



Financial Report 2006
Clariden Bank Group

Report of the Group Auditors



As group auditors, we have audited the consolidated financial statements (balance sheet, income statement, cash flow statement and notes) of Clariden Holding Ltd. for the year ended December 31, 2006.

These consolidated financial statements are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the consolidated financial statements. We have also assessed the accounting principles used, significant estimates made and the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss accounting rules for banks and comply with the requirements of Swiss law.

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

KPMG Klynveld Peat Marwick Goerdeler SA

Daniel Senn
Swiss Certified Accountant
Auditor in charge

Andreas Herbst
Swiss Certified Accountant

Zurich, January 15, 2007

This report is an English translation of the original German version. In case of discrepancies the original version takes precedence.

The audit opinion was issued based on the audited German version of the financial statements for the financial year 2006.

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Clariden Bank, Zurich

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Moving forward together

The lynchpin for the success of Clariden Bank has always been our willingness to change and develop as a bank. Based on this approach, our company achieved the best results of its 33-year history in 2006. The merger with our four sister companies to form Clariden Leu is a further step along this successful path.

The last financial year of Clariden Bank was also the most successful since the Bank was formed in 1973. Supported by the continued upswing in the world economy and equity markets, Clariden Bank continued and further strengthened its upbeat growth trend of recent years.

A significant increase in commission income from asset management, which accounts for three quarters of gross income, and a positive trend in interest and trading income led to a 21.2% rise in the Bank's gross income to CHF 546.9 million (CHF 451.2 million). Thanks to rigorous cost management, operating expenditure rose by just 11.2% to CHF 234.1 million (CHF 210.5 million) in spite of the extraordinary costs in connection with the merger to form Clariden Leu. Operating profit thus rose by 30% to CHF 312.9 million (CHF 240.7 million), and the cost/income ratio improved further to 42.8% (46.7%). Assets under management at Clariden Bank reached CHF 56.3 billion as of the end of 2006, representing a 14.2% increase on the previous year's record level of CHF 49.3 billion.

We are gratified and delighted to have achieved such excellent results once again. They vindicate our determination to continue on the long-established path of continual growth and improvement in the interests of our clients.

A new future together

The merger with Credit Suisse Group's independent private banks Leu, Hofmann, and BGP Banca di Gestione Patrimoniale as well as securities dealer Credit Suisse Fides to form Clariden Leu creates an ideal basis for the continued development, growth, and success of our company. New locations and a significantly strengthened capital base will further strengthen our presence in our existing markets and facilitate our entry into new ones. At the same time, the merger will enable us to enhance our established products and services further by pooling the knowledge and experience of our staff with that of our four sister companies. However, nothing will change in our determination to achieve optimal performance in close interaction and consultation with our clients and markets.

The 2006 financial year was characterized not only by financial success for our company, but also by new challenges and a high intensity of change. As in the past, we were again able to count on the loyalty and trust of our clients and business partners.

It is you, along with all current and former staff, who have made the success of Clariden Bank possible. We would like to thank you sincerely for the valuable contributions you have made and continue to make.



Dr. Alex Hoffmann
Chairman of the
of the Board of Directors



F. Bernard Stalder
Chief Executive Officer

Consolidated Clariden Bank Group

Balance Sheet in CHF 1000

	2006	2005	Deviation
	Current year 31.12.2006	Prior year 31.12.2005	
Assets			
Cash	108 596	48 139	60 457
Money market instruments	50 695	51 628	(933)
Due from banks	1 847 378	1 859 065	(11 687)
Due from customers	2 710 549	2 051 106	659 443
Securities and precious metals trading portfolio	109 498	105 734	3 764
Financial investments	63 274	62 710	564
Participations	2 310	36 639	(34 329)
Fixed assets	126 548	130 023	(3 475)
Intangible assets	5 535	7 531	(1 996)
Accrued income and prepaid expenses	54 460	34 941	19 519
Other assets	531 814	317 352	214 462
Total assets	5 610 657	4 704 868	905 789
Total subordinated claims	0	0	0
Total due from group companies and significant shareholders	0	0	0
Liabilities and shareholders' equity			
Money market instruments	44 997	58 163	(13 167)
Due to banks	1 599 072	1 604 600	(5 528)
Due to customers, other	2 595 624	2 100 052	495 572
Accrued expenses and deferred income	139 125	103 883	35 242
Other liabilities	594 545	326 716	267 829
Valuation adjustments and provisions	22 134	22 863	(729)
Reserves for general banking risks	53 621	53 621	0
Share capital	8 100	8 100	0
Capital reserves	65 612	65 464	148
Retained earnings	240 177	172 324	67 853
Net income	247 651	189 645	58 006
Treasury stock	0	(563)	563
Total liabilities and shareholders' equity	5 610 657	4 704 868	905 789
Total subordinated liabilities	0	0	0
Total due to group companies and significant shareholders	4 879	950	3 929

