



Financial Report 2006

BGP Banca di Gestione Patrimoniale

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Report by the Chairman of the Board of Directors

In 2006, BGP Banca di Gestione Patrimoniale SA experienced many changes ranging from market fluctuations to structural changes within the Bank, including the merger to Clariden Leu.

Equity markets rose in early 2006 only to fall sharply in May and June. However, despite the uncertainty caused by wildly fluctuating commodities and oil prices, the markets started to move upwards again in summer, a development that lasted until the end of the year and led to record highs on some indices. 2006 also saw rises in long-term interest rates on the bond markets.

The asset management business was very well-positioned with regard to the equity markets: the choice of products and maintenance of a very short bond duration resulted in a good performance for our clients.

At the end of April, 2006, Credit Suisse Group announced the merger of the group's private banks. Clariden, BGP Banca di Gestione Patrimoniale, Bank Hofmann, Bank Leu and the securities dealer Credit Suisse Fides were merged to form a single legal entity called Clariden Leu, with effect from January 1, 2007. Clariden Leu is a pure wealth manager committed to the traditional values and strengths of an exclusive Swiss private bank, offering a comprehensive and high-quality range of products, and advisory services, to wealthy clients.

Despite all these changes, we did not lose sight of our objectives, and the Bank also achieved record results in 2006, its final year as BGP. Income from commission and interest rose to a total of CHF 30.8 million, an increase of 31% compared to 2005. The Bank kept a tight rein on direct costs, which allowed to partly offset the increased IT costs through migration to the parent company's platform. The Bank ended 2006 with a gross profit of CHF 10 million, compared to CHF 5.3 million in 2005.

The confidence and loyalty of our trusted clients and the continued commitment of our employees have been instrumental in bringing the final business year as BGP to a successful close. I would like to take this opportunity to offer them our sincerest thanks. We have created a solid foundation from which to embark with energy and enthusiasm on our new adventure, a fascinating challenge that we will meet under the new brand Clariden Leu.

The Chairman of the Board of Directors



Walter Berchtold

Organization

Board of Directors

Chairman	Walter Berchtold
Vice Chairman	Sergio Zoppi
Members	Claudio Ferrari Franco Müller

Executive Board

CEO	Pierluigi Abbondio
Members	Mario Beffa Fabio Marioni Patrizio Manzuoli

Management

Co-directors	Curzio Corno Luca Occhetta Christian Torriani Fernando Viglezio
General Managers	Massimo Bernasconi Cesare Broggi Massimo D'Occhio Raffaella Dozio Enzo Gasparoli Pietro Laurenti Pietro Lorenzetti Geo Lubini Paolo Martinelli Nevio Poli Matteo Zannoni Mario Zanotti

Auditors

Internal Audit	Credit Suisse Group, Internal Auditors
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Audit required by Banking Law and Articles of Association KPMG Klynveld Peat Marwick Goerdeler SA, Zurich

Annual accounts

Balance Sheet as at December 31, 2006

Assets	Notes	2006 CHF	2005 CHF
Cash and cash equivalents	3.11	3'394'443	3'486'418
Receivables from banks	3.11	471'164'009	641'400'912
Receivables from clients	3.1/3.11	120'909'875	110'490'960
Trading portfolio of securities and precious metals		0	3'199'867
Financial assets	3.2/3.11	0	22'048'398
Non-consolidated shareholdings	3.2/3.3	133'363	133'363
Tangible assets	3.3	100'096	838'638
Accrued income and deferred charges		3'569'087	2'374'612
Other assets	3.4	3'427'269	8'510'655
Total assets		602'698'142	792'483'823
Total receivables due to group companies and majority shareholders		214'726'937	20'473'609
Liabilities			
Liabilities to banks	3.11	13'053'424	32'685'432
Liabilities to clients	3.11	511'648'162	688'711'704
Accrued liabilities and deferred income		10'104'070	8'693'800
Other liabilities	3.4	8'661'494	9'984'340
Value adjustments and provisions	3.8	145'004	457'788
Share capital	3.9/3.10	50'000'000	50'000'000
General legal reserve		97'538	0
Profit/loss carried forward		1'853'221	-10'001'102
Net profit for the year		7'135'229	11'951'861
Total liabilities		602'698'142	792'483'823
Total liabilities due to group companies and majority shareholders		7'550'522	3'952'573
Off-balance sheet transactions			
Contingent liabilities	3.1/4.1	27'817'186	20'632'446
Derivative financial instruments			
- positive replacement values	4.2	3'242'539	8'264'781
- negative replacement values	4.2	3'257'129	7'748'723
- contractual volumes	4.2	528'318'912	880'719'405
Fiduciary transactions	4.3	496'876'006	466'368'742

