04 - 29 - 2025

SoFi Technologies

First Quarter 2025 Earnings

SoFi Technologies

First Quarter 2025 Earnings

CORPORATE SPEAKERS:

Mike Ioanilli
SoFi Technologies; Head of Investor Relations
Anthony Noto
SoFi Technologies; Chief Executive Officer
Chris Lapointe
SoFi Technologies; Chief Financial Officer

PARTICIPANTS:

Andrew Jeffrey
William Blair; Analyst
Kyle Peterson
Needham & Co.; Analyst
Dan Dolev
Mizuho; Analyst
Jeffrey Adelson
Morgan Stanley; Analyst
Devin Ryan
JMP Securities; Analyst
Reginald Smith
JPMorgan; Analyst
Terry Ma
Barclays; Analyst

PRESENTATION:

Operator^ Good morning. (Operator Instructions) At this time I would like to welcome everyone to the SoFi Technologies Q1 2025 Earnings Conference Call. (Operator Instructions)

And with that, you may begin your conference.

Mike Ioanilli^ Thank you. And good morning. Welcome to SoFi's first quarter 2025 earnings conference call.

Joining me today to talk about our results and recent events are Anthony Noto, CEO; and Chris Lapointe, CFO.

SoFi Technologies

First Quarter 2025 Earnings

You can find the presentation accompanying our earnings release on the Investor Relations section of our website. Unless otherwise stated, we'll be referring to adjusted results for the first quarter of 2025 versus the first quarter of 2024.

Our remarks today will include forward-looking statements that are based on our current expectations and forecasts, and involve risks and uncertainties.

These statements include but are not limited to our competitive advantage and strategy, macroeconomic conditions and outlook, future products and services and future business and financial performance.

Our GAAP consolidated income statement and all reconciliations can be found in today's earnings release in the subsequent 10-Q filing, which will be made available next month.

Our actual results may differ materially from those contemplated by these forward-looking statements.

Factors that could cause these results to differ materially are described in today's press release and our subsequent filings made with the SEC including our upcoming Form 10-Q.

Any forward-looking statements that we make on this call are based on assumptions as of today.

We undertake no obligation to update these statements as a result of new information or future events.

And now I'd like to turn the call over to Anthony.

Anthony Noto^ Thank you. And good morning, everyone.

We are off to a tremendous start in 2025 as we continue to drive durable growth and strong returns through our product innovation and brand building.

Our battle-tested strategy and diverse business were instrumental in driving an acceleration in revenue growth to 33% and a 3x year-over-year increase in earnings.

I'll begin by covering our key results for the first quarter, starting with our durable growth, which is continuously driven by exceptional growth in members and products.

We added a record 800,000 new members in Q1, driving 34% year-over-year growth, reaching 10.9 million SoFi members.

We also added 1.2 million new products, representing 35% year-over-year growth to over 15.9 million products.

SoFi Technologies

First Quarter 2025 Earnings

Our strong member and product growth powered great revenue growth in the first quarter. Adjusted net revenue was a record at $771 million, up 33% year-over-year.

This is our highest growth rate in five quarters.

Together, our Financial Services and Technology Platform segments generated $407 million of revenue, up 66% year-over-year.

Into our Lending segment, adjusted net revenue grew 27% year-over-year to $412 million, driven by strong originations in this segment of $5.7 billion, up 30% from the prior year. Combined with $1.6 billion of origination in the Loan Platform Business in Q1, originations reached a record of $7.2 billion.

Total fee-based revenue across our business was also a quarterly record at $315 million, up 67% from the prior year. This was driven by strong performance from our Loan Platform Business, origination revenue fees, referral revenue, interchange revenue and brokerage fee revenue.

On an annualized basis, we are now generating nearly $1.3 billion of fee-based revenue, reflecting the deliberate diversification of our business towards more capital-light revenue streams.

In addition to delivering strong durable growth, we delivered strong returns and profitability.

In the first quarter, all three segments delivered strong contribution profit at attractive margins. Adjusted EBITDA for the quarter was a record $210 million, up 46% year-over-year.

Our adjusted EBITDA margin for the quarter was 27%.

Our incremental EBITDA margin was 35% as we continue to reinvest in the business to drive long-term growth and profitability.

Net income was $71 million at a margin of 9%. Earnings per share were $0.06.

Finally, our tangible book value ended the quarter at $5.1 billion, a year-over-year increase of $946 million.

Our strong financial performance is the direct result of our continued investments in brand building and product innovation. These investments attract new members and clients into our digital one-stop shop ecosystem and lead them to adopt more products over time. This virtuous cycle, which we call our Financial Services Productivity Loop, or FSPL, fuels our growth and ultimately our returns as we scale.

In addition to product growth, we also measure the effectiveness of our productivity loop and the success of our strategy based on cross-buy. And cross-buy continues to be very strong.

In the first quarter, 32% of new products were opened by existing SoFi members.

Let me take a moment to discuss some of our recent investments in brand building and product innovation across our businesses. A significant amount of our marketing investment goes towards building the SoFi brand name via broad scale, high reach branded marketing. This investment is centered on building SoFi into a trusted household brand name, which we measure based on unaided brand awareness. Having a strong brand creates a halo effect that makes our performance marketing of each product more efficient.

Our unaided brand awareness continued to be very strong through the quarter at 7%.

During the first quarter, we completed the inaugural season of TGL presented by SoFi, a new tech-driven stadium golf league with 14 of the top 25 golfers in the world including Rory McIlroy and Tiger Woods. TGL presented by SoFi attracted over 20 million total viewers on ESPN in its inaugural season.

Since the SoFi brand goes everywhere the TGL brand goes, we capitalized on not just the broadcast audience reach that exceeded our expectations, but also the massive social presence as well as the exciting gameplay.

