

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

**Report of the Statutory Auditors
to the annual General Meeting**

Financial Statements
for the year ended on 31 December 2005



KPMG Klynveld Peat Marwick Goerdeler SA

Audit Financial Services

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Report of the Statutory Auditors to the General Meeting of

**Credit Suisse First Boston (International) Holding AG, Zug
(renamed Credit Suisse (International) Holding AG, Zug)**

As statutory auditors of Credit Suisse First Boston (International) Holding AG, we have audited the accounting records and the financial statements (balance sheet, income statement and notes) for the year ended December 31, 2005.

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 auditing standards promulgated by the Swiss profession, 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 Credit Suisse First Boston (International) Holding AG's articles of incorporation.

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

KPMG Klynveld Peat Marwick Goerdeler SA

Philipp Rickert
Certified Accountant
Auditor in Charge

i.V. Micha Bitterli

Zurich, March 24, 2006

Enclosure:

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

Balance Sheet

Year ended December 31, in CHF	Note	2005	2004
Assets			
Cash		9,761,267	16,283,704
Interest bearing deposits		1,740,997,678	1,139,469,968
Securities	5	3,111,460,188	3,407,292,567
Accrued interest and dividends receivable		99,815,692	4,414,358
Other receivables		47,008,533	198,209,028
Total current assets		5,009,043,358	4,765,669,625
Investments in subsidiaries and affiliates	6	5,636,892,982	4,490,880,984
Fixed assets, net	7	-	491,174
Subordinated Loans		100,153,766	-
Other assets	7	-	108,145
Total non-current assets		5,737,046,748	4,491,480,303
Total assets		10,746,090,106	9,257,149,928
Liabilities and shareholders' equity			
Liabilities			
Loans payable		6,509,219,851	5,435,753,730
Accrued interest		30,307,980	28,584,911
Accrued income taxes		21,503,718	30,250,517
Other liabilities		219,631,508	224,172,545
Total short-term liabilities		6,780,663,057	5,718,761,703
Long-term borrowings	8	249,299,052	128,521,846
Total long-term liabilities		249,299,052	128,521,846
Total liabilities		7,029,962,109	5,847,283,549
Shareholders' equity			
Share capital	9	37,500,000	37,500,000
Participation capital		4,554,500	4,554,500
Paid in surplus		346,630,685	346,630,685
Legal reserve	10	106,025,372	106,025,372
Free reserve		30,245,116	30,245,116
Retained earnings brought forward		2,884,910,706	2,493,047,388
Profit for the year		306,261,618	391,863,318
Total shareholders' equity		3,716,127,997	3,409,866,379
Total liabilities and shareholders' equity		10,746,090,106	9,257,149,928

Income Statement

Year ended December 31, in CHF	Note	2005	2004
Net Revenue			
Dividend income	4	150,014,157	76,894,464
Interest income		68,461,086	32,052,700
Interest expense		(189,925,075)	(100,964,647)
		28,550,168	7,982,517
Net dividend and interest income			
Investment banking revenue		5,445,349	1,475,406
Commissions and fees, net		(3,020,664)	(3,853,660)
Gain from repatriation of investments in subsidiaries and affiliates		-	13,143,244
Foreign exchange gain		-	42,672,340
Foreign exchange loss		(185,005,942)	(60,006,208)
Gain on securities	5	535,811,112	508,318,267
Other ordinary income		17,786,349	2,258,781
		371,016,204	504,008,170
Ordinary income			
		399,566,372	511,990,687
Total net revenue			
Expenses			
Personnel related expenses		(3,991,799)	(3,162,040)
Depreciation on fixed assets		(132,576)	(889,629)
Write down of investments in subsidiaries and affiliates		-	(84,409,845)
Write off of interest bearing deposits	3	(66,067,832)	-
Other ordinary expenses		(1,612,547)	(1,715,855)
		(71,804,754)	(90,177,369)
Ordinary expenses			
		(71,804,754)	(90,177,369)
Total expenses			
		327,761,618	421,813,318
Operating profit			
Taxes		(21,500,000)	(29,950,000)
		306,261,618	391,863,318
Net profit			

Notes to the financial statements for the year ended December 31, 2005

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 First Boston (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 subsidiaries and affiliates

Investments in subsidiaries and affiliates 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 year-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 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) CSG shares in securities

CSG shares are held to hedge the Global Management Equity Plan. The shares are held at market value with the marked to market element included in "Gain on securities" in the Income Statement and "Retained Earnings brought forward".

(e) 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).

Notes to the financial statements for the year ended December 31, 2005

3. Write off of interest bearing deposits

During the year, IHAG wrote off a number of interest bearing deposits with affiliated entities in light of those entities intended liquidation. As a result of this the Company recorded an expense in the Income Statement of CHF 66,067,832.

4. Dividend Income

Dividend income during 2005 of CHF 150,014,157 (2004: CHF 76,894,464) is shown net of irrecoverable foreign withholding tax.