Income statement as at December 31, 2006

	Notes	2006 CHF	2005 CHF
Costs and revenues from ordinary banking activity			
Interest and discount income		27'065'736	17'042'406
Interest and dividend income from securities trading		44'191	3'695
Interest and dividend income from financial assets		536'428	558'325
Interest expenses		-21'356'881	-13'701'834
Subtotal from interest rate transactions		6'289'474	3'902'592
Commission income from credit transactions		86'226	84'966
Commission income from securities trading and investment		24'105'211	16'999'104
Commission income from other services		382'161	2'892'397
Commission expenses		-4'016'187	-4'016'237
Subtotal commission and services income		20'557'411	15'960'230
Income from trading	5.1	3'756'640	3'691'683
Profit/loss from financial assets		-22'856	0
Other ordinary income		22'500	0
Other ordinary expenses		-10'987	-43'832
Subtotal other ordinary income		-11'343	-43'832
Personnel expenses	5.2	-14'632'112	-13'884'700
Operating expenses	5.3	-5'919'957	-4'328'153
Total costs		-20'552'069	-18'212'853
Gross profit		10'040'113	5'297'820
Depreciation of tangible assets	3.3	-3'205'397	-667'695
Value adjustments, provisions and losses	3.8	97'873	-84'000
Interim result		6'932'589	4'546'125
Extraordinary income		0	7'500'000
Extraordinary revenues		333'890	36'986
Taxes		-131'250	-131'250
Net profit for the year		7'135'229	11'951'861
Proposed distribution of net profit			
Net profit for the year		7'135'229	11'951'861
Profit/loss carried forward		1'853'221	-10'001'102
Allocation to the general legal reserve		449'423	97'538
Profit/loss to be carried forward		8'539'028	1'853'221

Cash flow statement

Cash flow statement for 2006	Source of funds	Application of funds
Flow of funds from operations (internal financing)	10'243'638	
Net profit for the year	7'135'229	-
Release of provisions	-	-312'784
Depreciation of tangible assets	3'205'398	-
Change in accrued income and deferred charges	-	-1'194'475
Change in accrued liabilities and deferred income	1'410'270	-
Cash flow from transactions involving tangible assets		-2'466'856
Non-consolidated shareholdings	-	-
Buildings	-	-
Other tangible assets	-	-2'466'856
Cash flow from operations with other banks	150'604'895	
Liabilities to banks	-	-19'632'008
Receivables from banks	170'236'903	-
Cash flow from client business		-187'482'457
Liabilities to clients	-	-177'063'542
Receivables from clients	-	-10'418'915
Cash flow from other balance sheet items	29'008'805	
Trading portfolio of securities and precious metals	3'199'867	-
Financial assets	22'048'398	-
Other assets	5'083'386	-
Other liabilities	-	-1'322'846
Liquidity	91'975	
Cash and cash equivalents	91'975	
Total	189'949'313	-189'949'313

Notes to the 2006 annual accounts

1. Comment on the Bank's activities and headcount

The Bank's core business is financial consultancy (private banking), asset management and securities trading. It is involved in securities trading and other transactions both in relation to the management mandates from its clients and on its own behalf. Loans are only granted as part of its private banking and asset management services (Lombard loans). At December 31, 2006, the average headcount at the Bank was 48.45, compared to 49 the previous year.

