

Earnings Release

2024 2Q

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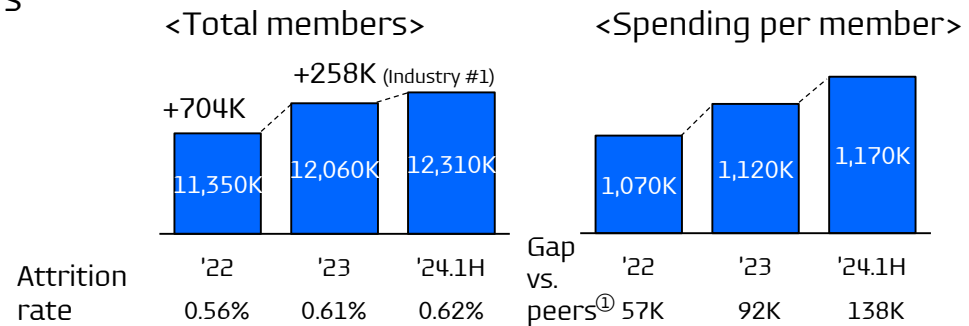
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Steady #2 MS in credit purchase from increased net addition & spending per member, and resumed prime-centric growth in financial assets

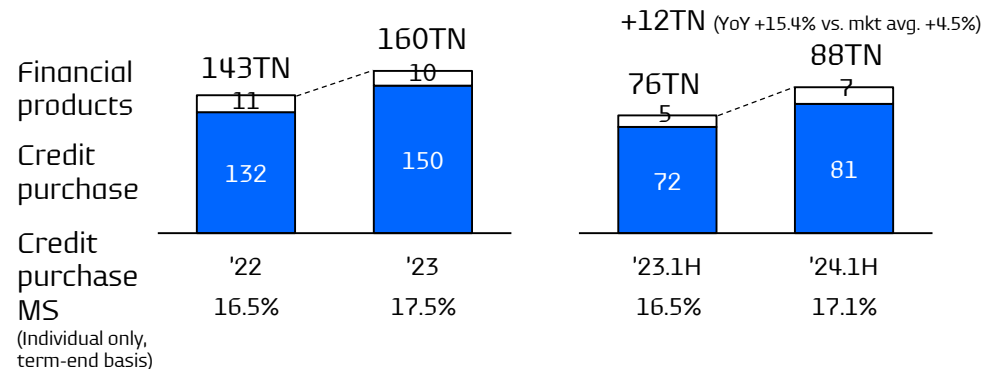
Members & volume

- Reinforced products & premium lineup to focus acquisition on high-spenders
- Volume growth fueled by net addition & widened gap of spending per member vs. peers