We launched a promotion for SoFi Invest tied to players' performance during the playoffs. This on-air and online integrated marketing effort helped drive record engagement levels for SoFi Invest.

We also continue to benefit from SoFi Stadium as well as the continuity of our branding with the NBA and key sports ambassadors in Wyndham Clark, Cameron Brink, Jayson Tatum and of course, the OG SoFi partner athlete, Justin Herbert.

Additionally, we became the presenting partner of the Country Music Association's CMA Fest. This is our first-ever music partnership, and is an incredible platform to introduce more people to SoFi through the live event broadcast and social media channels. This partnership will also allow us to enhance the fan experience for SoFi Plus members through exclusive perks.

Turning now to product innovation in our segments.

Financial Services is our fastest-growing segment, doubling its revenue year-over-year to over $300 million.

I'll touch on a few of the most significant contributions to this growth, starting with our SoFi Money business. To scale this business as rapidly as we have, we've invested significant capital

to build the strong operational and regulatory capabilities that are required to have a nationally regulated bank with insured deposits as well as earn the trust of our members.

The investment, while not always obvious externally, has been transformational for our business.

We have grown annualized debit spending to over $14 billion, just one of our high-margin fee-based revenue streams.

We've also grown our total deposits to $27.3 billion, lowering our funding expense by an estimated $515 million per year.

Along the way, we've more than tripled our money products since the end of 2021 to nearly $5.5 million today by offering an unmatched value proposition with a high APY, P2P payments, bill pay, Autopilot, Vaults, Zelle, 2-day Early Paycheck, $3 million of FDIC insurance and unmatched rewards for checking and savings accounts and so much more.

Even with the success of SoFi Money, we are continuously finding ways to improve the member experience.

For example, this quarter, we completed the rollout of self-service wires, which gives members another frictionless way to move money.

We are now the only company that offers digital person-to-person payments via phone number or e-mail address and the ability to send money via Zelle, ACH or self-serve wires. Given the performance of SoFi Money, we expect it to become our second $1 billion revenue business.

Another key contributor to growth in Financial Services is our loan platform business, where we produce loans on behalf of third parties.

In less than a year, we've grown the business to an annualized run rate of over $6 billion of originations and more than $380 million of additional high-margin, high-return fee-based revenue. And we continue to see strong demand for these loans. This year, we finalized a $5 billion deal with Blue Owl, a $2 billion extension with Fortress, and a $1.2 billion joint venture between Fortress and Edge Focus. These additional deals will accelerate the quarterly originations well above the current level of $1.6 billion.

Importantly, the LPB loans do not present any ongoing credit risk and contribute to member growth as we hold the relationship and can benefit from cross-buying to other SoFi products.

So far, the vast majority of our LPB loans have been within our prime credit box, but over and above the volume we want to put on our balance sheet.

However, we have the ability to also meet demand from buyers who want near-prime loans with higher WACC.

We can even extend this program to other loan types in the future.

We are incredibly optimistic about the depth and breadth of the growth opportunities in the loan platform business, and we see it becoming our third $1 billion revenue business.

Turning to SoFi Invest.

In January, we shared that we are accelerating our investment in SoFi Invest, and that decision is already bearing fruit. Q1 2025 marked an acceleration in product growth to 2.7 million products, up 21% year-over-year, and we expect further acceleration in Invest product growth throughout the year. The first quarter also marked our best quarter ever of member engagement, even compared to when we offered cryptocurrency or launched IPOs and alternative assets.

In the first quarter, we made significant improvements to our single stock presentations, which provide members with insights to help make more informed investment decisions.

Our new experience is clearer, easier to navigate and more informative, driving positive feedback and importantly, an increase in engagement.

We also made it easier to roll over 401(k) assets with a more intuitive design and stronger back-end engineering, which improves completion rates and provides another great way to build long-term, durable relationships with members.

We continue to expand on our unmatched selection including investment opportunities that have been typically reserved for the high net wealth segment. Following our highly successful SPV for SpaceX last year, we've expanded our partnership with Templum, so members can invest in another privately held company, Anthropic.

We're also accelerating our product investment to improve the Invest user experience and drive more personalization as well as better discovery of our Invest product offerings within our app.

We want to ensure that members are aware of all we have to offer and are getting valuable insights and information that are tailored to their specific needs. The more we service our great investment selection, the more engagement we see.

So Invest stands alone in the breadth of our offering including the ability to buy and sell single stocks without commissions or fees.

Our award-winning Robo Advisory product that offers three different themes with a total of fifteen unique strategies, four SoFi branded ETFs that are specifically tailored to our members' needs, IPOs, and Level 2 options.

We are also providing access to alternative assets including private equity, private credit, private real estate, venture capital, long/short hedge funds and private individual company investments.

We continue to add more selection, and by the end of the year, if all goes as planned, we will add both Level 1 options and certain crypto or blockchain offerings. Given the evolving regulatory landscape, we see an opportunity to reenter the crypto and blockchain business more comprehensively.

In addition to enabling members to invest in crypto coins, we will enter other areas over the next six to 24 months, but potentially much sooner via acquisition or if the changing regulatory landscape allows.

Our aspirations over time are as broad and deep as they are for our existing SoFi business including developing crypto and blockchain offerings across borrowing, investing, paying, saving and our Technology Platform services for third parties.

Turning to our Tech Platform segment. Here, the market for our digitally native financial product platform is significant and continues to evolve. Recognizing the longer lead times associated with large-scale core banking conversions and consolidation among smaller fintech clients, we found innovative ways to broaden our client base.

For example, this quarter, we launched a first-of-its-kind reward debit program with Wyndham Hotels & Resorts. Later this year, we expect to launch similar co-brand debit card programs with other travel and hospitality companies, further expanding our footprint among consumer brands. And we recently signed a deal with Mercantil Banco, which offers personal and business banking services in Panama, and will use our Cyberbank digital banking platform.

