

"Integrated Report 2021 " Correction

The following corrections were made in Shinsei Bank's "Integrated Report 2021".

1. Integrated Report 2021

- Data Section – Financial Summary

[Before Correction]

Net interest margin was 2.28%, decreased from 2.47% in the previous fiscal year. This was due to a decrease in interest income from unsecured loan business for individual customers and due to a decline in the yields of interest-earning assets despite a decline in yield of interest-bearing liabilities, affected by the decline of the foreign currency interest rate.

[After Correction]

Net interest margin was 2.29%, decreased from 2.47% in the previous fiscal year. This was due to a decrease in interest income from unsecured loan business for individual customers and due to a decline in the yields of interest-earning assets despite a decline in yield of interest-bearing liabilities, affected by the decline of the foreign currency interest rate.

2. Data Appendix

- P15 FINANCIAL SUMMARY FOR THE FISCAL YEAR ENDED MARCH 31, 2021

[Before Correction]

Net interest margin for fiscal year 2020 decreased to 2.28% from 2.47% recorded in fiscal year 2019. The decrease was due to a decrease in interest income from the unsecured loan business for individual customers and due to a decline in yield of interest-earning assets despite a decline in yield of interest-bearing liabilities, affected by the decline of foreign currency interest rate.

[After Correction]

Net interest margin for fiscal year 2020 decreased to 2.29% from 2.47% recorded in fiscal year 2019. The decrease was due to a decrease in interest income from the unsecured loan business for individual customers and due to a decline in yield of interest-earning assets despite a decline in yield of interest-bearing liabilities, affected by the decline of foreign currency interest rate.

● P18 TABLE 1. INTEREST-EARNING ASSETS AND INTEREST-BEARING LIABILITIES (CONSOLIDATED)

	(Correct)			(incorrect)		
	2021			2021		
	Average Balance	Interest	Yield/Rate	Average Balance	Interest	Yield/Rate
Interest-earning assets:						
Loans and bills discounted	51,764	1,272	2.46%	51,764	1,272	2.46%
Lease receivables and leased investment assets/ installment receivables	9,574	431	4.50	9,574	431	4.50
Securities	9,437	54	0.58	9,437	54	0.58
Other interest-earning assets ¹	2,192	22	***	2,192	22	***
Total revenue on interest-earning assets (A)	72,969	1,781	2.44%	72,969	1,781	2.44%
Interest-bearing liabilities:						
Deposits, including negotiable certificates of deposit	63,677	42	0.07%	63,677	42	0.07%
Borrowed money	<u>9,514</u>	27	<u>0.29</u>	<u>9,320</u>	27	<u>0.30</u>
Corporate bonds	2,324	12	0.52	2,324	12	0.52
Other interest-bearing liabilities ¹	7,724	47	***	7,724	47	***
Total expense on interest-bearing liabilities (B)	<u>83,240</u>	130	0.16%	<u>83,046</u>	130	0.16%
Net interest margin (A) - (B)	–	1,651	<u>2.29%</u>	–	1,651	<u>2.28%</u>
Non interest-bearing sources of funds:						
Non interest-bearing (assets) liabilities, net	<u>▲19,399</u>	–	–	<u>▲19,205</u>	–	–
Total equity excluding noncontrolling interest ²	9,127	–	–	9,127	–	–
Total non interest-bearing sources of funds (C)	<u>▲10,271</u>	–	–	<u>▲10,077</u>	–	–
Total interest-bearing liabilities and non interest-bearing sources of funds (D) = (B)+(C)	72,969	130	0.18%	72,969	130	0.18%
Net revenue on interest-earning assets/ yield on interest-earning assets (A) - (D)	–	1,651	2.26%	–	1,651	2.26%

● P19

[Before Correction]

Net interest margin was 2.28% compared to 2.47% recorded in fiscal year 2019. The decrease was due to a decrease in interest income from the unsecured loan business for individual customers and due to a decline in yield of interest earning assets despite a decline in yield of interest-bearing liabilities, affected by the decline of foreign currency interest rate.

[After Correction]

Net interest margin was 2.29% compared to 2.47% recorded in fiscal year 2019. The decrease was due to a decrease in interest income from the unsecured loan business for individual customers and due to a decline in yield of interest earning assets despite a decline in yield of interest-bearing liabilities, affected by the decline of foreign currency interest rate.