Members

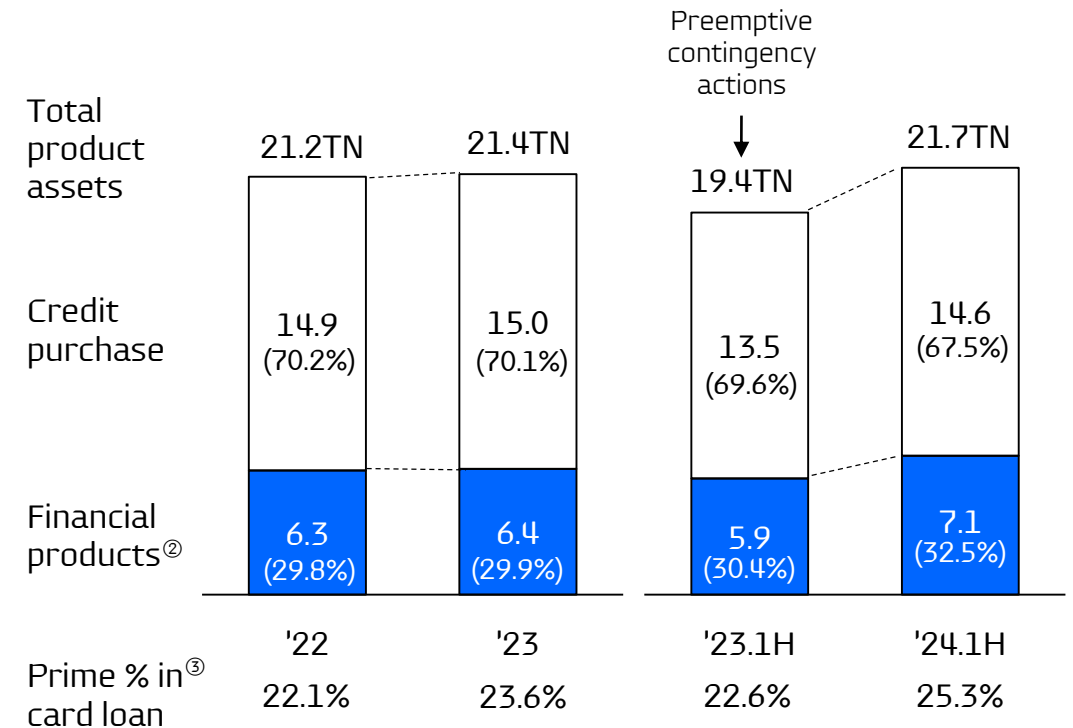


Volume



Assets

- Prime-centric financial assets growth driven in full-scale after preemptive contingency actions in '22.4Q~'23.2Q

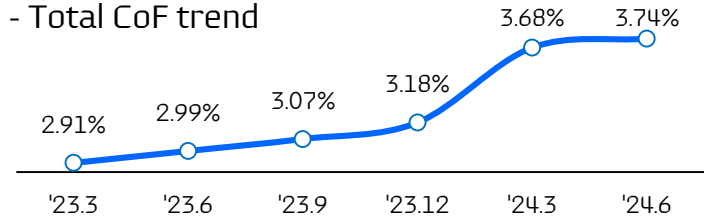


Guarded IBT at FY23 level with operating revenue ↑ from assets growth, despite rises in interest expense & provisions

Summary of financial statements

(unit: KRW BN)	2022	2023	'23.1H	'24.1H	YoY
Product assets	21.2TN	21.4TN	19.4TN	21.7TN	+11.7%
Operating revenue ^①	2,779.0	3,059.0	1,471.3	1,681.8	+14.3%
Card income	1,310.8	1,631.2	757.4	849.3	+12.1%
Interest income	1,277.2	1,249.8	616.8	718.3	+16.4%
Operating expense ^②	2,463.6	2,708.9	1,268.3	1,472.0	+16.1%
Card expense	805.0	921.3	446.9	489.7	+9.6%
Interest expense	403.7	568.2	267.0	349.9	+31.0%
Bad debt expense	391.8	369.6	118.4	178.2	+50.5%
SG&A	768.9	779.7	399.7	406.7	+1.8%
Operating income	315.3	350.1	203.0	209.7	+3.3%
IBT	330.1	350.8	203.1	204.2	+0.6%
Net income	254.0	265.1	157.2	163.8	+4.2%
ROA ^③	1.26%	1.32%	1.58%	1.51%	-0.07%p

Key notes

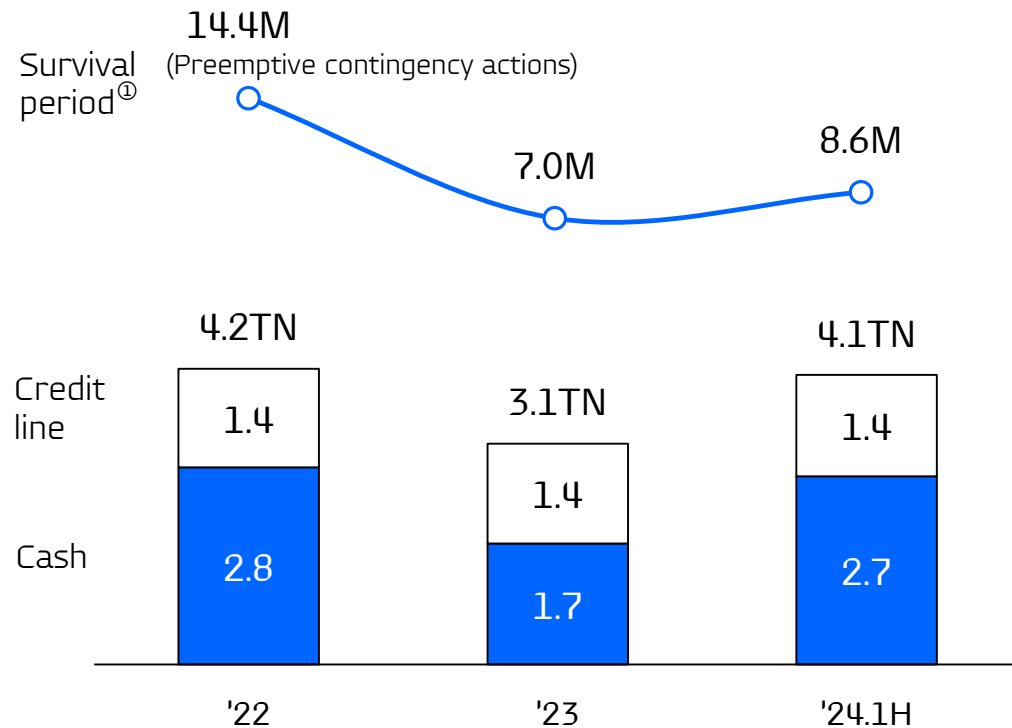
- Card income rise from credit purchase volume increase & interest income rise from financial assets growth
- Although interest expense inevitably grew w/ assets growth & interest rate hike, lesser degree of total CoF increase
 - Total CoF trend
 
