

SBI Shinsei Bank Reached Agreement with the Government on Repayment Scheme for Public Funds—No Impact on Rating

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on the fact that SBI Shinsei Bank, Ltd. (security code: -) reached an agreement with its government-affiliated shareholders on a repayment scheme for public funds.

- (1) On March 7, SBI Shinsei Bank (“the Bank”) concluded an “Agreement on Definitive Repayment Scheme” with its government-affiliated shareholders regarding public funds. The Bank's policy is to repay the public funds through dividends on preferred shares, etc., by converting all of the common shares held by the government-affiliated shareholders to preferred shares. The amount of public funds to be repaid is 330 billion yen. Of this, 100 billion yen is scheduled to be repaid as a special dividend on March 28. The Bank will raise 50 billion yen from SBI Holdings, Inc. as part of the funds. As for the remaining 230 billion yen, at least 4 billion yen will be repaid each fiscal year as a regular dividend, and the Bank will consider implementing additional special dividends, etc., after giving sufficient consideration to factors such as impacts on financial soundness and business growth potential. The Bank aims to repay the public funds as early as possible by taking various measures, including a stock listing.
- (2) JCR has partially reduced the equity content of the public funds, so the impact of the repayment of 100 billion yen scheduled for March on the Bank's and the SBI Group's finances will be limited. The amount of the repayment set as a fixed repayment limit for each fiscal year from the fiscal year ending March 2026 (FY2025) onwards is small, and it is expected that the impacts on financial soundness, etc. will be fully considered when repaying the public funds through additional special dividends. JCR's view that the Bank will not repay in a way that causes its capital level to fall significantly in the short term has not changed. On the other hand, JCR will pay attention to the specific repayment method from the perspective of the impact on the SBI Group's finances from FY2025 onwards.

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<Reference>

Issuer: SBI Shinsei Bank, Ltd.

Long-term Issuer Rating: A Outlook: Stable

Issuer: SBI SECURITIES Co., Ltd.

Long-term Issuer Rating: A Outlook: Stable

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