We are pleased with the demand from new client opportunities for the Tech Platform business, and expect these wins and others in the RFP process to have an impact on our revenue in 2026 and beyond.

Now turning to our Lending segment, starting with our home loans business.

Our 2023 acquisition of Wyndham Mortgage strengthened our technology and fulfillment capabilities, creating significant capacity for growth.

In Q1, this helped us grow home loan originations by 54%.

At the same time we've expanded to offer home equity loans, a great value to members given the fact that they are sitting on low rate mortgages that they do not want to touch in a higher rate environment. This product, which we didn't have a year ago, accounted for more than a third of our home lending volume during the first quarter.

It was our best quarter ever for home equity originations and should only go higher from here.

As interest rates come down, we expect and are planning for a significant acceleration in the demand for home loans for both home purchase and refinance.

We are also launching new personal loan and student loan refinancing products. The new personal loan product launching next month will be for prime credit card customers that carry a revolving balance and are making mostly interest-only payments. These are commonly referred to as “revolvers.”

Members will now get a fairly priced deal instead of being gouged by credit card companies and big banks who charge 20-plus percent interest to earn an ROE of 50% on some of these prime credit revolvers.

We will meaningfully cut the cost of debt for this prime borrower, reducing monthly payments by as much as 40%, while generating an attractive target ROE in line with the 30% that we generate on our broader personal loan portfolio.

So all you premium credit card holders out there that somehow found yourself with $10,000 to $30,000 or more of debt on your credit card, that you're only making minimum payments on, we are here to help get rid of that debt and get your money right.

In the midst of uncertainty around student loan options in the market, we just launched an innovative member-centric refinancing solution known as SmartStart. This allows for lower payments in the early part of the loan and steps up into paying regular payments after this introductory period, helping members find their footing and build long-term savings. Yet another way we innovate to help our members spend less than they make and invest the rest.

Let me wrap up the discussion on our results, branding and product innovation with a perspective on SoFi Relay and SoFi Plus. Both products make their footprint bigger than their foot and are critical elements of our Financial Services Productivity Loop.

SoFi Relay allows members to easily track and manage all their SoFi and non-SoFi financial products and accounts on our digital platform through an easy-to-use dashboard. Relay is our second largest product at $5 million, which is up 41% year-over-year.

Although Relay doesn't generate revenue directly, it is a lightweight starting point and serves as the tip of the sword with very attractive cross-buy patterns into other SoFi products.

As an example of Relay's impact, one third of the Relay-first members that cross-buy adopt at least three products, with the most common sequence being Relay to Money to Invest.

Turning to SoFi Plus, our premium membership tier that brings together the best of all we have to offer through America's most rewarding financial membership, unlocking over $1,000 in value

each year. Previously members needed a direct deposit with us to be a SoFi Plus member, but during the first quarter, we added a fee-based subscription option as well.

While this option is new, we are already seeing some promising behaviors among early subscribers. Nearly 90% of the new Plus members were already existing members, demonstrating the validation of making this product more accessible via a pay option, not just via Direct Deposit. The product has also been a catalyst for our FSPL, driving the second order effects of cross-buy among these members, with nearly 30% adopting an additional product within 30 days of enrollment.

Among SoFi Plus subscribers who are completely new to SoFi, over 75% adopt at least a second product and over 40% adopt a third product within 30 days of enrollment.

Importantly, these members are adopting products across our platform beyond just SoFi Money. This data demonstrates that members truly value the one-stop shop model. And by exposing members to our complete offering, we can accelerate cross-buying.

Hopefully, it is as clear to you as it is to me that our strategy continues to deliver great results. That is why we have decided to further accelerate our rate of innovation while still being able to increase our full year guidance.

Our value proposition has never been more relevant to the members and clients we serve.

We are stepping on the gas to launch new products faster and iterate to improve our existing products at an even more rapid pace. The opportunity in front of us is too massive to risk underinvesting to capture it.

I'll be back after Chris covers the detailed financial results and guidance, to spend a few more minutes talking about this important topic and the strength of our competitive position.

Chris Lapointe^ Thank you, Anthony.

It has been a strong start to the year as we continue to drive durable growth and strong returns.

We exceeded each metric that we guided to during our last call on the way to delivering accelerating revenue growth in our sixth consecutive profitable quarter.

For the quarter, revenue grew 33% year-over-year to a record $771 million. Adjusted EBITDA was also a record at $210 million and a margin of 27%. Net income was $71 million at a margin of 9%, and earnings per share was $0.06. This included a small benefit of about $0.01 related to a lower-than-expected effective tax rate.

An important driver of the acceleration of growth was the increased contribution from capital-light non-lending as well as fee-based revenue sources.

Our non-lending businesses generated $407 million of revenue, up 66% year-over-year, and we also generated record fee-based revenue across all businesses of $315 million, up 67% year-over-year.

Turning now to our segment performance.

In terms of Financial Services, for the first quarter, net revenue was $303 million, more than double that of Q1 2024. Contribution profit was $148 million, up 4x from last year. Contribution margin was 49%, almost double what it was last year.

Net interest income for this segment was $173 million, up 45% year-over-year, which was primarily driven by growth in member deposits. Non-interest income grew 3.2x to $130 million in the quarter, which equates to over $0.5 billion in high-quality fee-based income on an annualized basis.

Importantly, improved monetization continues its strong contribution to revenue growth.

Financial Services revenue per product increased from $59 in the first quarter of '24 to $88 in the first quarter of '25. That's up nearly 50%, and we see continued upside as newer products mature.

In Q1, our Loan Platform business generated $96 million in adjusted net revenue, up 44% from just last quarter.

Of this, $93 million was driven by the $1.6 billion of personal loans originated on behalf of third parties as well as referrals.

