

For Immediate Release
April 17, 2003

**Shinsei Bank to Securitize Housing Loans
from a Japanese Regional Bank**

-- 20 billion yen loan purchase from Fukushima Bank --

Tokyo (Thursday, April 17, 2003) - Shinsei Bank, Limited ("Shinsei Bank") today announced that it purchased housing loans worth 20 billion yen from Fukushima Bank, Ltd. ("Fukushima Bank", headquarters in Fukushima City; Kunitake KONNO, president) in an effort to arrange a securitization transaction for Japanese regional banks.

In the transaction, Fukushima Bank entrusted a housing loan pool it had originated to Shinsei Trust & Banking Co., Limited ("Shinsei Trust") and Shinsei Bank purchased a part of the trust beneficiary interest amounting to 20 billion yen. Shinsei Bank intends to securitize the loans with other financial institutions' housing loans and market them as geographically diversified securities to investors. Fukushima Bank will continue to service the housing loans in the trust as a servicer.

This is the first time Fukushima Bank has sold a housing loan pool to a third party. Through this transaction, Fukushima Bank will be able to diversify its funding for use in expanding their lending business.

Shinsei Bank believes that this new type of transaction is a solution for regional financial institutions' growing needs of funding diversification. Shinsei Bank intends to meet customers' needs by providing various products and services in the investment banking business area.