- Despite higher provisions from resuming growth, bad debt rate^④ kept lower than '23
 - Bad debt expense rate
 : '23Y 1.84% vs '24.1H 1.64% (-0.20%p)

①, ② Gain on disposal of loan receivables reflected in bad debt expense. FX and derivatives effect reflected in operating revenue · expense after offsetting revenue · expense ('22Y revenue +10.6BN, '23Y revenue +20.9BN / '23.1H revenue +10.9BN, '24.1H revenue +22.7BN) ③ Net income/average balance of product assets ④ Bad debt expense/average balance of product assets

Stable financial quality

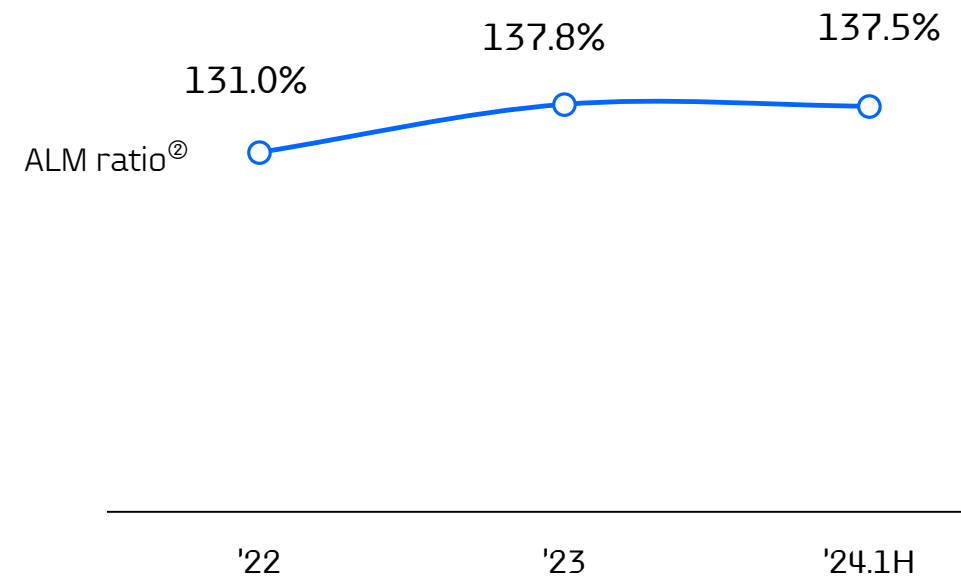
Liquidity

- Securing at least 7M survival period in normal times



Maturity

- Stable funding with at least 130% ALM ratio

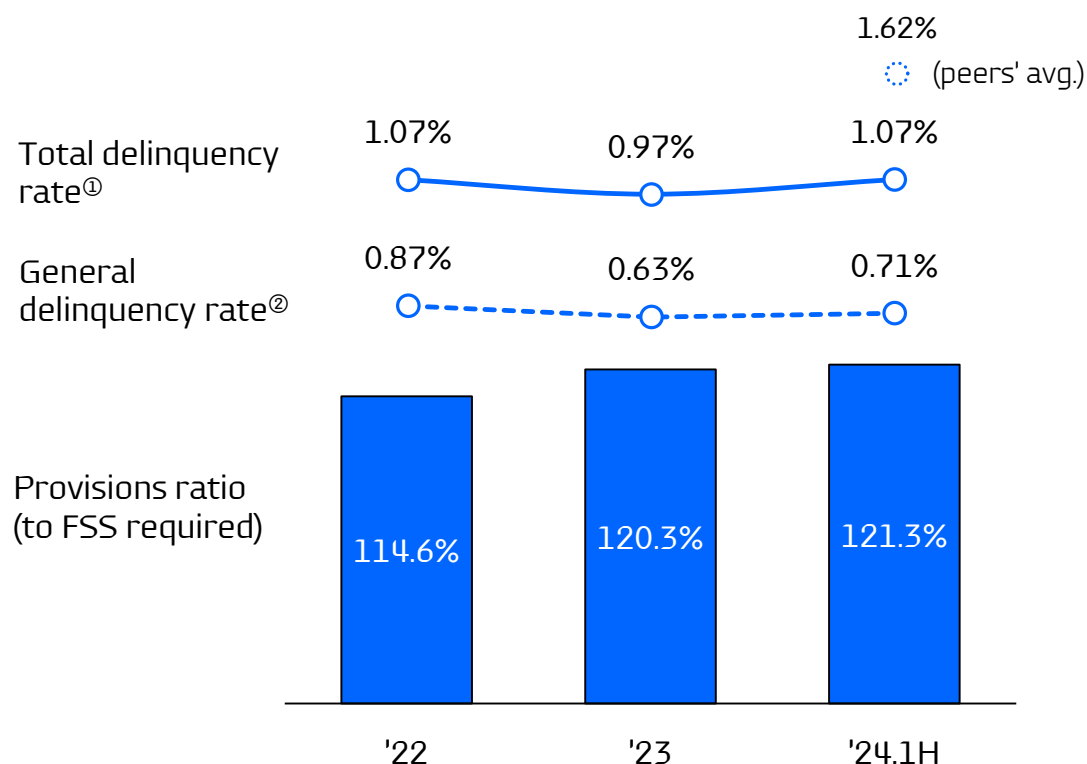


① When funding is impossible, period possible to conduct normal business and redemption with cash & credit line in hand ② Ratio of average maturity of borrowings over average maturity of financial assets

