

Shinsei Bank announces business alliance with Shinki

Tokyo (Friday, March 15, 2002) -- Shinsei Bank, Limited ("Shinsei Bank") announced the commencement of a business alliance with Shinki Co., Ltd. ("Shinki")

1. Purpose of Business Alliance

Based on Shinki's high growth potential, Shinsei Bank will invest in this Japanese lender to individuals and small-to-medium-sized enterprises (SME) in order to explore new profit opportunity. The two financial institutions will examine possible collaboration in entering new business areas in the financial markets, as well as ways to exchange know-how and technology in such areas as credit portfolio management.

2. Contents of Business Alliance

The details of the business alliance are as follows:

- Shinsei Bank and Shinki will work independently to create mutually beneficial business opportunities. All transactions will be conducted on an "arm's-length" basis.
- As one of Shinki's principal lenders, Shinsei Bank will help Shinki expand and strengthen its presence in the market.
- Shinsei Bank and Shinki will examine ways to share know-how and technology in such areas as information systems, credit portfolio management and risk management, as permitted within the applicable laws and regulations.
- Shinsei Bank will study the possibility of collaborating with Shinki on new business initiatives, as permitted within the applicable laws and regulations.
- Because of Shinki's high growth potential, Shinsei Bank plans to make the following investment in the company:
 - Shinsei Bank will purchase Shinki common stocks from current shareholders (about 3.8% of outstanding common stocks).
 - Shinki will issue convertible bonds (CBs) and allot them to Shinsei Bank. The CBs will be convertible to common stock. Terms and conditions of the bonds will be determined in March 2002.
 - If the CBs are converted, Shinsei Bank's ownership stake in Shinki could total approximately 33.4%

3. Shinki Co., Ltd. Corporate Data

- (1) Company's Name: Shinki Co., Ltd
- (2) Major Business: Loan to individuals and SMEs (listed on the First Section of the Tokyo Stock Exchange)
- (3) Established: December 1, 1954
- (4) Head Office: Shinjuku L-Tower Bldg., 28F
6-1, Nishishinjuku 1-chome,
Shinjuku-ku, Tokyo, Japan
- (5) President: Naofumi Maeda
- (6) Loan Asset Balance: 190.9 billion yen (As of September 2001)
- (7) Stockholders' Equity: 44.2 billion yen (As of September 2001)
- (8) Number of Employees: 1,233 (As of September 2001)
- (9) Major Shareholders: Naofumi Maeda, Think Data Co., Ltd, among others.