2. Accounting criteria and recording items on the balance sheet

General principles

The preparation of accounts and valuations used follow the regulations set out in the Code of Obligations, the Banking Law and those established by the Federal Banking Commission circular on the preparation of annual accounts, as well as the provisions relating to the preparation of accounts, and valuations used, set out in the Credit Suisse Group Accounting Manual.

Foreign exchange

Income and losses in foreign currency are translated into Swiss francs at the exchange rate applicable on the transaction date. Assets and liabilities in foreign currency are translated at the year-end exchange rate. Exchange rate gains and losses are booked in the income statement.

Exchange rates applied for the main currencies:

1 EUR = 1.608493 CHF / 1 USD = 1.2208 CHF / 1 GBP = 2.39866 CHF

Recording transactions

All transactions are recorded in the books on the day they are concluded. Forward, forex spot and precious metals transactions are recorded off-balance sheet and transferred to the balance sheet on their value dates. Securities and fiduciary transactions are transferred to the balance sheet on the date they are concluded.

Cash and cash equivalents, and lending to banks and clients

These items are reported on the balance sheet at nominal value. The Bank creates specific value adjustments for doubtful loans, based on regular analyses, taking into account counterparty risk and existing hedging. A loan is considered doubtful when, based on available information, the principal or interest is unlikely to be repaid. For latent risks, particularly country risks, there is a flat-rate value adjustment. Flat-rate value adjustments relate to the portfolio of loans that are not individually considered doubtful. If a debtor falls 90 days in arrears in interest payments, the interest not collected is directly assigned to the value adjustments. This item is only recorded in the related revenues item when the interest is actually received.

2. Accounting criteria and recording items on the balance sheet (continued)

Trading portfolio of securities and precious metals

This item is used to record shareholdings, bonds and precious metals held as part of ordinary trading operations. These are recorded at fair value. If they are listed on a liquid market, fair value is equal to the market price. Otherwise, other valuation models are used.

Financial assets

Fixed interest debt securities are in general for resale; they are valued according to the lowest value principle (purchase value with the premium or discount amortized over the term of the security, or fair value, both considered at group level). Where fair value is less than the instalment payment, the loss is recorded in the income statement. If the fair value rises, the unrealized earnings will only be recognized to the extent of the losses previously recorded. Gains or losses on interest resulting from a sale before the maturity date are distributed over the security's remaining life. Shareholdings are valued according to the lowest value principle.

Tangible assets

Tangible assets are valued at purchase cost less economically necessary depreciation; this is calculated on the basis of the estimated useful life of the individual assets and applied on a straight-line basis. At the same time, an analysis on the asset value is carried out. Any gains or losses resulting from disposals are recorded in the income statement. Expenses for the refurbishment of buildings are depreciated over five years. Furniture and cars are depreciated over three years. Low-value purchases (less than CHF 10,000.--) are debited directly to the income statement.

Non-consolidated shareholdings

Non-consolidated shareholdings are recorded on the balance sheet at their purchase price, less any economically necessary depreciation.

Intangible assets

The purchase of software is only included on the balance sheet if it is expected to be used for several years. In accordance with RAC 9 and 20, it is valued at the purchase cost, less economically necessary amortization, based on the expected useful life. In light of the anticipated merger, migration costs onto the CS platform were fully amortized at December 31, 2006.

Pension Fund

For our current employees in Switzerland, our Bank is affiliated to the Pension Fund of the Credit Suisse Group. The annuity plan is a performance-based plan. The capital plan is based on contributions, and has the same performance objectives as the annuity plan.

Value adjustments and provisions

Specific value adjustments are made for all recognizable risks at the end of the financial year, adopting criteria of prudence.

