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

IR Briefing Session Summary of Q&A

- Date and Time : May 14, 2026, 2:00 p.m. – 3:00 p.m.
 - Presenter : Katsuya Kawashima, (President and CEO)
 - Attendees :
 - Eisuke Terasawa, Senior Managing Executive Officer, Group Chief Financial Officer (CFO)
 - Kei Fujisaki, Senior Managing Executive Officer, In charge of Group Treasury
 - Katsumi Hatao, Senior Managing Executive Officer, Assistant to the President
 - Akira Hirasawa, Senior Managing Executive Officer
 - Takahisa Komoda, Senior Managing Executive Officer, Head of Institutional Business
 - Yoshihiro Yuasa, Managing Executive Officer, Head of Individual Business
 - Tsuyoshi Miyake, Executive Officer, Deputy CFO
 - Format : SBI Shinsei Bank Ltd., H.O. & Webinar, advance registration required
 - Material : IR Presentation Material for May 14
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【Q1】Capital Injection into Regional Banks

What criteria are used when selecting regional banks for capital injection?

【A】

The key factor is the bank's earnings capacity and whether it can achieve a meaningful recovery post-investment. We assess its ability to maintain adequate capital ratios even after recognizing bond valuation losses, as well as its PBR level. Beyond capital provision, we emphasize whether our involvement can drive a turnaround, including strengthening deposit-gathering capabilities and overall competitiveness using our expertise and products.

【Q2】Revenue Model and Upside of Stablecoins

Is the revenue mainly derived from investing custody funds, and is there further upside?

【A】

At the initial stage, revenues will primarily come from managing entrusted funds, such as JGB investments. Our priority is to increase issuance under a trust-based model, with revenue growth driven by expanded issuance alongside broader use cases.

【Q3】Medium- to Long-Term ROE Target

What is your target ROE, particularly on a net income basis?

【A】

Having achieved double-digit ROE in FY2025, the focus is now on sustaining and improving it. While short-term fluctuations may occur due to changes in effective tax rates, we aim to consistently maintain double-digit ROE by strengthening core earnings and increasing pre-tax profits.

[Q4]Current Management Challenges

What are the key management challenges and your response?

[A]

The primary challenge is securing sticky deposits. Our reliance on payroll and settlement accounts is limited, which creates a structural hurdle. We will strengthen retail deposits, particularly through SBI Hyper Deposits, to build a stable funding base. Enhancing capital for balance sheet growth and advancing risk management, especially cybersecurity, are also key priorities.

[Q5]Growth Drivers of SBI Hyper Deposits

What are the key drivers to expand SBI Hyper Deposits further?

[A]

Amid changing investor behavior, funds are increasingly flowing into investments even during equity market upswings. Therefore, we monitor account growth rather than just balances. While interest-based acquisition has reached its limits, we will pursue differentiation through added value. Strengthening collaboration with SBI Securities—particularly capturing idle cash in brokerage accounts—represents a major opportunity.

[Q6]Initial Earnings Impact of Stablecoins

What is the expected profit and cost impact in the first year?

[A]

At the early stage, issuance is the priority, so earnings contribution will be limited. Given the small scale, both investment income and costs are expected to have minimal impact on overall performance.

[Q7]SBI Hyper Deposits Strategy

Will you continue using campaigns to drive growth?

[A]

Current retention levels are within expectations. Campaigns are considered effective and are being explored as a means to guide funds toward more stable deposits.

Going forward, we aim to combine interest rates with additional value to enhance stickiness.

【Q8】Balance of Corporate vs. Retail Deposits

Will reliance on high-cost corporate deposits change as retail deposits grow?

【A】

Over the medium-to-long term, we aim to increase the share of retail deposits to create a more stable funding structure. However, given ongoing competition, corporate deposits will continue to be used to some extent, with a focus on improving quality, particularly by increasing liquidity deposits.

【Q9】Mortgage Strategy Beyond JPY 1 Trillion

How will mortgage growth evolve after reaching JPY 1 trillion?

【A】

We do not expect the current high growth rate to continue and believe maintaining around JPY 1 trillion is appropriate. We will shift toward quality-focused growth, emphasizing profitability and borrower creditworthiness.

【Q10】On-Chain Strategy Beyond Stablecoins

What is your role and timeline for on-chain finance beyond stablecoins?

【A】

Our primary role is issuing and managing stablecoins. Expansion of use cases will largely follow initiatives across the SBI Group. We will align with group progress and implement necessary functions as needed, although no specific timeline is available at this stage.

【Q11】Upper Bound of ROE

Do you aim to reach the SBI Group's 15% ROE target?

【A】

We aim not only to maintain double-digit ROE but also to further improve it. However, we will balance capital efficiency with financial soundness and will not

pursue excessive risk-taking solely to boost ROE.

【Q12】Non-Bank and Overseas Strategy

What is your strategic direction for inorganic growth, including non-bank and overseas investments, as well as capital allocation?

【A】

We will emphasize both ROE and RORA in managing capital allocation. Investment decisions will focus on profitability and efficiency regardless of interest rate conditions. Given rising funding costs in non-bank businesses, strategy reviews are underway. We will reassess the overall business portfolio, including overseas operations, and utilize capital recycling to ensure flexible resource allocation while capturing inorganic growth opportunities.

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