



**Credit Suisse (International)
Holding AG, Zug**

**Report of the Statutory Auditors
to the General Meeting
Financial Statements 2006**



KPMG Klynveld Peat Marwick Goerdeler SA
Audit Financial Services
Badenerstrasse 172
CH-8004 Zurich

P.O. Box
CH-8026 Zurich

Telephone +41 44 249 31 31
Fax +41 44 249 23 19
Internet www.kpmg.ch

Report of the Statutory Auditors to the General Meeting of
Credit Suisse (International) Holding AG, Zurich

As statutory auditors, we have audited the accounting records and the financial statements (balance sheet, income statement and notes) of Credit Suisse (International) Holding AG for the year ended 31 December 2006.

These financial statements are the responsibility of the board of directors. Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with Swiss Auditing Standards, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accounting records and financial statements and the proposed appropriation of retained earnings comply with Swiss law and the Credit Suisse (International) Holding AG's articles of incorporation.

We recommend that the financial statements submitted to you be approved.

KPMG Klynveld Peat Marwick Goerdeler SA

Hieronymus T. Dormann
Auditor in Charge

Micha Bitterli

Zurich, 11 May 2007

Enclosure:

- Financial statements (balance sheet, income statement and notes)
- Proposed appropriation of retained earnings

FINANCIAL STATEMENTS

BALANCE SHEET

Year ended December 31, in CHF 1,000	Note	2006	2005
Assets			
Cash - with third parties		1'983	1'156
Cash - with Group companies		1'560	7'068
Securities		185'268	3'111'460
Other receivables from third parties		1'864	8'382
Other receivables from Group companies		207'043	202'267
Accrued income and prepaid expense		147'359	99'816
Total current assets		545'077	3'430'149
Investment in Group companies	5	8'025'179	5'636'893
Long-term loans to Group companies		2'434'392	1'679'050
Total non-current assets		10'459'571	7'315'943
Total assets		11'004'648	10'746'092
Liabilities			
Payable to Group companies		6'575'197	6'509'220
Accrued expense and deferred income		56'968	51'812
Other liabilities		148'082	219'632
Short-term liabilities		6'780'247	6'780'664
Long-term loans from Group companies		0	249'299
Long-term liabilities		0	249'299
Total liabilities		6'780'247	7'029'963
Shareholder's equity and liabilities			
Share capital	8	37'500	37'500
Participation capital		4'555	4'555
Paid in surplus		346'631	346'631
Legal reserve	9	106'025	106'025
Free reserves		30'245	30'245
Retained earnings:			
retained earnings brought forward		3'191'172	2'884'911
net income		508'273	306'262
Shareholder's equity		4'224'401	3'716'129
Total liabilities and shareholder's equity		11'004'648	10'746'092

FINANCIAL STATEMENTS

INCOME STATEMENT

Year ended December 31, in CHF 1,000	2006	2005
Dividend income	89'936	99'000
Interest income	137'281	68'461
Interest expense	-324'024	-189'925
Net dividend and interest income	-96'807	-22'464
Participation income	132'090	51'014
Foreign exchange gain/(loss)	111'900	-185'006
Gain on securities	362'831	535'811
Other ordinary income	10'667	20'211
Ordinary income	617'488	422'030
Total income	520'681	399'566
Personnel related expense	0	-3'992
Depreciation and write offs	-6'084	-66'200
Other ordinary expense	-550	-1'613
Total expense	-6'634	-71'805
Operating income	514'047	327'761
Extraordinary income	22'696	0
Taxes	-28'470	-21'500
Net income	508'273	306'261

Notes to the financial statements

1 Affiliation and Activity

The Company is incorporated in the Canton of Zug, Switzerland and is a wholly owned subsidiary of Credit Suisse. The ultimate holding company is Credit Suisse Group. Both the direct parent company and the ultimate holding company of the Company are incorporated in the Canton of Zurich, Switzerland.

Credit Suisse (International) Holding AG is a direct holding company of Credit Suisse with subsidiaries and affiliates in the European, the Americas and the Asia-Pacific regions. These subsidiaries offer a full range of investment banking services, including financial advisory and capital raising services, and are also active in securities underwriting and banking.

2 Summary of Significant Accounting Policies

(a) Investments in Group companies

Investments in group companies are carried at cost and a provision for impairment is established where appropriate. A portfolio valuation methodology has been adopted whereby the provision has been calculated on a net basis across all investments, comparing the cost of investment to the net asset value or to the fair value.

(b) Foreign currencies

Assets and liabilities denominated in foreign currencies are expressed in Swiss francs at the prevailing December month-end exchange rates. Investments in subsidiaries and affiliates are expressed in Swiss francs at the historic exchange rate. Income and expense accounts are translated at average exchange rates for the year. The resulting gains and losses are included in the "Foreign exchange gain/(loss)" in the Income Statement and "Retained Earnings brought forward".