5. 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 2005 is CHF 2,903,121,218 (2004: CHF 3,407,292,567). A gain on CSG shares of CHF 535,811,112 (2004: CHF 508,318,267), which consists of CHF 653,842,938 realised gain (2004: Loss of CHF 83,309,462) on the disposal of shares and an unrealised loss on the marked to market movement of CHF 118,031,826 (2004: CHF 591,627,729 gain), is included in Gain on securities in the Income Statement.

In addition to the CSG shares, the Company also holds a Mandatory Convertible Note ("MCN") at LOCOM of CHF 208,338,970. There was no gain or loss recorded in the Income Statement in respect of this transaction.

6. Investments in Subsidiaries and Affiliates

Investments in subsidiaries comprise the following balances:

In CHF	2005	2004
Investments in subsidiaries	<u>5,636,892,982</u>	<u>4,490,880,984</u>

Notes to the financial statements for the year ended December 31, 2005

6. Investments in Subsidiaries and Affiliates (continued)

Significant investments in subsidiaries comprise the following:

Name and Issued Share Capital	Domicile	Activity	2005		2004	
			Share of share capital	Share of voting capital	Share of share capital	Share of voting capital
Credit Suisse First Boston (UK) Investments USD 112 million	London, UK	Intermediate Holding Company	100%	100%	100%	100%
Credit Suisse First Boston International* USD 1,657 million	London, UK	Financial Derivatives	40%	50%	40%	50%
Glenstreet Corp. N.V. GBP 20 million	Curacao	Real Estate	100%	100%	100%	100%
Credit Suisse First Boston (Singapore) Limited USD 164 million	Singapore	Investment Banking	100%	100%	100%	100%
Credit Suisse First Boston Holdings (Hong Kong) Limited USD 3 million	Hong Kong	Investment Company	100%	100%	100%	100%
Credit Suisse First Boston Finance B.V. NLG 40 thousand	Amsterdam, Netherlands	Funding Vehicle	100%	100%	100%	100%
DLJ UK Investments Holdings Limited USD 100 million	London, UK	Intermediary Holding Company	100%	100%	100%	100%
Credit Suisse First Boston International (Guernsey) Limited USD 100 thousand	Guernsey	Finance Company	100%	100%	100%	100%
Bow Investments SAS EUR 37 thousand	Paris, France	Finance Company	100%	100%	-	-
Gyre Opportunity Fund USD 100 million	Cayman	Investment Company	100%	100%	-	-

* Please note that Credit Suisse First Boston (International) Holding AG holds 50% of director voting rights.

Notes to the financial statements for the year ended December 31, 2005

7. Fixed Assets, Net

Since 1 January 1999 the Company's fixed assets have been covered by a Group insurance policy operated by Credit Suisse First Boston, Zurich. This fire insurance policy covers the assets for their replacement value. In the past, the Amsterdam Branch held all the fixed assets. The branch has been liquidated and the fixed assets have been sold. As such the net book value of the fixed assets is CHF nil at December 31, 2005 (December 31, 2004: CHF 491,174).

8. Long-term Borrowings

The Company is liable to CSFB Finance (Guernsey) Ltd for CHF 149,145,282 (2004: CHF 128,521,846). The loan is denominated in United States dollars and matures on 31 December 2008. Interest is charged at a rate of 4.03%. The Company is also liable to CSFB Singapore for CHF 100,153,770 (2004: CHF nil). The loan is denominated in Japanese Yen and matures on 19 December 2007. Interest is charged at a rate of 0.09%.

9. Share Capital

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

10. Legal Reserve

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

11. Balances with Subsidiaries, Affiliates and the Shareholder

In CHF	2005	2004
Assets from affiliated companies	9,728,455,132	9,231,655,306
Liabilities to affiliated companies	7,036,022,576	5,843,353,699

All transactions with related parties are carried out at arm's length.

Notes to the financial statements for the year ended December 31, 2005

12. Contingent Liabilities

At December 31, 2005, contingent liabilities including guarantees, letters of comfort and property leases, amounted to CHF 9,295,321,706. This includes guarantees extended to fellow subsidiaries and affiliates in respect of trading activities (2004: CHF 16,617,121,205).

13. 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.

14. Subsequent Events

On January 13, 2006 the name of the company changed to Credit Suisse (International) Holding AG, Zug.

There are no further disclosures required by Article 663b of the Swiss Code of Obligations.

Proposed appropriation of retained earnings

In CHF	2005	2004
Net profit	306,261,618	391,863,318
Retained earnings brought forward	2,884,910,706	2,493,047,388
Retained earnings available for appropriation	3,191,172,324	2,884,910,706
Allocation to legal reserves ¹⁾		-
Dividend ²⁾		-
Retained earnings to be carried forward	3,191,172,324	2,884,910,706

¹⁾ As the general legal reserve equals 50% of share capital, no allocation to the general legal reserve is made for 2005.

²⁾ No dividend is proposed for the year ended December 31, 2005.