I would note that these originations were up 41% quarter-over-quarter, while the associated platform fees increased approximately 50%, reflecting stronger monetization within this business.

Additionally, LPB generated $3 million from servicing cash flow, which is recorded in our lending segment.

The growth opportunity for this business continues to be strong.

On the heels of launching our $5 billion partnership with Blue Owl Capital in Q1, we are pleased to have recently secured an additional $3.2 billion through a 1-year $2 billion extension with Fortress, and a 2-year $1.2 billion agreement with a joint venture between Fortress and Edge Focus. These partnerships continue to demonstrate the attractiveness of our loan production to investors.

In addition to our LPB revenue, we continue to see healthy growth in interchange, up 90% year-over-year, driven by close to $16 billion in total annualized spend in the quarter across money and credit card.

Shifting to our Tech Platform.

For the first quarter, we delivered net revenue of $103 million, up 10% year-over-year. Contribution profit was $31 million at a contribution margin of 30%. Revenue growth was driven by continued monetization of existing clients, along with new deals signed in new client segments.

We saw a slight decrease in accounts to $158 million, or 6% year-over-year, while revenue still grew 10% year-over-year, with similar growth in potential acceleration in Q2. This was driven by a large client's decision last year to diversify their processing providers, which was factored into our outlook for 2025.

We continue to diversify our client base by winning new business, and we expect these wins to drive financial performance and an offset in 2026.

Turning now to our Lending segment.

For the first quarter, adjusted net revenue was $412 million, up 27% from the same period last year. Contribution profit was $239 million, with a 58% contribution margin. These strong results were primarily driven by growth in net interest income, which increased 35% year-over-year to $361 million.

During the last quarter, we had record total loan originations of $7.2 billion, up 66% year-over-year. Personal loan originations were a record at $5.5 billion, of which $1.6 billion was originated on behalf of third parties through LPB.

In total, personal loan originations were up 69% year-over-year.

Student loan originations were $1.2 billion, up 59% from the same period last year. Home loan originations were $518 million, a 54% year-over-year increase.

Capital markets activity was very strong in the first quarter.

We sold and transferred to our Loan Platform Business, $3.1 billion of personal and home loans.

In terms of personal loans, we closed $1.1 billion of sales in whole loan form at a blended execution of 106.2%. All deals had similar structures to other recent personal loan sales, with cash proceeds at or near par, and the majority of the premium consisting of contractual servicing fees that are capitalized. These sales included a small loss share provision that is above our base

assumption of losses and immaterial relative to the exposure we would have otherwise had if we had held on to the loans.

Additionally, we sold $90 million of late-stage delinquent personal loans.

By selling these loans, we're able to generate positive incremental value over time versus selling after they charge-off, both from our improved recovery capabilities and by maintaining servicing.

In terms of home loan sales, we closed $322 million at a blended execution of 102.1%.

In addition to our personal and home loan sales, we executed a $698 million securitization of loans originated through our Loan Platform Business. This was the first securitization of new collateral in our SoFi Consumer Loan Program, or SCLP, since 2021 and the first using collateral originated in the loan platform business.

Importantly, this channel provides our partners with meaningful liquidity to support their ongoing investment in the Loan Platform Business. The transaction priced at an industry-leading cost of funds levels with a weighted average spread of 87 basis points and an all-in yield of 5.10%.

Turning to credit performance. The health of our consumer remains strong. Despite the market volatility, we are not seeing signs of weakness.

Our personal loan borrowers have a weighted average income of $158,000 and a weighted average FICO score of 743, while our student loan borrowers have a weighted average income of $134,000 with a weighted average FICO score of 769.

Our credit trends continue to be strong after seeing delinquencies peak one year ago in the first quarter of 2024.

For personal loans, the on-balance sheet 90-day delinquency rate was 46 basis points in the quarter, a decrease of 9 basis points sequentially. The annualized charge-off rate also declined to 3.31% versus 3.37% in the prior quarter. Had we not sold any late-stage delinquencies, we estimate that including recoveries between 90 and 120 days delinquent, we would have had an all-in annualized net charge-off rate for personal loans of approximately 4.8% versus 4.9% last quarter.

For student loans, the on-balance sheet 90-day delinquency rate was in line with last quarter at 13 basis points, while our annualized charge-off rate decreased 15 basis points to 47 basis points. The data continues to support our 7% to 8% maximum life of loan loss assumption for personal loans, in line with our underwriting tolerance, although we continue to trend below these levels.

Our recent vintages originated from Q4 2022 to Q2 2024 have net cumulative losses of 4.09% with 43% unpaid principal balance remaining. This is well below the 5.53% observed at the same point in time for the 2017 vintage, the last vintage that approached our 7% to 8% tolerance. The gap between the newer cohort curve and the 2017 cohort curve widened by a more favorable 16 basis points after widening improvements of 15 basis points in Q4.

Additionally, looking at our Q1 2020 through Q4 2024 originations, 59% of principal has already been paid down, with 6.7% in net cumulative losses. Therefore, for life of loan losses on this entire cohort of loans to reach 8%, the charge-off rate on the remaining 41% of unpaid principal would need to be approximately 10%. This would be well above past levels, further underscoring our confidence in achieving loss rates below our 8% tolerance.

Turning to our fair value marks and key assumptions.

As a reminder, we mark our loans at fair value each quarter, which considers a number of factors including the weighted average coupon, the constant default rate, the conditional prepayment rate and the discount rate, comprised of benchmark rates and spreads.

At the end of the first quarter, our personal loans were marked at 105.5%, up 55 basis points from the end of the prior quarter. This change was primarily a function of the discount rate decreasing by 42 basis points to 4.87% due to the underlying benchmark rate decreasing by 34 basis points and spreads tightening by 8 basis points.

As we've previously noted, both of these changes are empirical based on actual market data, not assumptions.

