

For Immediate Release

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

**SHINSEI BANK COMPLETES ACQUISITION OF GE CONSUMER FINANCE***Positioning Shinsei To Become A Leading Responsible Lender To Japanese Consumers*

**TOKYO**, Japan -- September 22, 2008: Shinsei Bank, Limited today announced that it has acquired GE Consumer Finance Co. Ltd., (GECF) and its subsidiaries for an all cash consideration of 580 billion yen from GE Japan Holdings Corporation. Mr. Shota Umeda, who has over 20 years experience in GE in Japan, has been appointed as the president of this new subsidiary.

With this acquisition, Shinsei has taken a contrarian approach to consumer finance which is currently undergoing an unprecedented transformation. GECF brings additional scale in personal loans, credit cards, mortgage and sales finance to Shinsei's existing related operations in Shinsei Bank, APLUS and Shinki. The newly acquired company will contribute immediately to Shinsei's earnings from October 2008 with an estimated 30 billion yen earnings contribution in this fiscal year.

*"Stable consumer credit is an integral component of every developed economy. Shinsei has the opportunity now to be a leader in bringing together highly-trusted retail banking and responsible consumer lending – lending that is sustainable for both lenders and customers alike,"* said Thierry Porté, President and Chief Executive Officer of Shinsei Bank. *"We believe we have made the right choice to capitalize on the current market dislocation which allows us to accelerate our development as a leading responsible lender with a current customer base that is now expected to exceed 12 million accounts. This acquisition will increase both the scale and competencies of our Individual Group and opens up further opportunity for synergy between our retail banking and consumer finance operations – all built upon Shinsei's foundation of best-in-class corporate governance, compliance, risk management and IT expertise."*

Shinsei believes this acquisition will increase shareholder value for three main reasons:

First, we are acquiring a high quality customer base originated under a highly-regarded Lake brand and built upon consistently sound underwriting. This acquisition also brings to Shinsei a highly effective management team and workforce.

Secondly, this is a very attractive acquisition from a financial perspective. We are acquiring 879 billion yen in assets (personal loans (647 billion yen), mortgage loans (105 billion yen), credit card/sales receivables (81 billion yen) and other assets (44 billion yen)) for a total debt and equity consideration of 580 billion yen funded entirely by our internal funding sources of mainly stable retail deposits. Capital optimization will be carried out after closing with no impact on a consolidated basis. This consideration provides for 221 billion yen of provisions for future grey zone claims as well as 64 billion yen in credit reserves for losses unrelated to grey zone. The purchase agreement includes an indemnity from GE that provides protection for potential losses beyond 203.9 billion yen from the majority of the legacy accounts with grey zone interest exposure. Total goodwill from the acquisition is expected to be a modest 15 billion yen and other intangible assets will be recorded at approximately 27 billion yen upon consolidation with Shinsei Bank as at September 30, 2008. The consolidated earnings contribution to Shinsei from GECF is forecasted at 30 billion yen for the fiscal year ending March 31, 2009.

Lastly, there are significant opportunities for both expense and revenue synergies across the related operating entities. While much of the potential impact has not been factored into current forecasts, the opportunities for further profitability include the ability to utilize retail deposits for the funding of GECF, potential cross selling of deposit services, consumer, mortgage and auto loans, credit cards and insurance brokerage services to 12 million existing accounts, and further operational efficiencies leveraging Shinsei's technology and operating platforms.

The demands and preferences for consumer financial services will continue to grow in both diversity and sophistication, and the provision of responsible consumer credit solutions will be an important part of meeting the future needs of our individual customers. With this strategic, transformational acquisition, Shinsei is well positioned to be a leader in redefining retail and consumer finance in Japan.

The following information has been provided based upon the requirements of the Tokyo Stock Exchange.

### 1. Reasons for the Acquisition

Through the integration of GECF into its portfolio of businesses, Shinsei Bank is solidifying its position as a leader in consumer finance, providing a bank-sponsored lending model that is sustainable for both lenders and borrowers.