Off-balance sheet transactions in CHF 1000

Contingent liabilities	211 268	227 283	(16 015)
Irrevocable commitments	31 635	29 846	1 789
Derivative financial instruments			
Positive replacement value	233 203	177 817	55 386
Negative replacement value	235 375	174 338	61 037
Contract volume	12 758 647	10 162 483	2 596 164
Fiduciary transactions	8 547 716	7 064 337	1 483 379

Income Statement in CHF 1000	2006	2005	
	Current year	Prior year	Deviation
Revenues and expenses on ordinary banking activities			
Results from interest activities			
Interest and discount income	172 029	86 917	85 112
Interest and dividend income on trading portfolios	1 681	7 031	(5 350)
Interest and dividend income on financial investments	1 871	2 048	(177)
Interest expenses	(111 296)	(50 371)	(60 925)
Net interest income	64 285	45 625	18 660
Results from commission and service fee activities			
Commission income on lending activities	2 052	1 750	302
Commission income on securities and investment transactions	518 637	423 328	95 309
Commission income on other services	3 139	2 823	316
Commission expenses	(92 986)	(69 025)	(23 961)
Results from commission and service fee activities	430 842	358 876	71 966
Results from trading operations	51 300	45 248	6 052
Other ordinary results			
Results from the sale of financial investments	(36)	896	(932)
Participation income total	38	179	(141)
– Participation income – equity method	(4)	179	(183)
– Participation income – others	42	0	42
Other ordinary income	517	388	129
Other ordinary expenses	0	0	0
Other ordinary results	519	1 463	(944)
Operating expenses			
Personnel expenses	(173 339)	(154 645)	(18 694)
Other operating expenses	(60 726)	(55 898)	(4 828)
Operating expenses	(234 065)	(210 543)	(23 522)
Gross profit	312 881	240 669	72 212
Depreciation and write-offs on non-current assets	(12 581)	(13 803)	1 222
Valuation adjustments, provisions and losses	(1 287)	(3 852)	2 565
Net income prior to extraordinary items and taxes	299 013	223 014	75 999
Extraordinary income	10 238	697	9 542
Extraordinary expenses	(13 192)	(204)	(12 988)
Taxes	(48 408)	(33 862)	(14 546)
Net income	247 651	189 645	58 006

Statement of cash flows in CHF 1000

	2006			2005		
	Source of funds	Appli- cation of funds	Balance of funds	Source of funds	Appli- cation of funds	Balance of funds
Cash-flow from operating results (internal sources)	348 842	140 248	208 594	229 739	130 732	99 007
Net income	247 651	0		189 645	0	
Depreciation and write-offs on non-current assets	12 581	0		13 803	0	
Valuation adjustments and provisions	0	729		1 821	0	
Accrued income and prepaid expenses	0	19 519		0	12 026	
Accrued expenses and deferred income	35 242	0		24 470	0	
Other items	53 368	0		0	706	
Dividend of preceding year	0	120 000		0	118 000	
Cash flow from shareholders' equity transactions	711	1 792	(1 081)	4 628	563	4 065
Share capital	0	0		0	0	
Capital reserves	148	0		0	0	
Retained earnings/Forex differences	0	1 792		4 628	0	
Reserves for general banking risks	0	0		0	0	
Treasury stock	563	0		0	563	
Cash flow from investment activities	35 931	8 713	27 218	1 883	19 251	(17 368)
Participations	34 960	703		1 537	11 611	
Other fixed assets	0	4 938		37	4 912	
Intangible assets	971	3 072		309	2 728	
Cash flow from banking operations						
Medium- and long-term operations (>1 year)	24 241	60 564	(36 323)	42 250	17 979	24 271
Due to banks	0	60 000		5 000	0	
Due to customers, other	205	0		10 200	0	
Due from banks	15 931	0		24 710	0	
Due from customers	8 105	0		0	17 979	
Financial investments	0	564		2 340	0	
Short-term operations	550 772	688 723	(137 951)	1321 975	1413 181	(91 206)
Money market instruments	0	13 167		8 030	0	
Due to banks	54 472	0		756 831	0	
Due to customers, other	495 367	0		468 062	0	
Due from money market instruments	933	0		55 298	0	
Due from banks	0	4 244		0	827 153	
Due from customers	0	667 548		0	586 028	
Securities and precious metal trading portfolio	0	3 764		33 754	0	
Change of cash position	(60 457)	0	(60 457)	(18 769)	0	(18 769)
Cash previous year	48 139	0		29 370		
Cash actual year	108 596	0		48 139		

