766.5	28,687.6
	Installment	21,205.1	23,842.1	5,176.2
	Financial Product	13,160.6	11,451.5	2,061.8
	Cash Advance	5,617.2	5,127.7	907.7
	Card Loan <sup>②</sup>	7,543.3	6,323.8	1,154.1
Product assets		18,856.9	21,248.6	19,427.8
	Credit Purchase	13,572.0	16,176.7	14,648.2
	Lump sum <sup>③</sup>	7,177.2	8,877.8	8,542.7
	Installment	6,394.8	7,299.0	6,105.6
	Financial Product	5,278.3	5,047.4	4,750.5
	Cash Advance <sup>④</sup>	633.6	463.7	401.2
	Card Loan <sup>⑤</sup>	4,644.7	4,583.8	4,349.3
	Loan receivables	6.6	24.4	29.1

(BN KRW)		2021	2022	'23.1Q
Quality	30+%	1.12%	1.07%	1.24%
	Substandard and below assets	0.88%	0.70%	0.72%
	NPL coverage	924%	1,228%	1,125%
Leverage <sup>⑥</sup>		6.0x	6.5x	6.1x
	Total assets	21,597.8	24,977.0	23,501.7
	Total capital (previous quarter)	3,572.0	3,822.5	3,846.6
Funding <sup>⑦</sup>		15,701.6	18,219.1	17,182.7
	Domestic funding	14,182.3	16,338.9	15,779.7
	Offshore funding	1,519.2	1,880.2	1,403.0
Liquidity <sup>⑧</sup>	ALM	122.7%	131.0%	131.2%
		Liabilities maturity	2.0Y	2.1Y
		Assets maturity	2.1Y	2.1Y
	Total liquidity		3,010.1	4,198.5
	Cash	2,025.7	2,796.8	3,322.3
	Credit line	984.4	1,401.7	1,401.7