Taxes

Tax provisions cover all possible charges relating to taxes based on the results for the year. All amounts are recorded under accrued liabilities and deferred income.

Forward transactions and financial derivative instruments

These transactions are mainly carried out on behalf of our clients; transactions for the Bank are exclusively intended to hedge against risks resulting from banking operations. Forward transactions are recorded at their market value. Derivatives used for hedging purposes are valued according to the same principles adopted for the related exposures.

3. Comment on risk management

Risk management forms an integral part of the corporate policy of BGP. Determining and implementing the risk policy is primarily the responsibility of the management, under the supervision of the Board of Directors.

The BGP Board of Directors is informed every quarter in writing of the position of all risks.

The Bank divides its risks into "hard" (market, liquidity, interest rate, credit and country risks) and "soft" (asset management, operational, legal and compliance risks). Hard risks are quantifiable and contained by imposed limits. Soft risks are confined by the Bank's organizational structure, and operational and management controls. A unit in charge of identifying, assessing and supervising risks has been appointed for each risk category.

Market risks for own positions in securities are controlled through a VaR system (according to the definition set in Circular CFB 97/1), and a system of volume controls and stop-loss limits. These are monitored on a daily basis by an independent body.

In managing liquidity risks, the Bank ensures that the capacity to fulfil payment obligations is controlled and guaranteed in accordance with legal banking provisions. The Bank's own positions and their sale are regularly audited.

Interest-rate risks are controlled and managed centrally by the Asset & Liability Committee. To hedge against interest rate risks, the Bank uses typical balance sheet management and derivative financial instruments.

Credit risks are limited by risk distribution, qualitative requirements and collateral. The Bank has a range of credit regulations geared towards risk assessment, and grants loans following an analysis of credit quality and capacity. Credit risks are effectively controlled over the life of the loan by ensuring that ratings are constantly updated and that there is regular communication with the client. The measuring and management of credit risk is based on a rating system provided by Credit Suisse, and includes eight categories of risk. Credit capacity is checked regularly according to the type of collateral. The Bank uses a modern system to analyse and monitor risks. Value adjustments and provisions are audited regularly and amended if necessary.

Outsourcing

Pursuant to the provisions contained in Circular 99/2 of the Federal Banking Commission, the Bank had an outsourcing contract with Biveroni Batschelet Partners AG concerning SECOM and SIC payments systems, which was cancelled during the year.

3. Information on the Balance Sheet

3.1 Overview of collateral received for loans and off-balance sheet transactions

Type of collateral	Mortgage collateral CHF	Other collateral CHF	Unsecured collateral CHF	Total CHF
Loans				
Due from clients	0	120'728'701	181'174	120'909'875
Total as of 31.12.2006	0	120'728'701	181'174	120'909'875
31.12.2005	0	93'198'718	17'292'242	110'490'960
Off-balance sheet transactions				
Contingent liabilities	0	25'775'186	2'042'000	27'817'186
Total as of 31.12.2006	0	25'775'186	2'042'000	27'817'186
31.12.2005	0	20'475'844	156'602	20'632'446

There were no doubtful loans at the end of the year.

3.2 Breakdown of trading portfolios in securities and precious metals, financial assets and non-consolidated shareholdings

	Year 2006 CHF	Year 2005 CHF
Trading portfolio of securities and precious metals		
Interest-bearing securities (unlisted)	0	280'000
Securities investments	0	2'919'867
Trading portfolio of securities and precious metals	0	3'199'867
- of which securities available for repo transactions according to liquidity regulations	0	0

	Nominal value 2006 CHF	Nominal value 2005 CHF	Fair value 2006 CHF	Fair value 2005 CHF
Financial assets				
Interest-bearing securities of which valued according to lowest valuation principle	0	22'048'398	0	22'048'540
Total financial assets	0	22'048'398	0	22'048'540
- of which securities available for repo transactions according to liquidity regulations	0	0		

