

For immediate Release

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## **Shinsei Bank Announces Basic Agreement Concerning Business Integration and Reorganization of its Consumer Finance Business**

Tokyo (Tuesday, February 3, 2009) -- Shinsei Bank, Limited ("Shinsei Bank"), Shinki Co., Ltd. ("Shinki") and GE Consumer Finance Co., Ltd. ("GECF"), today jointly announced the conclusion of a "Basic Agreement Concerning Business Integration and Reorganization ("this Agreement")" on February 3, 2009, by and among Shinsei Bank, Shinki and GECF as shown below. As a result of this agreement it has been decided that the Business Alliance Agreement between Shinsei Bank and Shinki that was first initiated on March 15, 2002, will be immediately dissolved herein.

### **1. Purpose of Basic Agreement Concerning Business Integration and Reorganization**

Shinsei Bank, Shinki and GECF (the "Parties") have agreed that the Parties will aim to consummate the business integration and reorganization of Shinki and GECF with the objective of achieving continued enhancement in the value of the Shinsei Bank Group's consumer finance business going forward.

### **2. Outline of the Business Integration**

#### **① Business Integration Plan**

The Parties will establish a Business Integration Committee to consider the details of the Business Integration set forth in the following items and formulate the Business Integration Plan:

- (1) Streamline the operations and appropriately rationalize expenses through the reduction of redundant operations of Shinki and GECF;
- (2) Conduct a thorough review of the current functions and resources of Shinki and GECF for their future business integration and reorganization and, through the review process, identify specific functions that can be shared by both companies to enable the provision of operational support for one another;
- (3) Achieve an optimization of revenues and a substantial reduction of costs within Shinki and GECF by creating a well-balanced organizational structure conducive to establishing appropriate risk management, rationalization of expenses, and a consumer business, through a significant business integration and reorganization.

## ② Execution of the Definitive Agreement

The Parties aim to execute a definitive agreement for the Business Integration which reflects the contents of the Business Integration Plan by the end of March 2009.

### 3. Recapitalization

GECF is a wholly owned Shinsei Bank Group company, while Shinki is a 67.7% consolidated subsidiary that is listed on the Tokyo Stock Exchange (code: 8568). Shinsei Bank and GECF will jointly initiate a tender offer bid ("TOB") for Shinki's shares, beginning February 4, 2009 (please refer to press release "Shinsei Bank and GE Consumer Finance Announce Commencement of Tender Offer for Shinki's Shares" for details). There is no intent to legally merge or consolidate GECF and Shinki in the near future. However, as stated in the press release for the commencement of tender offer for Shinki's shares, there is a possibility that Shinki could become a 100% wholly-owned subsidiary of the Shinsei Bank Group, depending upon various circumstances.

Outline of TOB:

1. Name of Tender Offerors: Shinsei Bank and GECF
2. Type of Shares Tendered: Common shares of Shinki
3. Number of Shares Tendered: 48,708,050 shares (excluding shares Shinsei Bank holds and treasury shares of Shinki)
4. Tender Offer Price: 100 yen per share
5. Tender Offer Period: From February 4, 2009 to March 18, 2009

### 4. Dissolution of Business Alliance with Shinki

Shinsei Bank has dissolved the Business Alliance Agreement with Shinki that was first initiated on March 15, 2002, as a result of the conclusion of this agreement to comprehensively reconsider the business of the Shinsei Bank Group as described above.