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For immediate release

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(Code: 8303, TSE First Section)

Shinsei Bank Reports Theft of Cash Card Data from ATMs (Cash Card Skimming)

Shinsei Bank, Limited (“Shinsei Bank”; “the Bank”) today announced that it has discovered instances of illicit withdrawals from customers’ accounts using forged cash cards in overseas ATMs, following the theft of data, including cash card numbers and personal identification numbers (PIN), via card skimming or similar devices installed at Shinsei Bank ATMs in the Bank’s Jiyugaoka Annex (“Jiyugaoka Consulting Spot”) and Ueno Branch (“Ueno Financial Center”).

For this reason, the Bank has temporarily suspended ATM transactions for customers whose cash card number and other data have been stolen.

The details of the situation, to the extent that they are clear at this moment, and the Bank’s response are explained below.

Shinsei Bank deeply regrets the damage incurred by affected customers and will make the utmost efforts to protect customers and prevent the recurrence of similar incidents.

1. Relevant Facts

Card skimming devices were illicitly installed and later removed from one Shinsei Bank ATM at the Bank’s Jiyugaoka Consulting Spot on October 28, 2012, and from one Shinsei Bank ATM at Ueno Financial Center during November 17 to November 18, 2012. Data, including cash card numbers and PINs, were stolen from the accounts of customers who used these ATMs during the time that the skimming devices were installed, and illicit withdrawals were subsequently made via overseas ATMs using forged cash cards.

At present, the Bank has identified 130 cash cards from which data may have been stolen (of these 71 cards are Shinsei Bank cash cards). As of December 18, the Bank has identified that illicit overseas withdrawals, totaling 6,417,129 yen, have been made from the accounts of 30 Shinsei Bank cash card holders. All of the withdrawals were made in Cambodia. Information regarding holders of cards issued by financial institutions other than Shinsei Bank is not yet available.

The break-down of the 130 customers from whom personal information may have been stolen on the three days in question, namely October 28, November 17, and November 18, is as follows:

Customers using Shinsei Bank ATM cash cards	71
Customers using cash cards issued by other financial institutions	54
Customers using credit cards for cash advances	5

2. How the Incident was Detected

On December 14 and 15, 2012, Shinsei Bank’s call center (Shinsei PowerCall) received 10 inquiries from customers who reported that overseas withdrawals had been made from their accounts without their knowledge. In response to these inquiries, Shinsei Bank identified that all of the customers in question had used certain Shinsei Bank ATMs, and verified CCTV footage taken by security cameras at these ATMs. As a result, on December 17, 2012, it was discovered that card skimming devices had been illegally installed at 1 ATM at Jiyugaoka Consulting Spot on October 28, and at 1 ATM in Ueno Financial Center on November 17 and November 18, and that customers using these ATMs may have had cash card details and other data stolen.

3. Information Stolen and Means by which Information was Stolen

The Bank believes that cash card numbers and other data contained in the magnetic stripe on the cash cards' surface were stolen using a miniature card skimming device attached to the ATM's card reader. A miniature camera installed in the upper area of the wall on the right-hand side of the ATM was used to record customers as they entered their PIN.

4. Actions taken to Protect Customers and Prevent Recurrence of Similar Incidents

- (1) On December 17, 2012 the Bank suspended ATM withdrawals from the accounts of the 71 customers whose Shinsei Bank cash card details may have been stolen. The Bank is currently contacting the affected customers to confirm whether there have been illicit withdrawals from their accounts, and to advise them of procedures for changing their PIN and cash card reissuance.
- (2) The Bank will provide full compensation to customers holding the Shinsei Bank cash cards which were subject to illicit withdrawals.
- (3) Customers who have suffered illicit withdrawals in relation to cash cards issued by other financial institutions are requested to contact the card issuer.
- (4) The Bank will promptly review surveillance operations for its ATM network nationwide.
- (5) The Bank will take measures to confirm whether any similar incidents have occurred. In addition, the Bank will take urgent action to ensure that illegal objects cannot be inserted into the card reader entry slots of its ATMs. The Bank is also considering the introduction of a system for monitoring fraudulent activity.
- (6) The Bank will issue warnings to customers on the home page of its web site.

Shinsei Bank requests that customers contact Shinsei PowerCall (Shinsei Bank's call center) if they notice any suspicious cash card usage related to their account. Shinsei Bank would like to offer its reassurance that the Bank will bear any financial burden for affected customers.

Inquiries from individual customers regarding this matter:

Shinsei PowerCall (call center) at 0120-456-007 (365 days / 24 hours a day)

* Please choose “*(star)” followed by “2” then “0” to be connected to an operator.