

This Script is made in Japanese and translated into English. The Japanese text is the original and the English text is for reference purposes. If there is any conflict or inconsistency between these two texts, the Japanese text shall prevail.

SBI Shinsei Bank, Ltd.: FY2025 Full-Year Financial Results

Summary of Q&A

- Date and Time : May 1, 2026, 2:30 p.m. – 3:30 p.m.
 - Speaker :
Eisuke Terasawa, (Director, Chief Financial Officer)
Tsuyoshi Miyake, (Executive Officer, Group Deputy CFO)
 - Format : Webinar — advance registration required
-

【Q1】Earnings Outlook／Total Revenue

Total revenue in the FY2026 plan appears somewhat conservative given the expected increase in net interest income driven by rising interest rates. How should we think about the breakdown of profit growth?

【A】

We will confirm the breakdown and follow up later.

At this point, rather than focusing on the distinction between net interest income and noninterest income, we aim to achieve overall profit growth at the total revenue level.

(Follow-up answer)

Interest income is expected to increase, supported by policy rate hikes and expansion of the securities investment portfolio. Policy rate assumptions are set more conservatively than the sensitivity analysis shown on page 11. Noninterest income is expected to be driven by capital gains and inorganic transactions. We refrain from disclosing a quantitative breakdown of total revenue.

【Q2】Earnings Outlook／Tax Rate

What is your outlook for net income in FY2026, given the normalization of the effective tax rate?

【A】

Both the Bank and our parent, SBI Holdings, use net income before income taxes as a key management metric. In addition, given the difficulty in forecasting the effective tax rate, we are not disclosing net income guidance at this stage.

【Q3】Monetary Policy Assumptions

What assumptions are you making for policy interest rates in your FY2026 guidance?

【A】

We assume two policy rate hikes during this fiscal year.

【Q4】Medium-Term Management Plan Progress and Review

How do you assess the progress of the medium-term management plan, and what is your view on potential revisions and disclosure timing?

【A】

If FY2026 performance progresses in line with the plan, we may consider revising the plan during the fiscal year.

We also expect to communicate the quantitative targets of the next medium-term management plan when we have a clear view of the FY2026 results.

At this stage, no formal revision process has commenced.

【Q5】Impact for Funding Costs

What is the impact of the SBI Hyper Deposits campaign on funding costs?

【A】

The SBI Hyper Deposits campaign offers a total interest rate of 5% (0.5% base rate plus 4.5% promotional rate), and the related costs are recorded as funding expenses.

In estimating the impact, a simplified estimate based on the per-account cap (JPY 1 million), campaign duration (approximately 100 days), and the total number of accounts (460,000) is adjusted to reflect the campaign participation rate. As a result, actual funding costs are lower than the simplified estimate.

【Q6】Sustainability of Noninterest Income

Do you consider the diversification of Noninterest income to be sustainable in FY2026?

【A】

We believe securitization revenues are sustainable. Capital gains are expected to decline from FY2025 levels, while income from inorganic transactions may increase year-on-year. Overall, the degree of sustainability varies by component.

【Q7】Retail Deposit Balance Fluctuations

Retail deposits declined at end-March 2026 compared to December. Was this due to seasonality or special factors?

【A】

This was mainly driven by maturities of time deposits acquired through winter campaigns, along with a slightly more restrained approach to deposit acquisition rates. The change reflects a balance between liquidity and cost considerations and remains within expectations.

【Q8】ROE Strategy

How do you view your medium- to long-term ROE targets beyond 10%, and when do you expect to disclose them?

【A】

Our priority is to consistently maintain double-digit ROE. Further ROE improvements will be considered in line with revisions to the medium-term management plan.

【Q9】Provision for excess interest repayments

What is the background of the reversal of reserves at Shinsei Financial and APLUS, and what is the outlook?

【A】

Based on current disclosure requests and repayment trends, we expect a shift toward reversals of provisions rather than additional provisioning going forward.

【Q10】Control of Funding Cost

Despite campaigns and rate hikes, why were funding costs contained on a quarter-on-quarter basis in the fourth quarter?

