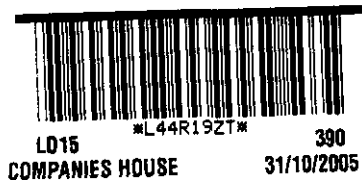

REIB INTERNATIONAL HOLDINGS LIMITED

Company Number: 3834064

REPORTS AND FINANCIAL STATEMENTS

For the year ended 31 December 2004



REPORT OF THE DIRECTORS
For the year ended 31 December 2004

The Directors present their annual report and audited financial statements for the year ended 31 December 2004.

ACTIVITIES AND REVIEW OF BUSINESS

The principal business of the Company is that of an investment company.

The company has ceased making any new investments and is selling down its existing investments over time. The position at the end of the year is reflected in the audited balance sheet as set out on page 5.

RESULTS AND DIVIDENDS

The results of the Company for the year ended 31 December 2004, after providing for taxation, show a profit of £16,111,755 (2003 – profit of £14,179,331). No dividends were declared or paid during the year (2003 - £nil).

DIRECTORS

The Directors of the Company during the year or at the date of this report were as follows:

R D Barris	(resigned 21 June 2004)
J M Chuter	(resigned 23 January 2004)
P L DaSilva	
A W Dixon	
K D Jones	
K W Roeloffs	
E L Simmons	

Mr A P Rutherford acted as Secretary throughout the year.

As at the date of approval, and during the year, the company had in force a third party qualifying indemnity provision for the benefit of its directors.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss for that period. In preparing those financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

REPORT OF THE DIRECTORS (continued)

For the year ended 31 December 2004

DIRECTORS' INTERESTS

None of the Directors had any disclosable interest in the shares or debentures of any UK group undertaking at the end of the year, or were granted or exercised any right to subscribe for shares in, or debentures of, any UK group undertaking during the year.


AUDITORS

Pursuant to section 379A of the Companies Act 1985 the Company has elected -

- a) to dispense with the holding of Annual General Meetings;
- b) to dispense with the appointment of Auditors annually; and
- c) to dispense with the laying of Report and Financial statements before General Meetings.

KPMG Audit Plc have indicated their willingness to continue in office.

By order of the Board of Directors this 27th day of October 2005.



A P Rutherford
Secretary

Winchester House
1 Great Winchester Street
London EC2N 2DB

We have audited the financial statements on pages 4 to 12.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 1, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

8 Salisbury Square
London EC4Y 8BB

Dated: *31st October 2005*

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2004

	Note	<u>2004</u> £	<u>2003</u> £
Administrative expenses		(6,955,757)	(2,850,821)
Operating loss		(6,955,757)	(2,850,821)
Income from investments	8	187,586	9,581,307
Interest payable to group undertakings	3	(3,847,352)	(7,891,438)
Interest receivable from group undertakings		1,411,234	1,689,601
Interest receivable from subsidiary undertakings		473,441	507,241
Impairment losses on investments	7	-	(1,340,458)
Profit from sale of investments		31,713,452	16,498,679
Foreign exchange gain		228,814	1,347,543
Profit on ordinary activities before taxation		23,211,418	17,541,654
Tax charge on loss on ordinary activities	4	(7,099,663)	(3,362,323)
Profit after tax for the year		16,111,755	14,179,331

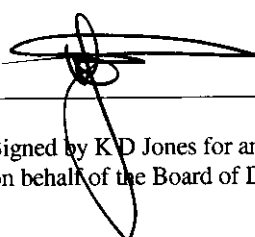
All the above items relate to the continuing operations of the Company.

The notes on pages 7 to 12 form part of these financial statements.