	Year 2006 CHF	Year 2005 CHF
Non-consolidated shareholdings		
without a market price	133'363	133'363
Total non-consolidated shareholdings	133'363	133'363

3.3 Statement of shareholdings and tangible assets

	Purchase cost CHF	Accumulated depreciation CHF	Book value 1.1.06 CHF	Purchases CHF	Disposals CHF	Depreciation CHF	Book value 31.12.06 CHF
Minority shareholdings	133'363	0	133'363	0	0	0	133'363
Total (minority) shareholdings	133'363	0	133'363	0	0	0	133'363
Building refurbishment	3'685'335	-3'668'648	16'687	0	0	-10'281	6'406
IT system	579'544	0	579'544	2'420'456	0	-3'000'000	0
Furniture and machinery	1'981'789	-1'739'382	242'407	46'400	0	-195'117	93'690
Total tangible assets	6'246'668	-5'408'030	838'638	2'466'856	0	-3'205'398	100'096
cost insured against fire							100'096

3.4 Other assets and liabilities

Replacement value before derivative financial instruments	Assets	31.12.2006 Liabilities	Assets	31.12.2005 Liabilities
- Contracts as a commission agent	3'242'539	3'257'129	7'748'723	7'748'723
- Equalisation account	14'590	0	516'061	0
- Sundry	170'140	5'404'365	245'871	2'235'617
Total	3'427'269	8'661'494	8'510'655	9'984'340

3.5 Assets that are not freely available or with ownership rights

There were no assets not freely available or with ownership rights at the end of either year.

3.6 Liabilities due to the Bank's welfare institutions

The employees of BGP Banca di Gestione Patrimoniale SA, Lugano, belong to the pension provider of the Credit Suisse Group (Switzerland). The annuity plan is a performance-based plan. However, the capital plan was based on contributions and has the same performance objectives as the annuity plan. The pension fund of the Credit Suisse Group (Switzerland) prepares its annual report in accordance with Swiss GAAP RPC 26 regulations. The pension fund has confirmed to BGP that the accounts drawn up in accordance with the above-mentioned regulations as of December 31, 2006, provide for a sufficient level of funds.

The Bank did not have any employer contribution reserves at the end of either year.

In accordance with Swiss Federal Banking Commission communication 38 of January 4, 2006, the Bank waives the right to create any future financial benefit in its statutory report.

At December 31, 2006, payments of CHF 925,471.15 were recorded under "Personnel costs" below (vs. a total of CHF 962,325.10 for 2005)

3.7 Bonds

The Bank had not issued any bonds at the end of either year.

3.8 Value adjustments and provisions, and changes during the year under review

	position at 31.12.2005	Relevant applications	Change of scope	Recrediting doubtful interest income & currency differencies	New creations against income statements	Write-backs credited to income statement	position at 31.12.2006
	CHF	CHF	CHF	CHF	CHF	CHF	CHF
Default risks (delcredere and country risks)	87'834	0	0	0	0	-81'247	6'587
Other operating risks	369'954	0	0	0	27'693	-252'643	145'004
Total value adjustments and provisions	457'788	0	0	0	27'693	-333'890	151'591
minus value adjustments offset against assets	0	-	-	-	-	-	-6'587
Total value adjustments and provisions stated on the balance sheet	457'788	-	-	-	-	-	145'004

3.9 Share capital and majority shareholders with more than 5 % of total voting rights

	Year 2006			Year 2005		
	Nominal value	Number of shares	Dividend bearing capital	Nominal value	Number of shares	Dividend bearing capital
Authorized capital	CHF		CHF	CHF		CHF
Share capital	50'000'000	2'500'000	50'000'000	50'000'000	2'500'000	50'000'000

	Year 2006		Year 2005	
Main shareholders and shareholder groups with voting rights	Nominal value CHF	% share	Nominal value CHF	% share
with voting and dividend rights - Credit Suisse Group, Zurich ¹⁾	50'000'000	100	50'000'000	100

¹⁾ The CS Group was informed through disclosure notifications on September 19 and 20, 2006, that AXA S.A.'s holdings of the Group's shares have exceeded 5% of the voting rights entered in the Commercial Register. All outstanding shares have the same voting rights.

