

For Immediate Release

Company Name: Shinsei Bank, Limited
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President and CEO
(Code: 8303, TSE First Section)

**SHINSEI BANK ENTERS INTO AGREEMENT TO ACQUIRE GE'S CONSUMER FINANCE
BUSINESS IN JAPAN**

Acquisition of High-Quality Business to Redefine Consumer Finance Industry in Japan

TOKYO, Japan -- July 11, 2008: Shinsei Bank, Limited (TYO:8303), today announced that it has signed an agreement with GE Japan Holdings, the consumer financial services unit of General Electric Company, to acquire its high-quality Japanese consumer finance business, GE Consumer Finance Co. Ltd., and its subsidiaries for an all cash consideration of 580 billion yen from internal funding sources.

Under the terms of the agreement, Shinsei Bank will acquire the total assets of the personal loan portfolio that operate under the well-established Lake brand, as well as the credit card and mortgage businesses. Shinsei expects the acquisition to be immediately EPS accretive.

This transaction reflects a unique strategic opportunity to redefine and modernize the Japanese consumer finance industry by adding an experienced, highly-regarded management team and a robust brand representing 2.2 million new accounts from 1,138 branches and total loans outstanding of 884 billion yen [as of December 31, 2007] to Shinsei's award-winning retail bank and existing consumer finance platform. In particular, the Lake brand brings to Shinsei a business with strong credit performance and low default rates. Shinsei expects to realize significant synergies with its existing businesses, including:

- Financial synergies based on the combination of our retail banking and consumer finance businesses under one management structure;
- Mid- to long-term synergies from a customer and revenue perspective, and;
- Operational and cost based synergies – e.g., secure, low-cost and highly flexible IT platform

In December 2006, the Japanese Diet made legislative changes regarding consumer loan interest rates that have had a significant impact on the consumer finance industry. Through the integration of retail and consumer finance businesses into one strategic pillar, Shinsei is well-positioned to redress the compressed margins and funding challenges created by legacy grey zone liabilities. Through the addition of GE Consumer Finance to its portfolio of businesses, Shinsei is solidifying its position as a leader in consumer finance, providing a bank-sponsored lending model that is sustainable for both lenders and borrowers.

As part of the acquisition, Shinsei Bank is managing risk by containing legacy grey zone liabilities through a combination of substantial reserves and a seller's indemnification clause in the purchase agreement that limits exposure to potential loss positions. According to the indemnity arrangement, Shinsei Bank will assume the initial first loss position of up to 203 billion yen. Shinsei will then share with GE potential losses from 203 billion yen to 260 billion yen, after which GE will cover any additional losses. Shinsei intends to fully provision for its share of grey zone liabilities, including a small portfolio

not covered by the indemnity at the closing. Shinsei Bank's maximum grey zone liability for assets subject to the indemnity is 206 billion yen and will be fully provisioned for at the closing.

Thierry Porté, President and CEO of Shinsei Bank, commented on the transaction: *"This acquisition is a critical next step in our pioneering approach to redefine consumer finance in Japan. We're acquiring a high-quality portfolio with a great management team, solid customer base built on a strong brand while also providing value to our shareholders. By integrating GE's consumer finance business into an innovative model that is buttressed by our award-winning retail bank, best-in-class corporate governance, compliance, risk management and IT expertise, Shinsei is uniquely positioned to be a game changer in this industry."*

The transaction is subject to closing conditions, including regulatory approvals, and is expected to be completed in the second quarter ending September 30, 2008.

Shinsei Bank is a leading diversified Japanese financial institution providing a full range of financial products and services to both institutional and individual customers. The Bank has total assets of 11.5 trillion yen (US\$115 billion) on a consolidated basis (as of March 2008) and a network of 36 outlets that includes 34 Shinsei Financial Centers and 2 Platinum Centers in Japan. Shinsei Bank demands uncompromising levels of integrity and transparency in all its activities to earn the trust of customers, staff and shareholders. The Bank is committed to delivering long-term profit growth and increasing value for all its stakeholders.

News and other information about Shinsei Bank is available at <http://www.shinseibank.com/english/index.html>.