Additionally, any fair value impacts that resulted from interest rates increasing were offset nearly one-for-one by hedge losses.

Additionally, the annual default rate decreased by 18 basis points.

Slightly offsetting these impacts was a 14 basis point decrease in the weighted average coupon and a 52 basis point increase in our conditional prepayment rate. When a borrower prepays, we are still capturing the principal, and the impact to the value of the asset is only based on the premium above par at a given point in time, which is very small relative to the principal outstanding.

At the end of the first quarter, our student loans were marked at 105.2%, up 107 basis points from the end of the prior quarter. This change was a function of the discount rate decreasing by 18 basis points to 4.22%, driven by the underlying benchmark rate decreasing by 38 basis points, partially offset by 20 basis points of spread widening, and a 10 basis point increase in the weighted average coupon. There were no material changes to the annual default rate or the conditional prepayment rate.

Turning to our balance sheet.

In the first quarter, total assets grew by $1.5 billion, driven by $1.6 billion of loan growth and approximately $265 million of growth in cash, cash equivalents and investment securities, partially offset by a reduction in other assets. Total company-wide cash at quarter end was $2.7 billion.

On the liability side, member deposits grew by $2.2 billion for the quarter, bringing total deposits to over $27 billion. Net interest margin was 6.01% for the quarter, up 10 basis points sequentially, reflecting our ability to sustain healthy deposit versus lending betas. This included a 27 basis point decrease in cost of funds, which was partially offset by a 13 basis point decrease in average yields.

We continue to expect a healthy net interest margin above 5% for the foreseeable future.

In terms of our regulatory capital ratios, we remain very well capitalized.

Our total capital ratio of 15.5% at quarter end remains comfortably above the regulatory minimum of 10.5%. Tangible book value grew more than $167 million sequentially to $5.1 billion and tangible book value per share at quarter end was $4.58, up from $3.90 a year ago.

Let me finish by providing our revised outlook for 2025. Given our strong start to the year, we continue to expect to add over 2.8 million members, which represents at least 28% year-over-year growth.

We now expect adjusted net revenue of $3.235 billion to $3.310 billion, above our prior guidance of $3.2 billion to $3.275 billion. This equates to year-over-year growth of approximately 24% to 27%, an increase from our prior guide of 23% to 26%.

We now expect an adjusted EBITDA of $875 million to $895 million, above our prior guidance of $845 million to $865 million. This represents a 27% margin.

We now expect adjusted net income in the range of $320 million to $330 million, above our prior guidance of $285 million to $305 million, and adjusted EPS of $0.27 to $0.28, above our prior guidance of $0.25 to $0.27.

We now expect growth in tangible book value of $585 million to $600 million for the year, above our prior guidance of $550 million to $575 million.

For the second quarter of 2025, assuming credit spreads are in line with the range we've observed year-to-date, we expect to deliver adjusted net revenue of $785 million to $805 million, adjusted EBITDA of $200 million to $210 million, adjusted net income of $60 million to $70 million and adjusted EPS of $0.05 to $0.06.

Overall, it's been a strong start to 2025, and we're looking forward to a great year overall.

I'll hand it back to Anthony to wrap this up and kick off the Q&A.

Anthony Noto^ Thank you, Chris.

As I mentioned, our strategy and execution continued to deliver excellent results. The opportunity in front of us remains massive, and we are accelerating our investment in new product launches.

We are building from a position of strength as the only digital company to successfully scale members and revenue across five lending businesses, a world-class SoFi Money offering with $27 billion in total deposits and Invest and Credit Card offerings with 2.7 million products and over 300,000 cardholders, respectively.

At the same time we're incubating and beginning to scale our SoFi Protect offering across home, auto and life insurance, lending and checking products for small and medium businesses and, of course, our recently launched SoFi Plus product with the best value in a financial services subscription offering.

Additionally, we have seen tremendous scale and indirect value creation from SoFi Relay with over 5.1 million products. Despite all of that success, we've built an entirely new loan platform business in less than 12 months, generating a $380 million annualized high-margin fee revenue stream. And of course, our Technology Platform business, serving over 158 million accounts and over $8 billion annualized transactions while helping power the SoFi products.

Make no mistake – with each business we have or will have superior speed, capabilities and services when compared side-by-side to alternative offerings as product quality is critical to being a member-centric company.

But having great products is not enough.

We must also have a sustainable competitive advantage.

In that regard, we believe our unique strategy, the combination of our businesses and how we have architected our products results in building a sustainable competitive advantage and having the highest lifetime value per member.

Our highest lifetime value is built on the back of striving to have superior unit economics on a per product basis combined with significantly lower cost and more products and revenue per member, such that we can provide more value in each product and more value when they are used together, and we can do this better than anyone else.

Specifically, our competitive advantage allows us to offer superior and even one day unmatchable value to our members and the broadest selection of loans with the best interest rates.

Superior APY and deposits, the best value in a financial service subscription product in SoFi Plus, the broadest selection in Invest products and competitive matches on Invest rollovers, a fully comprehensive suite of products all on one device, which is necessary to get your money right.

As well as SoFi rewards across all of our products and services, free financial planning with the CFP, discounted travel offerings and other spend better offers.

Additionally, we provide free services like Relay, Autopilot, Vault, Zelle and P2P.

And finally, several new AI-driven products in development that will specifically show our members how to get their money right by spending less than they make and investing in the rest, like the SoFi Expense Czar and SoFi Cash Coach, just to name a few.

In total, SoFi's unmatched value across its products and services make it the best place to help members achieve their most critical factors in their financial life, which is how to spend less than they make and invest the rest in order to get their money right and realize their ambitions. All that we do must serve this simple but hard to achieve equation better than anyone else.