(c) Taxation

An accrual is made for all income taxes estimated to be payable on the basis of reported earnings.

(d) Mandatory Convertible Note in Securities

The company holds a mandatory convertible note. As there is no active trading intention for this security and it may not be held to maturity it is held as an available for sale security and valued at lower of cost or market (LOCOM).

3 Contingent liabilities

At December 31, 2006, contingent liabilities including guarantees amounted to CHF 31'985m. This includes guarantee extended to fellow subsidiaries and affiliates in respect of trading activities (2005: CHF 9'295m).

4 Value-Added Tax

The company belongs to the Swiss value-added tax (VAT) group of Credit Suisse Group, and thus carries joint liability to the Swiss federal tax authority for value-added tax debts of the entire Group.

Notes to the financial statements (continued)

5 Investments in Group companies

Significant investments in Group Companies comprise of the following:

Name	Domicile	Activity	2006		2005	
			Issued share capital in m	Share of share capital in %	Issued share capital in m	Share of share capital in %
Credit Suisse Investments (UK) USD	London, UK	Intermediate Holding Company	112	100%	112	100%
Credit Suisse International * USD	London, UK	Financial Derivatives	3'242	66%	1'657	40%
Glenstreet Corporation N.V. GBP	Curacao, Netherlands Antilles	Real Estate	20	100%	20	100%
Credit Suisse (Singapore) Ltd SGD	Singapore	Investment Banking	621	100%	164	100%
Credit Suisse Holdings (Hong Kong) Limited USD	Hong Kong	Investment Banking	3	100%	3	100%
Credit Suisse First Boston Finance BV EUR	Amsterdam, Netherlands	Funding Vehicle	0	100%	0	100%
DLJ UK Investment Holdings Limited USD	London, UK	Intermediate Holding Company	116	100%	100	100%
Credit Suisse First Boston International (Guernsey) Limited USD	Guernsey	Finance Company	0	100%	0	100%
Gyre Opportunity Fund USD	Cayman	Investment Banking	100	100%	100	100%
Credit Suisse First Boston Finance (Guernsey) Ltd USD	Guernsey	Investment Banking	0	100%	0	100%
Credit Suisse Futures (Hong Kong) Limited HKD	Hong Kong	Investment Banking	266	100%	66	100%
Credit Suisse Investment Product (Asia Pacific) Ltd USD	George Town, Cayman Islands	Investment Banking	0	100%	0	100%
Credit Suisse Securities (Hong Kong) Limited HKD	Hong Kong	Investment Banking	31	100%	31	100%
Credit Suisse Securities (Singapore) Pte Limited SGD	Singapore	Investment Banking	30	100%	24	100%
Credit Suisse Securities (Thailand) Limited THB	Thailand	Securities	331	100%	12	100%
Credit Suisse Securities (India) Private Limited USD	India	Securities	11	100%	0	0%
Credit Suisse Asia Pacific Services (Singapore) Pte Ltd SGD	Singapore	Investment Banking	5	100%	5	0%
Credit Suisse (Hong Kong) Ltd HKD	Hong Kong	Investment Banking	6'295	93%	1'132	59%

* Please note that Credit Suisse (International) Holding AG holds 24% of ordinary voting shares

6 Treasury shares (Securities)

Since March 2001, the Company holds CSG shares in order to hedge the share liabilities granted to employees of both the Company and all other Credit Suisse entities. The market value of CSG shares held as at 31 December 2006 is nil (2005: CHF 2'903'121'218) The Company released the historic cost of treasury shares as the result of CSG shares sales to CS EBC, a fully owned subsidiary of Credit Suisse.

7 Extraordinary income

As a result of merger SAG and MAG, sold of CSIHAG's investment to other subsidiaries (e.g. BOW, CS Sec Jyunbi (Japan) Ltd)

8 Share Capital

The Company's share capital comprises 375,000 authorized, issued and fully paid registered shares of a nominal value of CHF 100 each.

9 Legal Reserve

The Company appropriate earnings to a legal reserve in accordance with the provisions of Swiss law. Such a reserve is not readily available for distribution.

There are no further facts which would require disclosure in accordance with Art. 663b of the Swiss Code of Obligations

Proposed appropriation of retained earnings

in CHF

Retained earnings brought forward	3'191'172'324
Net income	508'272'780
<u>Retained earnings available for appropriation</u>	<u>3'699'445'104</u>
Allocation to legal reserves ¹⁾	-
Dividends ²⁾	-
<u>Retained earnings to be carried forward</u>	<u>3'699'445'104</u>

¹⁾ As the general legal reserve equals 50% of share capital, no allocation to the general reserve is made for 2006.

²⁾ No dividend is proposed for the year ended December 31, 2006.