Consolidation and Valuation Principles

1. Financial statements reporting principles

The consolidated financial statements are drawn up in accordance with the Swiss Federal Law on Banks and Savings Banks (BankL), the Implementing Ordinance on Banks and Savings Banks (BankO) and the Federal Banking Commission Guidelines of December 14, 1994 (BAG-FBC). The annual financial statements of the Group are prepared in accordance with uniform presentation and valuation principles and present a true and fair view of the assets & liabilities, the financing and the revenues situation.

Required information about the risk management according to the Implementing Ordinance on Banks and Savings Banks and the Federal Banking Commission Guidelines to Art. 23 to 27 BankO is shown in the financial report of Clariden Bank Ltd.

1.1 Consolidation principles

1.1.1 Consolidation method

Capital consolidation is performed as of the date of acquisition or incorporation applying the purchase method of accounting. The difference between the purchase price and the equity acquired representing goodwill was offset against shareholders' equity as of end 1997. The goodwill of the consolidated subsidiaries acquired after January 1, 1998 is capitalized under *intangible assets*.

1.1.2 Fully consolidated investments

The consolidated financial statements include the financial statements of Clariden Holding Ltd and all of its main subsidiaries active in the field of banking and finance. Using the full consolidation method, assets and liabilities, off-balance sheet transactions and income and expense items of those subsidiaries in which Clariden Holding Ltd holds, directly or indirectly, over 50% of the voting right interests as of December 2006, are included. The parts of the annual profit of the subsidiaries attributable to third parties (minority interests) are included in *shareholders' equity and group profit*, respectively, but disclosed in a separate line item. All significant receivables and payables, off-balance sheet transactions and income and expense items including gains and losses between Group companies are eliminated. Intercompany profits are eliminated as well.

1.1.3 Unconsolidated investments

Minority shareholdings of 20 % to 50 % in entities which are active in the fields of banking and finance and over which a significant influence is exercised are included in the consolidated financial statements using the equity valuation method. Under this method, the parts of equity attributable to the Group are accounted for on the balance sheet under

the caption *participations* and the attributable share of earnings is recorded in the income statement under the caption *income from participations*.

Participations of less than 20 %, or those which are held temporarily, are included on the balance sheet at acquisition cost, less write-offs considered necessary due to permanent impairment in value. A list of Group companies and participations (incl. qualifying participations in caption *Financial Investments*) is included in table 3.3 of the financial report.

1.1.4 Date of consolidation

Those companies which are fully consolidated close their financial years as of December 31. Clariden Holding Ltd closes its financial year as of February 28.

1.1.5 Changes in the circle of consolidation

Companies which were purchased or sold during the financial year are included in the consolidation as of their date of acquisition, or excluded from it as of the disposal date.

1.1.6 Foreign currency transactions in statutory financial statements

Foreign currencies denominated income and expense items in the statutory financial statements of Group companies are translated at their respective daily rates, whereas assets and liabilities denominated in foreign currencies are translated at year-end rates or, in case of transactions which hedged currency risks, at hedging rates. Gains and losses arising from foreign currency transactions are recognized in *trading revenue*.

1.1.7 Translation of statutory financial statements for the purposes of consolidation

The financial statements of foreign Group companies are translated for the purpose of consolidation at year-end exchange rates with respect to balance sheet and off-balance sheet positions. Invested equity in Group companies is valued at historical rates, with changes in value converted at current rates. The income statements are translated using the average rate prevailing throughout the year. Differences arising from the translation of shareholders' equity and the income statement are recorded as foreign exchange difference and shown separately within the proof of shareholders' equity.

2. Principles of presentation and valuation

Uniform guidelines regarding presentation and valuation principles apply to all Group companies.

2.1 Recording of transactions

Trade-date accounting is uniformly applied to all types of financial transactions.

2.2 Repurchase and reverse purchase transactions

The Bank enters into securities purchases under agreements to resell and sale of securities under agreements to repurchase substantially identical securities. Such agreements normally do not constitute economic sales and are therefore treated as financing transactions. Securities sold subject to such agreements continue to be recognized on the balance sheet. The proceeds from the sale of these securities are recorded as liabilities. Securities purchased under agreements to resell are recognized as loans collateralised by securities or as cash deposits against which securities are pledged.

Transactions in which economic control over the securities transferred has been relinquished are reported as purchases or sales with a related forward commitment to resell or repurchase the securities.

