

## **Shinsei Bank and Anabuki Kosan to Develop Housing Loan Program**

-- First Program in Japan Funded through Securitization --

Tokyo (Friday, July 18, 2003)—Housing developer Anabuki Kosan Inc. (“Anabuki Kosan”) and Shinsei Bank, Limited (“Shinsei Bank”) have entered into a Joint Business Agreement to develop a new housing loan program funded through securitization. Anabuki Kosan and Shinsei Bank will offer long-term, low fixed-interest rate housing loans to Anabuki customers. These loans will then be securitized by Shinsei Bank in order to provide consistent and inexpensive funding to the program. This program is the first of its kind in Japan and will be launched on September 1, 2003.

The housing loans will be offered to purchasers of condominiums sold by Anabuki Kosan and will feature:

- (1) Fixed interest rates for the term of the loan (maximum 30 years)
- (2) Refinancing and prepayment options
- (3) Low interest rates made possible by the funding and operational structure
- (4) Quick processing operations that leverage Shinsei’s strong IT capabilities

By leveraging Shinsei Bank Group’s strong network of specialists to provide financing, servicing, operations and securitization, the program costs will remain low. These savings will then be passed on to the customers through low interest rates.

As outlined in the attached schematic of the program, Shinsei Bank Group member Equion Co., Ltd. (headquartered in Minato-ku, Tokyo; President Katsumi Nagashima) will underwrite and originate the loans to Anabuki Kosan customers. The loans will then be assigned to Shinsei Trust & Banking Co., Limited (headquartered in Chiyoda-ku, Tokyo; President Hideyuki Nose) and securitized by Shinsei Bank. The housing loans will be serviced by Shinsei Servicing Company (headquartered in Chiyoda-ku, Tokyo; President Atsuhiko Seki), which is the first rated mortgage servicer in Japan.

By establishing a housing loan program through a direct alliance between a property developer and a bank handling securitization, Anabuki Kosan and Shinsei Bank’s aim is to provide flexible lending terms and conditions that meet the needs and credit conditions of property buyers.

Anabuki Kosan is the first Japanese condominium developer to enter into a housing loan program funded through securitization. In the future, Anabuki Kosan plans to develop similar programs involving other businesses associated with housing loans, such as fire insurance.

Shinsei Bank Group utilizes their strong know-how in the areas of lending, securitization, IT and operations to provide consistent service and affordable funding. After the abolishment of the Government Housing Loan Corporation at the end of FY 2006, which currently fills part of this role in the Japanese financial community, this program will continue to offer loans at stable, low, long-term fixed interest rates. Shinsei plans to extend this program to other property developers and expand into other types of property in the near future.

**Anabuki Kosan Inc.** <http://www.anabuki.ne.jp/> (Japanese only)

Anabuki Kosan Inc. was established in May 1964 as a condominium developer. Anabuki Kosan constructs approximately 1,000 condominium units annually in the Chugoku and Shikoku areas and is developing a comprehensive program of real estate business services. Anabuki Kosan also supplied 150 blocks of "Alpha Series" condominiums, totaling 7,328 homes. Anabuki Kosan is not affiliated with Anabuki Construction Inc.

Headquarter: 7-12, Kajiyamachi, Takamatsu, Kagawa Pref.  
President: Tadatsugu Anabuki  
Capital: 100 million yen  
Employees: 225  
Total assets: 23.6 billion yen  
Sales: 26.0 billion yen (as of June 2003 forecast)

**Shinsei Bank, Limited** <http://www.shinseibank.com/>

Shinsei Bank, Limited is a leading innovator in Japan's financial services industry. Formerly Long Term Credit Bank, Shinsei Bank is the first Japanese bank operating under international ownership. Leveraging long-term customer relationships and knowledge, Shinsei Bank aims to create new benchmarks for investment and retail banking in Japan. The Bank provides a wide range of services, from state-of-the-art consumer banking products and technology, to cutting-edge advisory services including securitization, non-recourse loans, syndicated loans, corporate advisory, asset management and enhanced financial market activities.

Headquarter: 1-8, Uchisaiwaicho 2-Chome, Chiyoda-ku, Tokyo  
President: Masamoto Yashiro  
Capital: 451.2 billion yen  
Employees: 2,252  
Total assets: 6.70 trillion yen  
Deposits and Debentures (including NCDs): 4.49 trillion yen  
(As of March 2003, consolidated basis)

**Scheme of the New Housing Loan Program**

