

For Immediate Release

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

Commencement of Multi-Seller Whole Business Securitization Programme

Tokyo (Monday, November 21, 2005)---Shinsei Bank, Limited ("Shinsei Bank") has set up a Securitization Programme named "Arcade Funding" based on operating cash flows from pachinko parlors. Shinsei Bank has concluded an agreement with Daiei Company ("Daiei"), the seventh largest pachinko operator in the country, to act as the inaugural issuer under the programme with a securitization financing of 25 billion yen. "Arcade Funding" represents the first multi-seller whole-business securitization programme to be created by a Japanese bank.

Whole Business Securitization ("WBS") is one of the latest securitization techniques, which ultimately relies on the continuity of future business cash flows rather than the resolution value of underlying collateral assets. In other markets WBS has been found to be particularly well-suited to industries with stable cashflows and many small-to-medium participants. Based on its domestic and international securitization experience Shinsei concluded that the pachinko business which creates stable cash flow would be suitable for the first WBS. In the first transaction arranged for Daiei, Shinsei will segregate the operating cash flow from approximately 17 parlors into a structure whose credit rating will be higher than Daiei's stand-alone corporate credit rating. (Attachment)

As Shinsei successfully developed a multi-seller mortgage-backed securities repackaging programme in 2003, called Hydra Series, it intends to apply the same methodology to the pachinko industry, in which Shinsei will arrange WBS for multiple operators and hold the resulting securities in its own investment account with the objective of combining them into a larger multi-issuer pachinko WBS. This programme will provide investors with greater diversification, lower operator risk and access to a new investment opportunity at an appropriate time.

Since WBS does not rely solely on disposal of the underlying property collateral but on operating cash from businesses to service WBS debt financing, as long as an operator creates sufficiently stable cash flows it will enable operators to raise bigger financing amounts in comparison with traditional real-estate backed lending techniques. In addition, by taking a multi-issuer approach, "Arcade Funding" will make it possible for small-to-medium scale operators to acquire access to funding in the capital markets.

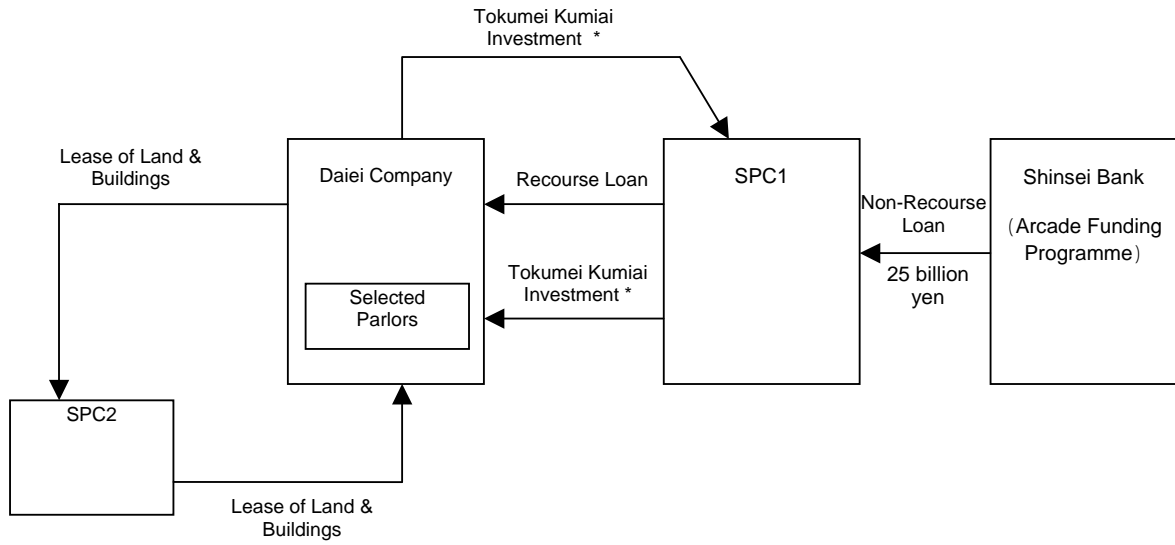
Shinsei expects that WBS of hospitals and nursing homes will develop as follow-on businesses to "Arcade Funding" in the near future. Shinsei believes those efforts will contribute to the further expansion of Japan's capital market and provide attractive investment opportunities for its customers.

Shinsei Bank is a Japanese banking institution founded on global standards of governance and management. With over \$61 billion in assets and 30 Shinsei Financial Centers throughout Japan (non-consolidated, as of September 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, and 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 is available at <http://www.shinseibank.com/english/index.html>.

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(Attachment)

Arcade Funding : 1st Issuance



* Tokumei Kumiai Investment: investment in anonymous association