

Press release

Tokyo, June 30, 2005

NORD/LB and WestLB launch loans platform with Shinsei / JC Flowers as third partner**SGK – the first company for non-performing loans in the public sector**

Together with international partner Shinsei Bank Ltd. / JC Flowers & Co, NORD/LB Norddeutsche Landesbank and WestLB AG are setting up a joint venture for non-performing loans (NPL). Trading as “SGK - Servicegesellschaft Kreditmanagement GmbH”, the company is the first in Germany in the public sector banking industry to offer the purchase, restructuring and realisation of non-performing loans. The joint venture will provide services to both public sector institutions and the private banking sector in Germany. Based in the Frankfurt/Main area, the new platform will commence operations as an independent company as soon as the official checks by the Federal Cartel Office in Germany have been completed.

At a press conference in Frankfurt/M on Wednesday, Dr. Gunter Dunkel, a member of the NORD/LB Managing Board, highlighted the promising potential offered by the NPL market: “The market is still underdeveloped in Germany and more and more international investors are coming in. The interest shown in the planned joint venture by foreign banks shows how attractive our business model is.” Referring to the third investor, Dunkel went on to say: “In Shinsei / JC Flowers we have found an experienced partner who will bring in additional expertise in the realisation of such portfolios.”

Dr. Manfred Puffer, a member of the WestLB AG Managing Board, stressed that “SGK has a good chance of becoming the central institution in the savings banks association for non-performing loans. As a result of Basle II and the tighter requirements for credit business, more and more banks are interested in outsourcing the processing and realisation of the corresponding loan portfolios. This frees up equity and improves the cost base. Moreover, funding, for example through securitisation opens up additional investment opportunities in new asset classes.”

When the new company starts up, NORD/LB and WestLB will initially transfer commercial property NPL portfolios amounting to about EUR 400 million in total. With the support of Shinsei / JC Flowers’ expertise in the troubled loan market, the two Landesbanks will in future also

leverage the considerable additional potential offered by the private sector. Estimates by the Eastern German Savings Banks and Giro Association (OSGV) put the market volume at between EUR 60 billion and EUR 100 billion in the public sector. Experts believe that overall the volume in Germany is somewhere between EUR 160 billion and EUR 300 billion.

The new credit platform is closing a gap in the service offering in the public sector market. For the public sector institutions it offers the opportunity to focus on their core business and take advantage of enhanced investment opportunities as part of a structured portfolio funding transaction as well as the chance to outsource non-core business in the NPL sector.

SGK provides the restructuring and processing of non-performing loans in commercial property finance and corporate finance for SMEs and major companies. In order to offer solutions for other types of loans, the joint venture will, if required, work together with other providers in business and retail banking. The structured funding of portfolios can in future take such forms as securitisation deals, which would not be open to individual savings banks as their portfolios are not significantly diverse and they lack the necessary volume. The savings banks associations and savings banks within the territories of two state banks have already demonstrated real interest in the product spectrum of the credit platform.

Thierry Porte, President and CEO of Shinsei Bank said; "We are delighted to be selected as partners with Norddeutsche Landesbank and Westdeutsche Landesbank. This joint venture for the work-out of non-performing loans exemplifies our international strategy which is to leverage our knowledge and capabilities from our home market in Japan with excellent partners in overseas markets. Combined with Shinsei Bank's successful performing financing business in Germany which has focused on long-term investments across asset type, this venture demonstrates Shinsei Bank's commitment as a long-term investor in Germany. We believe that the German market presents interesting opportunities and we look forward to putting our capital and human resources to work in this important market."

About Shinsei Bank

Shinsei Bank is a Japanese banking institution founded on global standards of governance and management. With over \$59 billion in assets and 29 branches throughout Japan (non-consolidated, as of March 2005), Shinsei provides a broad range of value-added financial solutions to institutional and individual customers under the banner of "Better Banking." Our PowerFlex account, free ATM network and internet banking service along with our customer friendly financial centers have redefined the Japanese retail banking experience. Shinsei is

committed to long-term growth and profitability by expanding its customer-focused business model.

News and other information about Shinsei Bank are available at <http://www.shinseibank.com/english/index.html>.

About J.C. Flowers & Co. LLC

J.C. Flowers & Co. LLC, based in New York with an office in London, serves as an investment advisor to J.C. Flowers I LP, which is one of the largest investment funds focused solely on the financial service sector. The Fund has over \$900 million in commitments from financial and strategic investors. Investors in the Funds include ABN Amro, AIG, Banco Santander, GE, Goldman Sachs, J.P. Morgan Chase and others.

Original announcement was made in Hanover/Düsseldorf/Frankfurt/M., 29 June 2005