2.3 Transactions in non-monetary assets (Securities lending & borrowing)

Securities lending & borrowing transactions that are collateralized by cash are included on the balance sheet at amounts equal to the cash advanced or received. Securities lent or securities provided as collateral for securities borrowed continue to be recognized on the balance sheet at their carrying value unless economic control over the securities provided has been transferred. Securities borrowed and securities received as collateral for securities lent are only recognized on the balance sheet if economic control over the securities has been transferred. Lending fees earned or incurred are recognized as *interest income* or *interest expense* from the banking business.

2.4 Due from money-market papers, banks and customers

Receivables are recorded on the balance sheet at their nominal values and the unearned discount is accrued over the remaining time-to-maturity. Receivables, for which it is unlikely that the debtor will fulfil his obligations, are considered at risk and are recorded at liquidation value. Receivables are considered being at risk if agreed repayments on the principal amount and/or interest are overdue for over 90 days. For receivables at risk, specific valuation adjustments are made considering the prudence principle based on continuous and extensive analysis of the concerned client relationships taking into account the specific counter-party risk and the net realizable value of the collateral provided. Interest and commissions that are at risk are value adjusted and only credited to *interest income* after cash collection thereof will have been made.

Provisions required in accordance with the rules of the Swiss Bankers Association are established with respect to receivables exposed to country risk, which are recorded on the balance sheet under the position *valuation adjustments and provisions*.

2.5 Trading portfolios of securities and precious metals

Marketable securities, remaining issues from initial public offerings and precious metal positions that are held for the purpose of short-term profit making are shown in the balance sheet item *securities and precious metal trading portfolios*.

Trading balances in bonds, equities and similar papers and precious-metal positions / accounts are valued at fair value as of balance sheet date. Positions, which are not traded at a recognized exchange or for which no representative market exists, are valued at lower of cost or market.

Revaluation gains and losses as well as realized gains and losses on trading balances are recorded under *revenues from trading activities*. Interest and dividend income from securities trading are recorded in *revenues from interest-differential business*.

2.6 Financial investments

Securities and precious metals acquired with the intention of a long-term investment are accounted for as financial investments. Premium and discounts of fixed interest-bearing debt securities which are intended to be held until maturity are accrued until time-to-maturity (accrual method). Realized interest-related gains or losses arising upon premature sale or repayment are accrued over the remaining time-to-maturity and recorded as *revenues from the interest-differential business*.

Investment positions in participations and debt securities which are, in principle, destined to be resold and which do not constitute trading portfolios are valued using the lower of cost or market principle. Purchase costs and market values of these portfolios are disclosed in the notes to the financial statements. Gains in excess of purchase cost realized upon the disposal of financial investments are accounted for as *gains from sale of financial investments*; losses are accounted for as *other ordinary expenses*. Declines in value due to changes in market prices, valuation adjustments necessary to reflect credit risks and subsequent recoveries in value up to purchase cost are accounted for under *other ordinary income / expense* respectively.

2.7 Fixed assets

Real estate investments are capitalized at purchase price plus value-enhancing investments, less economically required amortisation. New buildings are depreciated over 67 years and building improvements are amortized over five or ten years. No amortization is recorded on land with the exception of adjustments to the realizable market value.

Other fixed assets (fixtures and fittings, leasehold improvements, IT and telecommunication equipment, furniture, motor vehicles, etc.) are amortized over their estimated useful lives of three to five years.

Impairment tests are performed yearly for fixed assets and whenever there is evidence that their book value exceeds the realizable market value the respective asset will be adjusted accordingly.

2.8 Intangible Assets

External costs related to the acquisition, installation and development of software are capitalized if they have a measurable future economic benefit. Capitalized software costs are depreciated on a straight-line basis over the estimated useful life of the software, normally not exceeding 3 years.

Identifiable intangible assets are generally acquired through acquisition and other transfer of assets. Acquired intangible assets are initially recorded at fair value and depreciated over their estimated useful life, not to exceed 20 years.

Goodwill represents the excess of purchase price over the estimated fair value of net assets acquired at the acquisition date. Goodwill is amortized using the straight-line method over its estimated useful life, not to exceed 20 years.

It is the Bank's policy to test for impairment annually and whenever events or circumstances indicate that the carrying value of an intangible asset may not be recoverable, an adjustment to the recoverable value will be made.

2.9 Other assets and liabilities

These balance sheet positions mainly comprise positive and negative replacement values resulting from the valuation of open derivative contracts and the compensation accounts. The compensation accounts are used for recording positive and negative replacement values which result from the valuation of interest rate swaps employed for asset & liability management purposes which are not recognized in the income statement.