BALANCE SHEET
As at 31 December 2004

	Note	<u>2004</u> £	<u>2003</u> £
FIXED ASSETS			
Investments	7	41,469,342	66,242,793
CURRENT ASSETS			
Debtors	9	26,435,441	28,002,501
Cash held with group undertakings		40,175,325	29,272,974
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	11	(116,256,079)	(147,601,215)
NET CURRENT LIABILITIES		(49,645,313)	(90,325,740)
NET LIABILITIES		(8,175,971)	(24,082,947)
CAPITAL AND RESERVES			
Called up share capital	12	1	1
Profit and loss account		(8,175,972)	(24,082,948)
EQUITY SHAREHOLDERS' FUNDS		(8,175,971)	(24,082,947)

These financial statements were approved by the Board of Directors on 27th October 2005.



Signed by K.D. Jones for and
on behalf of the Board of Directors

The notes on pages 7 to 12 form part of these financial statements.

REIB INTERNATIONAL HOLDINGS LIMITED
 STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
 For the year ended 31 December 2004

Page 6

	Note	<u>2004</u> £	<u>2003</u> £
Profit for the year		16,111,755	14,179,331
Exchange (loss)/gain on translation of investments	1g	(1,292,510)	1,933,038
Exchange gain/(loss) on related borrowings	1g	1,087,731	(1,929,366)
Total recognised gains related to the year		15,906,976	14,183,003

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
 For the year ended 31 December 2004

	Note	<u>2004</u> £	<u>2003</u> £
At beginning of year		(24,082,947)	(38,265,950)
Total recognised gains related to the year		15,906,976	14,183,003
At 31 December		(8,175,971)	(24,082,947)

The notes on pages 7 to 12 form part of these financial statements.

NOTES TO THE ACCOUNTS

For the year ended 31 December 2004

1. ACCOUNTING POLICIES

This financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies are described below.

(a) Basis of preparation

The financial statements have been prepared on a going concern basis which assumes the Company will continue in operational existence for the foreseeable future. This assumption is based on a letter of support from DB Investments (GB) Ltd.

(b) Group Accounts

The Company is exempt by virtue of section 228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements prepare information about the Company as an individual undertaking and not about its group.

(c) Cash Flow Statement

The Company is exempt from the requirement to prepare a Cash Flow Statement under Financial Reporting Standard 1 (Revised 1996) as it is a wholly owned subsidiary undertaking of a company which prepares consolidated financial statements which are publicly available.

(d) Interest income/expense

Interest income/expense is accounted for on an accruals basis.

(e) Dividend Income

Dividends receivable on equity shares where no ex dividend date is quoted are brought into account when the company's right to receive payment is established.

(f) Fixed Asset Investment

Investments are held at cost less amounts provided for any permanent diminution in value.

(g) Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into sterling at market rates of exchange ruling at the Balance Sheet date. Exchange differences are dealt with through the face of the Profit and Loss account except for those arising on foreign currency borrowings which have been used to finance the Company's foreign equity investments. Exchange gains or losses arising on the borrowings are offset as reserve movements against exchange differences arising on the translation of the net investments as permitted by Statement of Standard Accounting Practice No.20.

(h) Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19.

NOTES TO THE ACCOUNTS

For the year ended 31 December 2004

2. AUDITORS' REMUNERATION

Auditors' remuneration for the current period has been borne by a Deutsche Bank AG Group company without re-charge.

3. INTEREST PAYABLE TO GROUP UNDERTAKING

Interest is payable on loans extended to the company by Deutsche Bank AG London on the initial purchase of the investments. The loans have variable rates of interest and are repayable over various terms.

4. TAXATION

	<u>2004</u> £	<u>2003</u> £
<i>Charge/(credit)</i>		
Current taxation		
Group relief charge for the year	6,963,425	3,362,323
Prior year adjustments		
Group relief charge	-	453,408
Total current taxation	<u>6,963,425</u>	<u>3,815,731</u>
Deferred taxation (<i>see note 10</i>)		
Deferred tax charge/(credit) on net income from partnerships	136,238	(453,408)
Tax charge on loss on ordinary activities	<u>7,099,663</u>	<u>3,362,323</u>
Net tax charge	<u>7,099,663</u>	<u>3,362,323</u>

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 30%. The actual tax charge for the previous year is lower than the standard rate for the reasons set out in the following reconciliation.

