

For Immediate Release

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## Shinsei Bank Introduces “Shinsei Bank FX”, a FOREX Margin Trading Service

Tokyo (Wednesday, August 10, 2016) --- Shinsei Bank, Limited (hereinafter, “Shinsei Bank”; “the Bank”) announced today the introduction of “Shinsei Bank FX,” a foreign exchange (FOREX) margin trading service available to customers who hold one of Shinsei Bank’s comprehensive “PowerFlex” accounts. This service is part of Shinsei Bank’s efforts to enrich its offerings of FOREX related asset management products and service and will be available from Monday, August 22, 2016.

Utilizing the FOREX margin trading platform offered by Rakuten Securities, Inc. (Setagaya-ku, Tokyo; President: Yuji Kusunoki; hereinafter, “Rakuten Securities”), Shinsei Bank FX will enable *PowerFlex* account holders to seamlessly transfer funds between the Bank’s online banking service, Shinsei *PowerDirect*, and Shinsei Bank FX, 24 hours 365 days a year<sup>1</sup> using their ID and password for Shinsei *PowerDirect*. Customers utilizing the service will be able to transaction in more than 23 different currencies with order minimums of 1,000 currency units, allowing customers to engage in relatively smaller value transactions in a wide range of currencies. Customers will initially be able to conduct transactions through either a transaction tool available for installation on computers or a web browser tool. A smart phone app will also become available in the near future. In time with offering of Shinsei Bank FX, the Bank will implement the cash back campaign.

FOREX margin trading transactions are the buying and selling of currencies where investors settle the difference in value between the two currencies they wish to trade. These transactions can be attractive to investors due to the availability of the option to utilize leverage to enhance capital efficiency of the transactions. Additionally, in order to adjust for interest rate differentials between transaction currencies, it is possible for investors to earn swap points which are calculated based on the difference in interest rates<sup>2</sup>.

Shinsei Bank is the local market leader in foreign currency services and has been expanding its offerings of related products and services, offering 13 different foreign currency deposits, expanding its foreign currency remittance service, reducing its foreign currency deposit transaction fees and offering overseas prepaid credit cards. With the fluctuation of the Japanese yen versus other currencies resulting from the additional monetary easing undertaken by the Bank of Japan (BOJ) and observation of interest rate hikes in the United States, the transaction volume, balance, and number of accounts in FOREX margin trading have been on the rise. Furthermore, the introduction of the negative interest rate policy by the BOJ in February 2016 is expected to increase the needs for asset management products and services including foreign currency products and services as investors seek alternative investment options to yen deposits whose interest rates are declining. Shinsei Bank is therefore commencing the offering of its FOREX margin trading service to expand its line up of foreign currency asset management products and services, especially for younger generations who are heavy users of the Internet, smart phones and tablets, as part of efforts to increase customer satisfaction.

<sup>1</sup> Excludes system maintenance periods.

<sup>2</sup> Swap points associated with this service reflect the market rates of the traded currencies and market rate fluctuations will result in changes in swap points. In some instances, investors may receive negative swap points instead of positive swap points. Swap points may not reflect the interest rate differential depending on the supply and demand of the traded currencies. If the interest rate of the currency an investor bought is higher than the interest rate of the currency the investor sold, the investor may receive negative swap points.

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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 9.2 trillion yen on a consolidated basis (as of June 31, 2016) 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/corporate/en/index.html>