Stable financial quality

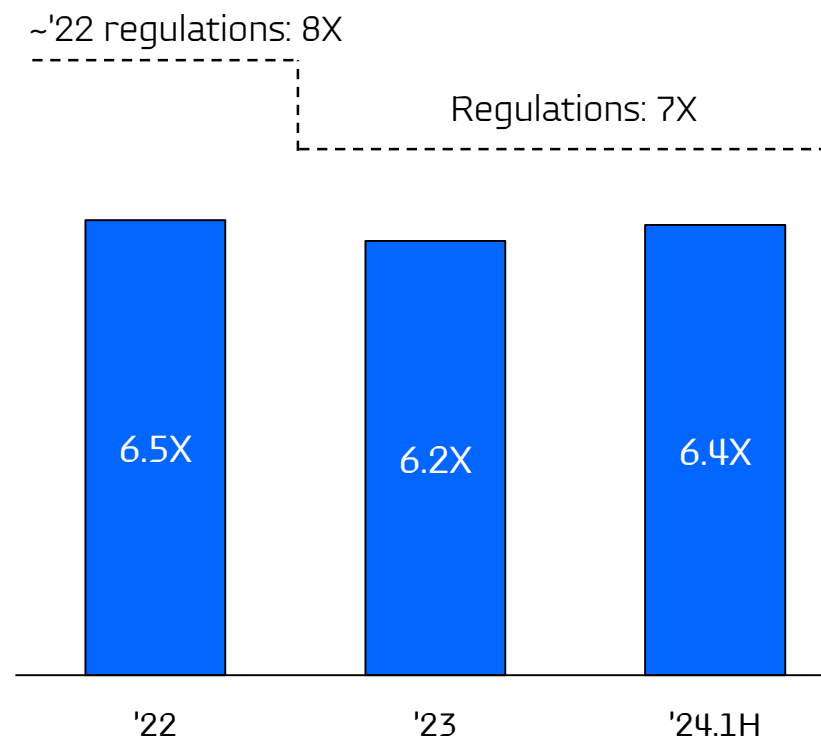
Asset quality

- Despite financial assets growth, delinquency rate rise is limited and maintained at lowest in industry



Capital adequacy (leverage)

- Stable management within regulations^③



Financial Statement

Consolidated statement of income

(KRW BN)	2022	2023	'23.1H	'24.1H
Operating revenue^①	2,779.0	3,059.0	1,471.3	1,681.8
Card income	1,310.8	1,631.2	757.4	849.3
Interest income	1,277.2	1,249.8	616.8	718.3
Gain on valuation and disposal of financial assets	12.9	19.6	15.5	7.3
Other	178.1	158.4	81.6	106.9
Operating expense^②	2,463.6	2,708.9	1,268.3	1,472.0
Card expense	805.0	921.3	446.9	489.7
Interest expense	403.7	568.2	267.0	349.9
Bad debt expense	391.8	369.6	118.4	178.2
SG&A	768.9	779.7	399.7	406.7
Other	94.2	70.1	36.3	47.5
Operating income	315.3	350.1	203.0	209.7
IBT	330.1	350.8	203.1	204.2
Net income	254.0	265.1	157.2	163.8