Hopefully, our leadership position as a one-stop shop and our competitive advantage with the highest lifetime value is clear, as well as why we want to accelerate our rate of investment and innovation to take advantage of the incredible competitive position we have built.

In my mind, our path to our ambition is simple. Given the superior competitive position we occupy, the only thing that stands in the way of us and our aspiration is well, us, and our ability to maintain a founder's mentality culture to further strengthen our competitive sustainable advantage.

With that, let's begin the Q&A.

QUESTION & ANSWER:

Operator^ (Operator Instructions) And our first question today comes from Andrew Jeffrey of William Blair.

Andrew Jeffrey^ Terrific results here. Anthony, I know it might be a little bit of a difficult question to answer.

But as I look at the very impressive performance of the Loan Platform Business, can you envision a time where SoFi is just materially a fee-based business? And what are the implications for that for deposit (technical difficulty) different interest rate environments.

I just wonder, do you wind up with excess funding?

And do you grow loans faster primarily on that (technical difficulty)?

Anthony Noto^ Yes. And you're a little broken up there.

I think I got the bulk of your questions.

I think the question was, do you see a time where we transition to a largely fee-based business.

I think you'll see us increasingly change the next to greater fee-based than we are today.

41% on an annualized basis is the percent of our revenue from fee-based revenue today.

It's broad-based.

So it's not just the Loan Platform Business.

Interchange is becoming a bigger part in addition to referral revenue, in addition to our ability to drive fees in other smaller businesses that aren't as visible like our insurance business and our small medium business, which is both loan referral fees as well as checking and savings fees.

So I do think it will continue to increase quite meaningfully but not just because of the loan platform business.

I think the thing that would drive it even higher than we anticipate, which we do imagine it's going above 50%, is if we can do the loan platform business meaningfully outside of our credit box.

Today the bulk of our Loan Platform Business is in and about our credit box, just volume that we wouldn't otherwise want to originate on our own balance sheet, both from a credit and risk standpoint.

If we can actually deliver a loan to the Loan Platform Business that are meaningfully outside the credit box, say, 600 to 680, then the revenue stream there is going to be even much, much larger than it is today.

We are working on that.

I'm optimistic we can get some of those deals done.

We announced a piece of that today with Edge Focus, but there's a couple of other deals that are quite large that could be pretty meaningful. That would drive that higher.

The other thing I'd say about the Invest business is that our outlook and what we're contributing today does not include crypto, which will also be a fee-based business in the Invest product itself, but also that we could have a stable coin pay product with high yield that could drive fees as well in addition to doing things that I mentioned earlier in the call outside of Invest or stablecoins.

The thing I'd say more broadly about this business and our desire to own loans.

We do want to put loans in the balance sheet and sell those loans and hold them for sale.

Our student loan financing business is an important product for us to have.

We have that held for investment on a big piece of it, but we'll manage to the best ROE. And that's what will be our guiding light.

We want to have an ROE that's in the 20% to 30% range. And so we have to have the right mix of products, so it can't all be fee-based, but we'd like it to be more than 50% for sure.

Operator^ The next question comes from Kyle Peterson at Needham & Co.

Kyle Peterson^ I wanted to touch a little bit on specifically the Tech Platform and pipeline.

I know you guys have a lot of wins that are kind of coming live later this year.

But I just wanted to see if, given some of the recent market volatility and kind of macro uncertainty, has there been any change, whether it's in client appetite or decision-making or any slowing or change in activity that we should be mindful of, given the volatility over the last few weeks?

Anthony Noto^ No change in our outlook for the Tech Platform business. Long term, we still have a very strong conviction that is important for the SoFi businesses and helping us deliver our sustainable competitive advantage in the highest lifetime value.

Owning that tech allows us to not just have lower cost, but it allows us to have superior unit economics and allows us to innovate at a much faster rate.

And so it is -- a part of owning it is for the SoFi business.

But the other piece is providing the rest of the world with technology services. And our outlook for that is unchanged, even with the more recent volatility around tariffs in the economy and other concerns.

We've signed a number of partners that will be integrated this year, and they'll contribute to revenue in 2026.

Our outlook for this year is unchanged in terms of revenue guidance as well as longer term.

I do think there could be an acceleration in 2026 relative to 2025 in terms of the number of new deals, one, and the impact they could have because of the fact that people are starting to move more aggressively into innovative areas and they can no longer compete from an innovative standpoint.

If you're a traditional financial institution or you're a big consumer brand that has financial services products, you really have gotten away the last three years without innovating. And the reason we've gotten away with it is because of the regulatory environment, because of the backdrop of the economy and interest rates going higher.

But in an environment where interest rates stay stable where we're at, and we have a stable economy, these functional institutions need to start to compete or they're going to keep losing share.

You can see the rate of innovation happening in the private markets.

We have more inbound calls than we've ever had for acquisitions and more inbound calls for partnerships than we've had in three years. And it's because of the fact that capital is coming back to the fintech sector, it's because the interest rates are now stabilizing and people can start to reinvest.

So that's the opportunity set for us.

It's up to us to deliver, and we feel confident we'll be able to deliver our share against the Tech Platform business and for SoFi more broadly for that matter.

Operator^ Next question comes from Dan Dolev from Mizuho.

Dan Dolev^ Team, Chris, Anthony, really, really nice results. Great to see that.

Can I ask you guys about the strength of the capital markets in this market given the high volatility looks really strong.

I would like to get some perspective on that.

Anthony Noto^ I'll let Chris add in more holistically, but I'll tell you when the tariff and volatility stuff happened, I thought some of our deals will get delayed in the investment committee or other factors. And we've seen that happen in the past when you had shelter in place for COVID, things came to a screeching halt and other things have happened in the last seven years related to dislocations and liquidity, et cetera.

We didn't see any slowdown. When the tariff and volatility stuff happened, there was no slowdown.

