

For Immediate Release

Shinsei Bank, Limited
(Code: 8303 TSE First Section)

**Shinsei Bank Issues CDO Repackaging Japanese CMBS
Synergy Funding Offers ¥35.1 Billion Senior Beneficial Interests Certificates**

Tokyo (Wednesday, September 9, 2004) – Shinsei Bank announced today that it will issue a cash flow structured finance CDO called Synergy Funding, the underlying assets of which are commercial mortgage backed securities (CMBS) issued in Japan and commercial property mezzanine loans. This is the first CDO repackage securitization of Japanese assets arranged by a Japanese bank.

Shinsei Bank is the originator and arranger of Synergy Funding, which is mainly backed by notes and beneficial interests of a pool of CMBS which includes a diverse range of assets located throughout Japan. The transaction's beneficial interests total ¥35.1 billion and will be issued in five different classes with ratings ranging from AAA to BB. Certificates will be sold to institutional investors.

Through Synergy Funding, Shinsei Bank is providing new value to investors by repackaging and, thereby, improving the rating of lower-rated assets. While a large part of Synergy Funding's underlying collateral is rated BBB or less, the deal's structure is such that approximately 70% of the portfolio has been assigned a AAA rating. Synergy Funding also has a significant impact on Shinsei Bank's asset liability management capabilities since it enables the Bank to increase the liquidity of its assets and more effectively control risk.

This type of CDO repackage transaction is already common in the US and European markets, but has not been done before by a Japanese bank. Shinsei Bank, as a major player in the Japanese securitization market, has leveraged its extensive affiliate network for this transaction, and Synergy Funding marks an important step in further development of the Japanese securitization market.

Summary of Synergy Funding Senior Beneficial Interests

Transaction:	Synergy Funding Senior Beneficial Interests
Collaterals:	Japanese CMBS (both notes and beneficial interests) and loan receivables backed by Tokumei Kumiai investments
Originator and Arranger:	Shinsei Bank, Ltd.
Trustee:	Shinsei Trust & Banking Co., Ltd.
Distributor:	Shinsei Securities Co., Ltd.
Total issued amount:	¥35.1 billion
Ratings:	AAA – BB (S&P and Fitch)
Expected closing:	End of September, 2004
Legal Maturity:	October, 2013