	<u>2004</u> £	<u>2003</u> £
Profit on ordinary activities before tax	<u>23,211,418</u>	<u>17,541,654</u>
Tax on profit on ordinary activities at standard rate (30%)	6,963,425	5,262,497
<i>Factors affecting charge for the period</i>		
Impairment losses on fixed asset investments	-	402,137
Tax credit for underlying tax	-	(331,214)
Income from participating interests/partnerships	-	99,364
Non-taxable income	-	(2,070,461)
Adjustments to tax charge in respect of prior periods	-	453,408
Total current tax	<u>6,963,425</u>	<u>3,815,731</u>

NOTES TO THE ACCOUNTS

For the year ended 31 December 2004

5. REMUNERATION OF DIRECTORS

The aggregate emoluments of persons who were Directors of the Company during the year ended 31 December 2004, including pension contributions, was £nil (2003 - £1,273,376).

6. STAFF NUMBERS AND COSTS

The total staff costs have been borne by Deutsche Bank Group Company without recharge. No staff costs have therefore been included in these financial statements.

7. FIXED ASSET INVESTMENTS

	Shares in group undertakings	Participating interests	Loans to undertakings in which the Company has participating interests	Other investments other than loans	Total
Cost / valuation					
1 January 2004	1,092,067	6,959,069	31,248,957	50,128,915	89,429,008
Repayments	-	(248)	(5,217,548)	(51,380,551)	(56,598,347)
Disposals	-	(600,000)	-	31,203,278	30,603,278
Foreign exchange gains/(losses)	12,425	12,420	-	(1,302,789)	(1,277,944)
31 December 2004	<u>1,104,492</u>	<u>6,371,241</u>	<u>26,031,409</u>	<u>28,648,853</u>	<u>62,155,995</u>
Provisions					
1 January 2004	(1,039,412)	(600,000)	(1,914,128)	(19,632,675)	(23,186,215)
Disposals	-	600,000	1,914,128	-	2,514,128
Foreign exchange gains/(losses)	(14,566)	-	-	-	(14,566)
31 December 2004	<u>(1,053,978)</u>	<u>-</u>	<u>-</u>	<u>(19,632,675)</u>	<u>(20,686,653)</u>
Net book value					
1 January 2004	<u>52,655</u>	<u>6,359,069</u>	<u>29,334,829</u>	<u>30,496,240</u>	<u>66,242,793</u>
31 December 2004	<u>50,514</u>	<u>6,371,241</u>	<u>26,031,409</u>	<u>9,016,178</u>	<u>41,469,342</u>

NOTES TO THE ACCOUNTS

For the year ended 31 December 2004

7. FIXED ASSET INVESTMENTS (CONTINUED)

Details of the investment undertakings of the Company at year end are as follows:

	Country of incorporation	Principal Activity	Class and Percentage of shares held
<i>Subsidiary undertakings</i>			
Pyramid Acquisitions B.V.	The Netherlands	Financing and Holding Company	Ordinary share capital – 100%
REIB Europe Investments Limited	England and Wales	Investment Company	Ordinary share capital – 100%
Tokyo Commercial 92, Inc	Japan	Investment Company	Ordinary share capital – 100%
<i>Participating interests</i>			
Arrow Property Investments Limited	England and Wales	Property Investment Company	Ordinary share capital – 46.18% Shareholder loan stock – 46.18%
VR Maasmechelen Tourist Outlets Comm. Va	Belgium	Property Investment Company	Ordinary share capital – 26.1% Unsecured bonds – 26.1%
<i>Other Investments</i>			
IP Powerhouse Holdings Limited	England and Wales	Property Investment Company	Ordinary share capital – 0.08%
New (LTCB) B.V.	The Netherlands	Investment Company	Class A share capital – 1.66%
New Cayman I L.P.	Cayman Islands	Investment Company	Partnership capital – 2.93%
New Cayman II L.P.	Cayman Islands	Investment Company	Partnership capital – 2.88%

On 24 February 2004, the company sold its interest in Hemingway Mixed Use Partnership for £3,303,418.