In fact, people are moving just as fast and it was a pleasant surprise.

So that's in the near term.

I'll let Chris talk about more holistically, the appetite for our assets and the general secular trend that we're seeing.

Chris Lapointe^ Yes.

So overall, the strength of the capital markets remains extremely strong including the Loan Platform Business this quarter, we ended up selling or transferring over $3 billion of personal and home loans at really strong execution levels. That's over $12 billion of annualized demand in Q1 alone. And then as we mentioned in our prepared remarks, we also signed over $8 billion of LPB partnerships between Blue Owl, Fortress and Edge Focus. These recently announced partnerships and other deals are going to drive an acceleration in LPB volume in Q2.

So overall, we are really pleased with how the LPB business has developed, and we're feeling good about the demand, both from capital markets investors as well as from our members.

Anthony Noto^ And I don't think people truly appreciate the stat.

We underwrite around $20 billion of loan originations, give or take. That's not meant to be a guide, just a round number.

We declined $100 billion of loan applicants, $100 billion. That means we've done all the work of building our brand, of driving the demand, of going through an application process to tell $100 billion -- more than $100 billion, no.

That is a huge opportunity for us, and it's going to be high margin, no capital required, low credit risk.

Obviously those loans are being taken away a couple of days after they're underwritten.

So it is a big, big opportunity.

So don't sleep on the Loan Platform Business holistically.

Operator^ The next question comes from Jeff Adelson from Morgan Stanley.

Jeffrey Adelson^ Just a couple of questions for me.

Can you talk a little bit more about how you might position the student loan business if Congress ultimately decides to cap some of the programs out there in Grad Plus, Parent Plus, I know historically, that's been more of a source for your refi business over time. Would you be looking to do a little bit more in the in-school graduate side if that happened?

And Chris, if you could also just maybe touch on the take rate in the Loan Platform Business.

It looked like it increased on the nonreferral side this quarter, up to about 4.7% as a percent of those originations.

So should we be thinking about that as kind of like the sustainable run rate from here? Or should -- was there anything sort of one-off in that number?

Anthony Noto^ So Jeff, on your first question as it relates to student loans, you're really referring to the in-school student loan market. That's a product that we launched seven -- or sorry, six years ago.

It's an important product in terms of our mission of being there for all the major financial decisions in our members' lives and the days in between.

So if the government backs away from providing in-school loans, Grad Plus, et cetera, et cetera, we'll absolutely capture that opportunity.

By the way, those loans are a lot more attractive than our refinance student loans. They come at a higher WACC, and they're also typically backed by a co-borrower and a parent. And so they are great ROE products, and we would love to do as much as we can in that market, and we'd be very happy to step in for the government.

In addition to the fact that we would not only underwrite the in-school loans. When those students graduate and go get jobs and drive great credit scores, we'll refinance those loans.

So it will be a double bottom line from the standpoint that it's a revenue stream sort of day one, but it's also a member that becomes part of the ecosystem of SoFi. And there's going to be a high lifetime value to someone that takes out an in-school loan from us relative to someone that refinances from us.

Chris Lapointe^ Yes. And then on your second question as it relates to the Loan Platform Business take rate.

We are really excited about the momentum that we have there and our improved monetization. You saw that quarter-over-quarter.

I think part of it is as a result of the excess demand that we're seeing from loan investors, which is enabling us to create some pricing tension in some of these partnerships.

In terms of the long-term guide on the take rate, what I would think about is each deal is structured a little bit differently. And the majority of the deals that we've done have been within our credit box or stuff that we would otherwise hold on the balance sheet, but we haven't because we're happy with the size of our balance sheet.

As we start addressing the large TAM that Anthony mentioned, of the $100 billion that we're currently declining right now on an annual basis, you'll see that take rate fluctuate.

Operator^ The next question comes from (multiple speakers). Sorry, go ahead.

Chris Lapointe^ Yes.

Sorry, before you go, Devin, the only other thing I would say is that overall, the economics remain extremely healthy. These are high, high-margin unit economics for the LPB business.

Operator^ Go ahead, Devin. Your line is open.

Devin Ryan^ Okay. Chris, Anthony, just a question on -- so a question on just kind of volatility in the market kind of post quarter end.

Obviously a lot of moving parts here.

But one piece of it, Fed fund expectations have come down quite a bit over the past month. And just curious kind of how we should think about implications on deposit costs, what type of betas you guys are estimating?

And then also, what are the implications on deposit growth as short-term rates follow market expectations?

Anthony Noto^ Yes. Chris and I will tag team this.

In the quarter, you saw that our members within SoFi Money grew 41%.

Our deposits grew 52%.

So we're seeing positive deposit trends, not just from new SoFi Money members, but from existing deposit members.

What I'd say is this.

We have a competitive advantage. And that competitive advantage is that we have an insured depository entity in a SoFi Bank and we have four loan products. Most companies that are not banks that are providing an interest rate on deposits are doing it on the back of a sponsor bank. And those deals are limited in terms of what the APY they can offer.

They're typically Fed funds plus 20 basis points.

It can't be more than that. And if it is, it's marginally more, maybe Fed funds plus 30 basis points.

It is limited. And so it's a really tough strategy to try to live in a world that you want to be a holistic one-stop shop and have a limit on what you could do in any product, whether it's interest rate on loans or interest rates on deposits.

We have an unencumbered capability to compete on APY if we need to. And we will because we have such a strong ROE business from our lending business that can fund those deposits.

And so on the margin, I don't know anyone that can outcompete us on the APY.

Now you may say, "Geez, Anthony, and there's banks with $1 trillion of assets that can do it." They are not going to do it. They could if they chose to, but they're not going to do it. They have a deposit base that is a super low cost of funds, and they have no interest in raising the APY to have more deposits because they just don't need it to lend.