3.10 Statement of net worth

Statement of changes in net worth		CHF
Fully paid-up share capital at the beginning of 2005		50'000'000
General legal reserve		97'538
Retained earnings		1'853'221
Total equity at the beginning of 2006		51'950'759
Profit for 2006		7'135'229
Total equity at the beginning of 2006		59'085'988
of which:	share capital	50'000'000
	retained earnings	9'085'988

3.11 Maturity structure of current assets, financial assets and borrowed funds

	on demand CHF	cancellable CHF	due in 3 months CHF	due 3-12 months CHF	due 1-5 years CHF	due after 5 years CHF	Total CHF
Current assets							
Cash and cash equivalents	3'394'443	0	0	0	0	0	3'394'443
Receivables due to banks	218'661'457	0	238'640'255	13'862'297	0	0	471'164'009
Receivables from clients	0	55'180'916	42'394'972	20'333'987	3'000'000	0	120'909'875
Trading portfolio of securities and precious metals	0	0	0	0	0	0	0
Financial assets	0	0	0	0	0	0	0
Total current assets as of 31.12.2006	222'055'900	55'180'916	281'035'227	34'196'284	3'000'000	0	595'468'327
31.12.2005	81'521'244	64'299'087	589'465'887	25'298'202	19'041'955	1'000'000	780'626'375
Liabilities due to banks	590'689	0	1'500'000	7'962'735	3'000'000	0	13'053'424
Liabilities due to clients	136'701'050	93'896'987	260'623'427	20'426'698	0	0	511'648'162
Total borrowed funds 31.12.2006	137'291'739	93'896'987	262'123'427	28'389'433	3'000'000	0	524'701'586
31.12.2005	509'988'210	761'917	194'851'186	15'795'823	0	0	721'397'136

3.12 Receivables and liabilities in respect of associated companies and loans to corporate officers

	Year 2006	Year 2005
Receivables in respect of associated companies	91'928'912	165'256'209
Liabilities to associated companies	636'080	29'916'614

There were no outstanding loans to corporate officers of the Bank at the end of either year.

This Bank forms part of a group that operates worldwide and has relationships with many other companies in the same group in relation to various types of transaction such as bill paying, stock exchange transactions and custody management. Transactions are managed and effected under the same conditions as those governing third parties.

4. Information on off-balance sheet transactions

4.1 Contingent liabilities

	2006 Total CHF	2005 Total CHF
Loan guarantees and similar instruments	27'817'186	20'632'446

The Bank belongs to the Credit Suisse Group taxpayer group and is jointly and severally liable in respect of the tax authorities regarding VAT obligations.

4.2 Open derivative financial instruments (year-end position)

	positive replacement values CHF	Trading instruments negative replacement values CHF	Contractual volumes CHF
Foreign exchange			
Forward contracts	3'242'539	3'257'129	528'318'912
Subtotal	3'242'539	3'257'129	528'318'912
Total as of 31.12.2006	3'242'539	3'257'129	528'318'912
Total as of 31.12.2006	8'264'781	7'748'723	880'719'405

There were no hedging instruments in place at the end of the year.