Consolidated statement of financial position

(KRW BN)	2022	2023	'23.1H	'24.1H
Assets	25,102.4	23,937.2	22,942.1	25,252.8
Cash and deposits	2,364.5	1,126.8	1,770.0	2,001.7
Securities	488.0	684.3	942.8	751.4
Card assets ^③	20,605.1	20,763.6	18,866.9	21,004.4
Tangible assets	379.9	632.3	616.1	610.7
Other	1,264.9	730.2	746.3	884.7
Liabilities	21,256.8	20,106.8	19,030.9	21,265.3
Borrowings	18,228.4	16,817.4	16,788.2	18,255.3
Other	3,028.4	3,289.4	2,242.7	3,009.9
Equity	3,845.6	3,830.5	3,911.2	3,987.5
Capital	802.3	802.3	802.3	802.3
Capital surplus	57.7	57.7	57.7	57.7
Hybrid securities	299.2	159.6	299.2	299.2
Retained earnings	2,613.2	2,805.6	2,702.3	2,826.0
Other ^④	73.2	5.3	49.6	2.3

①,② Gain on disposal of loan receivables reflected in bad debt expense. FX and derivatives effect reflected in operating revenue · expense after offsetting revenue · expense ('22Y operating revenue +10.6BN, '23Y operating revenue +20.9BN / '23.1H operating revenue +10.9BN, '24.1H operating revenue +22.7BN) ③ Includes loan receivables ④ Includes capital adjustment

Key Figure

(KRW BN)		2022	2023	'23.1H	'24.1H
Total members		11,352K	12,056K	11,790K	12,314K
	Net member increase (vs. '23-end)	866K	704K	438K	258K
Volume		142,782.7	160,167.3	76,108.3	87,779.2
	Credit purchase	131,377.5	150,202.6	71,637.8	81,169.2
	Lump sum	107,488.5	126,469.7	60,732.6	69,253.3
	Installment	23,889.0	23,732.9	10,905.2	11,915.9
	Financial products	11,405.2	9,964.7	4,470.5	6,610.0
	Cash advance	5,128.4	4,499.3	1,909.2	3,161.6
	Card loan①	6,276.8	5,465.4	2,561.3	3,448.4
Product assets		21,248.6	21,378.2	19,409.5	21,678.8
	Credit purchase	14,908.5	14,981.0	13,510.9	14,627.1
	Lump sum②	7,609.6	8,429.8	7,675.4	8,150.3
	Installment	7,299.0	6,551.2	5,835.4	6,476.9
	Financial products	6,340.1	6,397.2	5,898.6	7,051.7
	Cash advance③	437.2	592.6	431.1	681.9
	Card loan④	4,608.2	4,792.1	4,499.0	5,335.0
	Revolving	1,294.7	1,012.5	968.6	1,034.7

(KRW BN)		2022	2023	'23.1H	'24.1H
Quality	Total delinquency rate⑤	1.07%	0.97%	1.17%	1.07%
	Substandard and below assets ratio	0.70%	0.66%	0.70%	0.75%
	Provisions ratio (to FSS required)	114.6%	120.3%	116.5%	121.3%
Leverage⑥		6.5X	6.2X	6.0X	6.4X
	Total assets	24,977.0	23,883.0	22,830.2	25,144.3
	Total capital (previous quarter)	3,822.5	3,859.7	3,823.3	3,925.1
Funding⑦		18,219.1	16,944.2	16,888.2	18,247.5
	Domestic funding	16,338.9	15,397.2	14,955.6	15,568.9
	Offshore funding	1,880.2	1,547.0	1,932.6	2,678.6
Liquidity⑧	ALM	131.0%	137.8%	139.9%	137.5%
	Liabilities maturity	2.1Y	2.2Y	2.2Y	2.1Y
	Assets maturity	1.6Y	1.6Y	1.6Y	1.6Y
	Total liquidity	4,198.5	3,136.2	4,110.7	4,114.0
	Cash	2,796.8	1,714.5	2,649.0	2,672.3
	Credit line	1,401.7	1,421.7	1,461.7	1,441.7

①, ④ Includes restructuring ② Includes revolving payment non-carried forward balance ③ Includes revolving loan non-carried forward balance ⑤ (Receivables overdue at least 1M + amount of restructuring loans without improved repayment ability) / total receivables ⑥ Based on non-consolidated financial statements ⑦, ⑧ Managerial accounting basis