But the people that want to get into the business and compete with us with primary accounts, they're not going to be able to compete with us unless they become a bank and they have the lending business to fund that APY.

So I couldn't feel better about our position there and how competitive we can be. And again, it will just drive that viral capabilities of all of our products and cross-sell and cross-buy.

But I do think APYs are largely going to come down the industry, but ours is going to be in that top tier and maintain that top tier.

We've never gone to the state of where we needed to be at the very top and to maybe even use it as a loss leader.

I don't think we have to get there, but we actually have the capability to do it and make it up on the lending side.

So I couldn't be more enthusiastic about our competitive positioning. There's a lot of noise people are making out there that they want to compete with us in that area, and I welcome it.

Chris Lapointe^ The only other thing I would add because Anthony kind of hit on the betas, but to put some more specifics. Historically, we've been operating in the 65% to 70% deposit beta range.

In terms of overall outlook and what's baked into our guidance, we're at the point -- we're at our long-term funding target of about 85% to 90% of being member deposit funded.

So all else being equal, we'd like to grow total deposits at a similar pace to overall loans, which we've said in the last earnings call of single-digit billions.

However if we're continuing to see exceptionally strong member demand, we can grow a bit faster and deploy that funding incremental into funding incremental loans or other assets. And then we also have other ways that we can manage deposits on the balance sheet.

So we're not going to stymie member growth at all costs.

Operator^ Next question comes from Reggie Smith from JPMorgan.

Reginald Smith^ Sorry about that. Congrats on the quarter. A lot of questions about kind of macro uncertainty. And this is -- these times are very unique in the sense that I can't think of another period where we had a free signaled potential shock. Usually, things happen and we don't know they're going to happen.

I guess my question, Anthony, is how -- and it sounds like your funding partners have not linked at all.

But I'm curious how you guys underwrite or approach underwriting in this type of environment where you've got essentially a binary outcome.

Have you made any changes? Or like how are you guys approaching that specific to your Personal Loan Business?

Anthony Noto^ Yes.

So from a credit policy standpoint, we have an early warning dashboard across a number of external, internal, macro and microeconomic factors that kind of dictate how we approach credit.

In the past, when those indicators have become red, we cut back on credit and we tightened our credit box.

We can underwrite across eight different tiers. There is a period in the last three years when we cut back Tier 8, Tier 7 and Tier 6 and just underwrote through Tier 5.

Where, as Chris has talked about multiple times, we're managing to a life alone, lifetime loss of 8%.

While in a recession, like the loan losses go up, the way you maintain an 8% life-of-loan loss when losses go up because of a recession or dislocation, is you stop underwriting those higher tiers that have higher losses.

So that's philosophically how we approach it and from a credit policy standpoint.

The economic indicators, they're definitely volatile right now but not to the point that we need to change our underwriting standards. And our credit performance has remained really strong.

We look at entry rates, we look at 90-day delinquencies. And obviously we look at NCLs, all of which have continued to improve and remain very steady.

I'd say the American consumer is actually doing quite well and we haven't seen signs that caused us to get a bit concerned.

We're 100% willing and able to change on a dime if we need to.

But so far, no issues.

Operator^ Final question today comes from Terry Ma at Barclays.

Terry Ma^ I just wanted to follow up on the Parent Plus and the Grad Plus opportunity.

I guess the question is, can you have that kind of in school grad product to exist with your current refinance business? Because on one hand, I get that entire WACC, higher ROE, but then you're also a big consolidator of those loans.

Anthony Noto^ Yes. It absolutely can coexist. There's nothing wrong with prepayments. You just have to factor that into how you value the loan.

So if someone was in school, and they've taken out four years of loans from us, they have a great relationship with us. Hopefully, they have a SoFi Money account and maybe even a SoFi Credit Card and maybe a small Invest account as well.

As they get out of school and their credit improves and they can refinance at a lower rate, because they have a credit rating that warrants it, we'd love to do that loan.

We just have to make sure that as we think about the in-school loans and as we value them, we have the right type of prepayment levels.

We have a great history in school loans and a great history in refinance loans to know what those prepayment rates are and how to have them coexist.

But our goal is to get people out of debt.

Our goal is to help them reduce their debt so they spend less than they make.

Spending less than they make involves debt.

It's not just their entertainment spending and their household expenses and their transportation expenses and everything else they spend money on, it's also debt.

So our objective is to help people spend less than they make and invest the rest.

So we can lower their cost of debt, we would love to do that. That's our mission.

Refinancing our own loans, I have no issue with that. Even on the Personal Loan Business.

If we underwrite somebody at a 14% WACC and we help them improve their credit score from 680 to 810, we should absolutely help them refinance that loan. And by the way, we'll make more money in refinancing that loan than we would have if they just kept their current loan.

It's just we can't overvalue the current loan, and that's why we look at prepayment speeds all the time just like we do on servicing assets and how we approach things holistically. The members are at the center of what we're doing, not our financial model.

Operator^ At this time I would like to turn the call back over to Anthony Noto for closing remarks.

Anthony Noto^ Thank you all for dialing in.

We have clearly demonstrated an ability to identify opportunities, lean into those areas that will have the greatest impact and execute and execute with excellence. And that's because we have a company of great people, a company of people that are focused on building the best culture in the world. And that is the asset that we will ultimately continue to leverage on top of the opportunity that sits in front of us.

Our results, in my mind, continue to show that we have a diversified, resilient business that has delivered and will continue to deliver strong growth through a variety of environments including dynamic environments like we see today.

We remain focused on the path to our aspirational long-term goals by executing day to day and fighting the battle right in front of us.

As we look ahead, we're confident that the investments we are making today will generate the results that we need to achieve our ambitions.

With that, thank you for your interest. And we look forward to talking to you next quarter.

Operator^ This concludes today's conference call.

You may now disconnect.