2.10 Valuation adjustments and provisions

Specific valuation adjustments and provisions are established for all recognizable risks, following the principle of prudence. Valuation adjustments are deducted directly from the related assets. Recoveries of receivables written off in prior periods are credited to this position. There are no general credit provisions built up.

Country risk provisions are made in accordance with the Swiss Bankers Association regulations for any positions exposed to it.

2.11 Reserves for general banking risks

Reserves for general banking risks are established to cover for latent risks to which the Bank is exposed during the normal course of business. Changes to the reserves for general banking risks are recorded as *extraordinary income or expense*.

2.12 Contingent liabilities, non-cancellable facilities granted, capital-contribution and similar commitments as well as fiduciary placements

These transactions are disclosed as off-balance sheet items at their nominal value. Specific provisions are established for potential risks.

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.

2.13 Forward positions and derivatives products

Disclosure under off-balance sheet items and the notes to the financial statements

Gross replacement values of the individual contracts in derivative financial instruments including forward positions (interest rate and currency swaps, options on equity, equity indices, foreign currency, precious metal and interest rate products, financial futures as well as forward rate agreements), together with related contract volumes, are disclosed as off-balance items and in the notes to the financial statements.

Balance sheet presentation

Replacement values arising from contracts entered into as principle are accounted for in *other assets / liabilities*, irrespective of how they are treated for income statement purposes. The difference resulting from any differing treatment for income statement purposes is shown in a compensation account under *other assets / liabilities*. The replacement values arising from exchanged-traded and over-the-counter contracts concluded as commission agent are always recorded even if they are covered.

Income statement treatment

Forward positions in foreign currency, precious metals and securities as well as trading positions in derivative financial instruments are valued mark-to-market as of balance sheet date. The net gains and losses (after deducting costs in connection with these transactions directly related to the trade) are allocated to the trading revenues of the related business area (securities, foreign currency, precious metals, interest rate instruments).

Interest-rate swaps which are used for the purposes of global asset & liability management are recognized in accordance with the "accrual method" (accruing of gains/losses and interest over the total time-to-maturity of the instrument). Hedging instruments are valued using the same valuation methods as used for the underlying hedged transactions.

2.14 Income and expenses (if not already mentioned)

Pension costs

Employees are covered by legally independent pension funds according to a defined contribution plan. Employer's contributions are transferred to the pension funds and are recorded as personnel costs.

Tax expenses and deferred taxes

Current income tax expense is calculated on the basis of the annual results of the individual financial statements of the Group companies. Deferred tax assets and liabilities are recognized for expected future tax consequences of temporary differences between the consolidated financial statement's carrying amounts and the tax bases of assets and liabilities. Deferred tax assets and liabilities are calculated based on expected tax rates and are recorded in *other assets and valuation adjustments and provisions*, respectively. Deferred income tax expense represents the net change in the deferred tax asset or liability balance during the year and is charged to *tax expense*, except to the extent the change relates to transactions recognized directly in *shareholders' equity*. This amount together with income taxes payable or receivable in the current year represents the *total income tax expense* for the year. Deferred tax assets for net operating loss carry forwards are recognized when it is probable that future taxable profits will be available against which those losses can be offset. Other deferred tax assets are recognized subject to management's judgment that realization is probable.

Extraordinary income / expense

The extraordinary expense amounted to CHF 13 192 000 in the reporting period stemming mostly from restructuring charges and costs originating from previous periods. The extraordinary income of CHF 10 238 000 consists mainly of disposals of participations, liquidation proceeds, dissolution of deferred tax liabilities, AHV reimbursement and reversals for individual valuation adjustments made for receivables at risk that are no more necessary.

2.15 Events subsequent to the balance sheet date

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 together with Credit Suisse Fides with effect from the beginning of 2007 into a single autonomous bank, Clariden Bank. In the course of the planned merger on January 26, 2007, Clariden Bank will be renamed Clariden Leu retroactive to January 1, 2007.

As a consequence of the merger, employees of Clariden Bank will be transferred to the Credit Suisse staff pension fund with effect from January 1, 2007. The current staff pension funds of Clariden Bank will be transferred to the Credit Suisse staff pension fund and dissolved as legally independent foundations. The transfer of Clariden Bank employees will be treated as a partial liquidation by the current Clariden Bank staff pension funds.

3. Information concerning the consolidated balance sheet

Notes to the consolidated financial statements are presented according to Article 25c BankO.