On 15 January 2004, the company sold its interest in Financiere Gratte Ciel (Actif +) for EUR 28,204,732.

On 24 February 2004, REIB International Holdings Limited sold its interest in Triptych Limited for USD 1,671.

On 2 April 2004, REIB International Holdings Limited sold its interest in Orbis SA for PLN 74,700,000.

On 24 February 2004 and 25 March 2004, REIB International Holdings Limited received distributions of JPY 4,210,381,829 and JPY 51,060,572 from New Cayman I LP and New Cayman II LP respectively (the Limited Partnerships), representing its share of the proceeds from the sale of 35% of the underlying investment of the Limited Partnerships, Shinsei Bank Limited.

NOTES TO THE ACCOUNTS

For the year ended 31 December 2004

8. INCOME FROM INVESTMENTS

	<u>2004</u>	<u>2003</u>
	£	£
Financiere Gratte Ciel (Actif +)	-	177
Marine Operator Two Limited – Tokyo Branch	-	709,045
New (LTCB) B.V.	187,586	412,295
Orbis SA	-	233,399
Taiyo Investments LLC	-	1,324,854
St James Residential Investments Limited	-	6,901,537
	<u>187,586</u>	<u>9,581,307</u>

9. DEBTORS

	<u>2004</u>	<u>2003</u>
	£	£
Amounts due from group undertakings	26,435,441	27,866,263
Deferred tax (<i>see note 10</i>)	-	136,238
	<u>26,435,441</u>	<u>28,002,501</u>

10. DEFERRED TAX ASSET

	£
Deferred tax at 1 January 2004	136,238
Transfer from Profit and Loss account	(136,238)
Deferred tax at 31 December 2004	<u>0</u>

The source of the balance on the deferred tax account is the taxation credit in relation to partnership income.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2004</u>	<u>2003</u>
	£	£
Amounts owed to group undertakings	105,587,530	147,474,791
Group relief payable	10,668,549	126,424
	<u>116,256,079</u>	<u>147,601,215</u>

12. CALLED UP SHARE CAPITAL

	<u>2004</u>	<u>2004</u>
	No.	£
Authorised		
Ordinary Shares of £1 each	1,000	1,000
Allotted, issued and fully paid		
Ordinary Share of £1 each	1	1

There were no changes in the authorised and allotted share capital in the year.

NOTES TO THE ACCOUNTS

For the year ended 31 December 2004

13. ULTIMATE PARENT COMPANY AND OTHER PARENT UNDERTAKINGS

DB UK Holdings Limited is, for the purposes of the Companies Act 1985, the immediate parent company.

Deutsche Bank AG, a company incorporated in Germany, is the ultimate parent company, the ultimate controlling entity and the parent undertaking of the smallest and largest group of undertakings for which group financial statements are drawn up.

Copies of Deutsche Bank AG financial statements are available to the public and may be obtained from Winchester House, 1 Great Winchester Street, London EC2N 2DB.

Copies of DB UK Holdings Limited financial statements are available to the public and may be obtained from 23 Great Winchester Street, London EC2P 2AX.

14. RELATED PARTY TRANSACTIONS

As permitted by paragraph 3(c) of Financial Reporting Standard 8, no disclosure is made of transactions with members or associates of the Deutsche Bank AG group.

15. POST BALANCE SHEET EVENTS

On 17 February 2005 the New Cayman I LP and New Cayman II LP (the Limited Partnership) distributed to REIB International Holdings Limited its proportional share of their remaining holding in the stock in Shinsei Bank Limited. 60% of these shares were sold simultaneously into a public offering for proceeds of JPY 5,209,912,637. The company's investment in the Limited Partnerships at 31 December 2004 is valued at JPY 1,785,558,497.

The gains related to these events are 2005 events and will be recorded in the relevant accounts of the company.