Shinsei expects to realize significant synergies with its existing businesses, including financial synergies based on the combination of its 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.

### 2. Method of Acquisition

Consideration: 580 billion yen in cash for equity and debt

Acquiring entities: Shinsei Bank to own 98%  
APLUS Co., Ltd. to own 2%

Other terms of the acquisition:

Grey zone costs will be shared between parties as follows:

- grey zone costs up to 201.5 billion yen: Shinsei Bank
- from 201.5 to 258 billion yen: Risk sharing between Shinsei Bank and GE (Shinsei's portion is 2.4 billion yen)
- beyond 258 billion yen: Covered by GE indemnity

Shinsei Bank's maximum grey zone liability for assets subject to the indemnity is therefore 203.9 billion yen and is fully provisioned for at the closing. Shinsei Bank will not incur any loss related to the provisioning.

### 3. Transaction Schedule

Signing date: July 11, 2008

Closing date: September 22, 2008

### 4. Impact on Shinsei Bank's Earnings Forecast

Shinsei expects the acquisition to be immediately EPS accretive.

### 5. Profile of GE Consumer Finance Co., Ltd. (Non-consolidated basis)

- (1) Name: GE Consumer Finance Co., Ltd
- (2) Representative: Shota Umeda, Representative Director  
(As of September 22, 2008 the title has been changed to President and Representative Director (CEO))
- (3) Location: Minato-ku, Tokyo
- (4) Established: October 1994
- (5) Major businesses: Personal loans, credit cards, housing loans, sales finance
- (6) Fiscal year end period: December  
(has been changed to September at the extraordinary general meeting (EGM) held on September 22, 2008)
- (7) Number of employees: 2,000 (as of March 2008)
- (8) Major locations: Tokyo, Yokohama, Osaka, Nagoya, Fukuoka, Sapporo
- (9) Capital: 101.2 billion yen (as of December 2007)
- (10) Number of shares issued: 117,461 common shares
- (11) Shareholders composition: GE Japan Holdings Corporation (100%) (before the transaction)

(12) Financial results:

	January 1, 2007 to December 31, 2007	January 1, 2006 to December 31, 2006
Operating income	208.1 billion yen	227.5 billion yen
Net loss	(120.5 billion yen) <sup>1)</sup>	(163.2 billion yen) <sup>1)</sup>
Total assets	1,022.8 billion yen	1,109.2 billion yen
Net assets	58.3 billion yen	48.8 billion yen
Dividends per share	-	-

<sup>1)</sup> Grey zone provisions of 167.1 billion yen for fiscal year ending December 31, 2007 and 156.6 billion yen for fiscal year ending December 31 2006 were included. Grey zone reserve (reserve for losses on interest repayment) was 221.9 billion yen as at December 31, 2007 and 156.6 billion yen as at December 31, 2006.

(13) Subsidiaries of GEFCF: GE Money Finance Kabushiki Kaisha, GC Yugen Kaisha, Kabushiki Kaisha NC Card Sendai and L-Net Kabushiki Kaisha

**6. Profile of the Seller**

(1) Name: GE Japan Holdings Corporation  
(2) Representative: Tomoyuki Yoshida, Yoshiaki Fujimori, Satoshi Kamimura, Laurence Bates, Ken Oshima – Directors  
(3) Location: Minato-ku, Tokyo  
(4) Established: September 1999  
(5) Major business: Holding company of GE's financial services operations  
(6) Relationship with Shinsei Bank: N/A

**7. Number of Shares of GEFCF Previously Owned / Purchased / Currently Owned**

(1) Number of shares previously owned 0  
(2) Number of shares purchased 117,461\*  
(3) Number of shares currently owned 117,461\* (100%)

\* Includes ownership by APLUS, Shinsei Bank's subsidiary

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*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 12.5 trillion yen (US\$118 billion) on a consolidated basis (as of June 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>