4.3 Fiduciary transactions

Foreign currency transactions equivalent in CHF	2006 Total (in CHF)	2005 Total (in CHF)
Investments in other banks	90'868'113	49'739'506
Investments in the group's banks	406'007'893	416'629'236
Year under review	496'876'006	466'368'742

4.4 Client assets

Type of asset	2006 CHF	2005 CHF
BGP investment funds	0	0
Managed assets	495'119'836	340'653'746
Other assets	2'728'789'810	2'923'655'950
Total client assets	3'223'909'646	3'264'309'696
Net inflows	-169'615'171	780'220'312

Client assets are those for which the Bank provides consultancy or asset management services. Assets for which the Bank acts only as custodian or broker are not shown in the table. The same applies to the assets of corporate clients or public entities that have cash, management and treasury functions. Assets under management are classified on receipt of a signed contract and according to the investment policy and risk profile chosen by the client, for which the Bank offers consultancy. Capital reclassifications and transfers of assets under management to assets for which the Bank acts only as custodian bank or broker, based on services offered, have a resulting cash inflow or outflow of new money.

The net inflow figure is a sign of success in acquiring client capital. Net outflow or inflow is calculated using the direct method and is based on individual cash or securities transactions, and the granting or reimbursement of loans. Interest or dividends credited to clients, and debited commission, interest or expenses are not taken into account in calculating net cash inflow as it does not directly affect acquisitions. Similarly, changes due to exchange rate or price variations relating to the securities included in the capital, and the contribution or outflow of arising from acquisitions or disposals by companies do not form part of net cash inflow.

Double counting arises when assets under management are subject to multiple levels of asset management services, each of which represents additional value added for the client and additional income for the Bank. Specifically double counting results from the investment of assets in BGP investment funds or insurance policies. The Bank did not have any double-counting at the end of either year.

5. Information on the income statement

5.1 Income from trading

	31.12.2006 CHF	31.12.2005 CHF
Trading in foreign currencies and banknotes	3'779'455	2'940'952
Securities trading	-22'815	750'731
Total	3'756'640	3'691'683

5.2 Personnel expenses

Fees to corporate officers of the Bank and employees' salaries	-12'497'903	-11'884'571
Welfare contributions	-2'066'149	-1'947'220
Other personnel expenses	-68'060	-52'909
Total	-14'632'112	-13'884'700

5.3 Operating expenses

Building expenses	-981'932	-1'158'652
Computer, plant, furniture, vehicles and other fixtures expenses	-2'723'557	-1'393'823
Other operating expenses	-2'214'468	-1'775'679
Total	-5'919'957	-4'328'154

6. Significant events occurring after the closing date of the balance sheet

On April 27, 2006, Credit Suisse announced its plans to merge the four independent private banks Clariden, BGP Banca di Gestione Patrimoniale, Bank Hofmann and Bank Leu, as well as Credit Suisse Fides, to form Clariden Leu with effect from the beginning of 2007. Under the planned merger on January 26, 2007, with retroactive effect to January 1, 2007, the assets and liabilities of BGP Banca di Gestione Patrimoniale will be transferred to Clariden Bank, and BGP Banca di Gestione Patrimoniale will be deleted as an independent legal company from the commercial register. Under the planned merger on January 26, 2007, with retroactive effect to January 1, 2007, Clariden Bank will be renamed Clariden Leu.

Auditors' report



As statutory auditors, we have audited the accounts and financial statements (balance sheet, income statement, statement of cash flows and notes) of BGP Banca di Gestione Patrimoniale SA for the year ended December 31, 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. These require that an audit is planned and performed to obtain reasonable assurance as to 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 presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accounts and financial statements, as well as the proposed appropriation of distributable profits comply with Swiss law and the company's Articles of Incorporation.

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

KPMG Klynveld Peat Marwick Goerdeler SA

A handwritten signature in black ink, appearing to be 'Daniel Senn', written in a cursive style.

Daniel Senn
Swiss Certified Accountant
Auditor in charge

A handwritten signature in black ink, appearing to be 'Manfred Suppan', written in a cursive style.

Manfred Suppan
Swiss Certified Accountant

Zurich, January 15, 2007

This report is an English translation of the original Italian version. In case of discrepancies the original version takes precedence. The audit opinion was issued based on the audited Italian version of the financial statements for the financial year 2006.

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