3.1 Summary of collateral for loans and off-balance sheet transactions in CHF 1000

Balance as per 31.12.2006

Loans	mortgage secured collateral	Type of collateral		Total
		other collateral	without collateral	
Due from customers	4 725	2 685 597	20 227	2 710 549
Total loans	4 725	2 685 597	20 227	2 710 549
Prior year	0	2 025 928	25 178	2 051 106
Off-balance sheet transactions				
Contingent liabilities	0	211 174	94	211 268
Irrevocable commitments	0	31 635	0	31 635
Total off-balance sheet transactions	0	242 809	94	242 903
Prior year	0	257 051	78	257 129

Impaired Loans / Receivables in CHF 1000

	Total Amount of Debt	Estimated Liquidation Value of Collateral	Net Amount of Debt	Individual Value Adjustments
	285	0	285	285
Total current year	285	0	285	285
Prior year	500	0	500	500

3.2 Trading portfolios of securities and precious metals, financial investments and participations in CHF 1000

	2006	2005	Deviation
	Current year 31.12.2006	Prior year 31.12.2005	
Securities and precious metal trading portfolios			
Debt securities	24 106	56 840	(32 734)
exchange listed	0	20 846	(20 846)
unlisted	24 106	35 994	(11 888)
Equities	85 324	48 767	36 557
Precious metals	68	127	(59)
Total securities and precious metals trading portfolios	109 498	105 734	3 764
thereof repurchase transactions with securities in accordance with the liquidity requirements	0	0	0
Financial investments			
Debt securities	60 355	60 382	(27)
of which held to maturity	60 000	60 000	0
of which lower of cost or market principle book value	355	382	(27)
fair value	60 355	60 382	(27)
Equities	60 338	62 000	(1 662)
	2 919	2 328	591
Total financial investments	63 274	62 710	564
thereof repurchase transactions with securities in accordance with the liquidity requirements	60 000	60 000	0
Participations			
with market value	0	0	0
without market value	2 310	36 639	(34 329)
Total participations	2 310	36 639	(34 329)

3.3 Name of company, domicile, business activities, share capital and ownership proportion of significant participations (votes and capital as well as contractual ties, if any)

As of the balance sheet date, Clariden Bank Group held the following material participations:

Firm	Seat	Share capital in 1000	Participation
Clariden Bank AG	Zurich	CHF 10 000	100%
Clariden Trust Management AG	Zurich	CHF 100	100%
CBL Treuhand AG	Vaduz	CHF 50	100%
Clariden Trust (New Zealand) Ltd.	Auckland	NZD 100	100%
Clariden Asset Management (Singapore) Pte Ltd.	Singapore	SGD 500	100%
Clariden Asset Management (Hongkong) Ltd.	Hongkong	HKD 2 000	100%
Clariden Asset Management (UK) Ltd.	London	GBP 1 000	100%
Clariden Asset Management (Monaco) S.A.M.	Monaco	EUR 450	100%
Clariden Asset Management (Dubai) Ltd.	Dubai	USD 500	100%
Clariden Middle East S.A.L	Beirut	USD 100	100%
Clariden Trust (Cayman) Ltd.	George Town	CHF 701	100%
Clariden Financial Products (Guernsey) Ltd.	St. Peter Port	GBP 20	100%
Clariden Bank (Guernsey) Ltd.	St. Peter Port	USD 14 193	100%
Clariden Trust Singapore Ltd.	Singapore	SGD 300	100%
Clariden Beteiligungen AG	Zurich	CHF 1 000	100%
Clariden Brazil Ltda.	Sao Paulo	BRL 565	99%
Clariden Argentina Ltd.	Buenos Aires	USD 100	95%
Clariden Immobilien AG	Zurich	CHF 965	100%
Sodefi Holding AG	Zug	CHF 120	50%

Clariden Bank Group entities are specialized in private banking business.

3.4 Summary of non-current assets in CHF 1000

	Historical cost	Write-offs/ acc. depre- ciation	Book value prior year	Reclassifi- cations	Additions	Disposals	Write-offs/ acc. depre- ciation	Book value 31.12.2006
Participations								
Equity-Method	36 006	679	35 327	0	0	34 960	0	367
other participations	4 697	3 385	1 312	0	703	0	72	1 943
Total participations	40 703	4 064	36 639	0	703	34 960	72	2 310
Bank building(s)	155 368	34 920	120 449	0	0	0	2 671	117 778
Other fixed assets	88 619	79 045	9 574	0	4 938	0	5 742	8 770
Total bank building(s) and other fixed assets	243 987	113 965	130 023	0	4 938	0	8 413	126 548
Goodwill	2 121	1 348	773	0	0	0	212	561
Other intangible assets	44 156	37 398	6 758	0	3 072	971	3 884	4 974
Total intangible assets	46 277	38 746	7 531	0	3 072	971	4 096	5 535
Fire insurance value of real estate					59 681			
Fire insurance value of other fixed assets					23 518			
Commitments: future leasing instalments under operation leases					2 114			

3.5 Disclosure of capitalized formation expenses, costs incurred in connection with capital increases and organization costs

There are no such expenses stemming from costs related to foundation, capital increase and reorganization.