【A】

We reduced deposit rates following the maturity of high-rate time deposits and improved the deposit mix, supported by an increase in relatively low-cost liquidity deposits (SBI Hyper Deposits).

In addition, loan assets have a high proportion of variable-rate loans, allowing us to benefit from policy rate hikes, which contributed to higher asset yields.

【Q11】 Housing Loan／Interest Rates】

What are the interest rate for new housing loans (flow) and outstanding balances (stock)?

【A】

We will confirm the data and follow up later.

(Follow-up answer)

For outstanding housing loans, please refer to the retail banking loan yield in the data book (FY2025: 0.89%, FY2024: 0.87%).

For FY2025 new housing loans, floating rates (semi-annual reset) were approximately 0.68%–0.73%.

[変動金利の過去金利推移 | 住宅ローン | SBI 新生銀行](#) (Japanese only)

【Q12】Housing Loan／Execution Plan】

What is your plan for housing loan originations this fiscal year?

【A】

We plan to achieve the new origination target of JPY 1 trillion, as set out in the medium-term management plan, one year ahead of schedule in FY2026.

【Q13】Non-Deposit Funding Costs

What factors are preventing non-deposit funding costs from increasing more than expected?

【A】

Non-deposit funding includes bonds and borrowings. The primary factor is the absence in FY2025 of the impact from a fiscal year-end change at UDC Finance (NZ subsidiary) that affected FY2024. As a result, non-deposit funding costs are lower year-on-year.

【Q14】Foreign Currency Funding Costs

Have you changed the classification of foreign currency funding costs from interest income to noninterest income in 4Q FY2025? If so, could you quantify the impact?

【A】

Foreign currency funding includes not only deposits and bonds, but also funding through currency swaps and FX forwards.

Funding costs from currency swaps are recorded under interest income, while those from FX forwards are recorded under noninterest income.

Recently, the share of FX forward-based funding has increased.

At this point, we have not disclosed the quantitative impact, including the effect of the shift from currency swaps to FX forwards. We will review this and consider whether disclosure is appropriate going forward.

【Disclaimer】

This material has been prepared solely for the purpose of presenting relevant information regarding SBI Shinsei Bank, Limited (the "Company"). This material does not constitute an offer to sell or the solicitation of an offer to buy any security in Japan, the United States or any other jurisdiction in which such offer or solicitation is prohibited.

This material is based on the economic, regulatory, market and other conditions as in effect on the date hereof, and neither the Company nor its advisors or representatives guarantee that the information contained in this material is accurate or complete. Subsequent developments may affect the information contained in this material, and neither the Company nor its advisors or representatives are under any obligation to update, revise or affirm the information herein based on events or circumstances after the date hereof. The information in this material is subject to change without prior notice. This material, in whole or in part, is confidential and must not be communicated or disclosed to any third party except with the prior written consent of the Company.

This material includes forward-looking statements that express expectations of future results. These forward-looking statements include, but are not limited to, expressions such as "will", "believe", "expect", "estimate", "anticipate", "plan", "develop a strategy", "project", "forecast" or "have the potential" and other similar expressions that explain our future business activities, results, events and circumstances. Forward-looking statements are based on the intentions of our management based on the information that is available to them at the time of such statements. Therefore, these forward-looking statements are dependent on various risks and uncertainties, and actual results may significantly differ from the results expressed or implied in the forward-looking statements. Accordingly, you should not place undue reliance on the forward-looking statements. We are not under any obligation to change or correct the forward-looking statements according to new information, future events or other discoveries.

This material contains statements as of the date stated on this material (or any other date separately specified herein), and neither the Company nor its advisors or representatives adopts a policy of nor assumes any responsibility for keeping such information updated. The information in this material in connection with or prepared by companies or third parties other than the Company and its affiliates is based on publicly available information and other information as cited, and the Company has not independently verified the accuracy or appropriateness of, and makes no materials with respect to, any information derived from such sources.

The Company's fiscal year-end is March 31. Unless otherwise specified or the context requires otherwise, the financial figures used in this material are for the Company on a consolidated basis and presented in accordance with accounting principles generally accepted in Japan, or Japanese GAAP