

For Immediate Release

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TEL: 03-6880-7000Company Name: Shinsei Bank, Limited
Name of Representative: Shigeki Toma
President and CEO
(Code: 8303, TSE First Section)**Shinsei Bank and GE Japan Conclude the Indemnity for Losses on Interest Repayment**

Tokyo (Wednesday, February 26, 2014) --- Shinsei Bank, Limited (“Shinsei Bank”) today announced that Shinsei Bank and GE Japan Corporation (Tokyo, Minato Ward; President and CEO: Mr. Akihiko Kumagai; Hereafter: “GE Japan”) have agreed to conclude the GE Japan indemnity provision for losses on interest repayment for the Bank’s subsidiary, Shinsei Financial Co., Ltd. (Tokyo, Chiyoda Ward; President and CEO: Mr. Riku Sugie; Hereafter “Shinsei Financial”) effective March 31, 2014. In connection with the conclusion of the indemnity, Shinsei Financial will receive a cash payment of 175 billion yen to cover expected future losses on interest repayment, as compensation for conclusion of the indemnity. In addition, a provision of the same amount, 175 billion yen, for reserves for losses on interest repayment for Shinsei Financial is scheduled to be made in the fourth quarter of fiscal year 2013.

On September 22, 2008, Shinsei Bank concluded the share transfer agreement with GE Japan (GE Japan Holdings Co., Ltd. at the time of acquisition) and acquired Shinsei Financial and its subsidiaries from GE Japan. The agreement provided for GE Japan to indemnify Shinsei Financial for interest repayment losses on a substantial portion of the assets acquired. The agreement also provided GE Japan with a buyout option to end such obligation as of March 31, 2014, whereby GE Japan would make a one-time payment to Shinsei Financial in the amount that Shinsei Bank had determined to cover expected future losses on interest repayment. In accordance with the agreement, GE Japan has exercised its option to conclude the indemnity for losses on interest repayment.

As the trend of losses on interest repayment at Shinsei Financial has stabilized and is trending downwards, Shinsei Bank believes that due to this provisioning of additional reserves for losses on interest repayment, reserves will now be at a level sufficient to cover all expected future losses on interest repayment. Going forward, the Shinsei Bank Group will actively engage in efforts to promote its consumer finance business, continue to strive to establish itself within the unsecured personal loan market, as well as expand its presence in both the traditional consumer finance market and the bank card loan market as a trusted lender.

Furthermore, this development is not expected to have any impact on the Bank’s earnings, and the fiscal year 2013 full year results forecasts will not be revised.

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 9.1 trillion yen (US\$86.8 billion) on a consolidated basis (as of December 2013) and a network of outlets throughout 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>

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