3.6 A) Pledged or assigned assets as well as assets under title retention, without lending business and repurchase agreements with securities in CHF 1 000

	2006	2005
	Current year 31.12.2006	Prior year 31.12.2005
Asset value of the pledged and assigned by way of collateral assets:	35 000	35 000
Effective obligations	0	0

B) Lending business and repurchase agreements with securities in CHF 1 000

	2006	2005
	Current year 31.12.2006	Prior year 31.12.2005
Receivables from cash deposits in connection with securities borrowing	0	0
Obligations from cash deposits in connection with securities lending	0	0
Securities at own disposal lent in connection with securities lending or delivered as collateral in connection with securities borrowing	6 851	2 373
of which with unrestricted right to resell or pledge granted	0	0
Borrowed securities as collateral in connection with securities lending or securities borrowing with unrestricted resell- or repledge right	6 851	2 374
of which repledged or resold securities	0	0
Receivables from cash deposits in connection with reverse-repurchase business	0	0
Obligations from cash deposits in connection with repurchase business	0	0
Securities at own disposal transferred in connection with repurchase transactions	0	0
of which with unrestricted right to resell or pledge granted	0	0
Received securities in connection with reverse-repurchase transactions with unrestricted resell- or repledge rights	0	0
of which repledged or resold securities	0	0

3.7 Liabilities to own pension plans in CHF 1000

	2006	2005
	Current year 31.12.2006	Prior year 31.12.2005
Liabilities to own pension plans	8 222	4 942

The employee benefit obligations are accomplished as a legally independent Staff Welfare Foundation, the purpose of which is to provide the Bank's employees and their dependants and survivors with benefits safeguarding them against the economic consequences of old age, disability and death. The benefits are financed by the contributions of the employer and employees. There is no freely available surplus or deficit over the reserve that has to be disclosed in the financial statements according to the Swiss Financial Reporting Standard 'Swiss GAAP FER 16'.

The obligation of Clariden Bank Group with respect to the pension fund is limited to the payment of the contributions specified in the regulations. This means that neither assets nor liabilities are included in the balance sheet. The employer's contribution of TCHF 10 081 (previous year TCHF 9 547), included in the personnel expenses, corresponds to the booked expenditure. No additional obligations for Clariden Bank Group exist.

By 31.12.2005 employer's contribution fund reserves were TCHF 7 487.

The final amount for the reporting period 2006 will be determined definitively during the the first half of 2007.

3.8 Outstanding bond issues

The Bank did not have any transactions relating to bonds issues in the current or prior year.

3.9 Valuation adjustments, provisions and reserves for general banking risks in CHF 1000

	Balance at end of prior year	Use conform with purpose and reversals	Recoveries doubtful interest and forex differences	New provision charged to income	Releases to income	Balance at end of current year
Provisions for deferred taxes	16 583	0	0	814	(132)	17 265
Valuation adjustments and provisions for default risks						
Valuation adjustments and provisions for default risks (credit and country risks)	500	0	0	0	(215)	285
Valuation adjustments and provisions for other business risks	0	0	0	0	0	0
Other provisions	6 280	(2 698)	0	1 287	0	4 869
Subtotal	6 780	(2 698)	0	1 287	(215)	5 154
Total valuation adjustments and provisions	23 363	(2 698)	0	2 101	(347)	22 419
Less: Valuation adjustments directly netted with assets	(500)	0	0	0	215	(285)
Total valuation adjustments and provisions as per balance sheet	22 863	(2 698)	0	2 101	(132)	22 134
Reserves for general banking risks	53 621	0	0	0	0	53 621

3.10 Capital structure in CHF 1000

Capital structure	2006			2005		
	Total nominal value	Current year Number of shares	Dividend bearing capital	Total nominal value	Prior year Number of shares	Dividend bearing capital
Share capital (registered shares)	7 100	710 000	7 100	7 100	710 000	7 100
Participation capital	1 000	100 000	1 000	1 000	100 000	1 000
Total capital	8 100	810 000	8 100	8 100	810 000	8 100
Remain's conditional participation capital	400	4 000		400	4 000	
Significant shareholders and shareholder groups with voting rights	Nominal in CHF 1000	Current year participation in %		Nominal in CHF 1000	Prior year participation in %	
with voting rights						
Credit Suisse Group, Zurich ¹⁾	7 100	87.60		7 100	87.60	
without voting rights						
Clariden CPC Ltd. (new: Clariden Immobilien Ltd.), Zurich	0	0		585	7.25	
Clariden CPC 2 Ltd. (new: Clariden CPC Ltd.), Zurich	1 000	12.40		405	5.02	
Clariden Holding AG, Zurich	0	0		10	0.13	

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.

3.11 Proof of shareholders' equity in CHF 1000

	2006	2005
	Current year 2006	Prior year 2005
Shareholders' equity, at beginning of current year		
Share capital paid-in	7 100	7 100
Participation capital paid-in	1 000	1 000
Capital reserves	65 464	65 464
Retained earnings brought forward	172 324	127 227
Reserves for general banking risks	53 621	53 621
Net income prior year	189 645	158 468
Treasury stock	(563)	0
Total shareholders' equity at beginning of the year	488 591	412 880
+ Increase in participation capital	0	0
+ Increase in capital reserves due to dividend payment of own shares	148	0
+/- Increase in retained earnings/changes in scope of consolidation	0	0
+ Increase reserves for general banking risks	0	0
- Dividend of Clariden Holding Ltd.	(120 000)	(118 000)
+ Net income of current year	247 651	189 645
- Own shares/participations	563	(563)
+ Foreign exchange differences	(1 792)	4 629
Total shareholders' equity at end of the year	615 161	488 591
Thereof:		
Share capital paid-in	7 100	7 100
Participation capital paid-in	1 000	1 000
Capital reserves	65 612	65 464
Retained earnings	240 177	172 324
Reserves for general banking risks	53 621	53 621
Net income current year	247 651	189 645
Treasury stock	0	(563)

3.12 Maturity structure of current assets and borrowed funds in CHF 1000

Balance as per 31.12.2006	Maturities						Total
	At sight	Redeem-able by notice	within 3 months	within 3 to 12 months	within 12 month to 5 years	after 5 years	
Current assets							
Cash	108 596	0	0	0	0	0	108 596
Money market instruments	1 164	0	49 531	0	0	0	50 695
Due from banks	495 116	0	1 318 757	31 314	2 191	0	1 847 378
Due from customers	412 183	0	1 901 217	374 316	22 833	0	2 710 549
Securities and precious metal trading portfolios	109 498	0	0	0	0	0	109 498
Financial investments current year	2 919	0	0	355	25 000	35 000	63 274
Total current assets current year	1 129 476	0	3 269 505	405 985	50 024	35 000	4 889 990
Prior year	1 410 255	0	2 001 072	657 613	49 442	60 000	4 178 382
Borrowed funds							
Money market instruments	1 077	0	32 587	8 975	2 358	0	44 997
Due to banks	80 346	0	1 109 855	403 871	5 000	0	1 599 072
Due to customers, other	1 453 397	0	1 109 467	22 355	10 405	0	2 595 624
Total borrowed funds current year	1 534 820	0	2 251 909	435 201	17 763	0	4 239 693
Prior year	2 122 445	0	745 489	794 726	100 155	0	3 762 815

3.13 Amounts due from and due to affiliated entities as well as loans and exposures to the members of the Bank's governing bodies in CHF 1000

	2006	2005
	Current year 31.12.2006	Prior year 31.12.2005
Due from affiliated entities	958 732	1 260 196
Due to affiliated entities	2 629 803	1 223 431
Due from the Bank's governing bodies	20 265	22 897
Due to the Bank's governing bodies	0	0

In year 2006 Clariden Bank Group performed transactions with Credit Suisse Group entities which included trading transactions and service provisioning. All transactions were exclusively performed at market conditions.

Due to the bank's governing bodies includes collateral loans with a maturity between 3 and 10 years to the members of the board of directors and executive board. The market interest rate was used including a reduced credit margin. There is no due from Bank's governing bodies reported for the financial year 2006.

3.14 Balance sheet by domestic and foreign origin in CHF 1000

	2006			2005		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Assets						
Cash	108 049	547	108 596	48 050	89	48 139
Money market instruments	41 164	9 531	50 695	43 730	7 898	51 628
Due from banks	446 232	1 401 146	1 847 378	635 272	1 223 793	1 859 065
Due from customers	145 071	2 565 478	2 710 549	150 328	1 900 778	2 051 106
Securities and precious metal trading portfolio	19 424	90 074	109 498	1 003	104 731	105 734
Financial investments	62 919	355	63 274	62 328	382	62 710
Non-consolidated participations	2 310	0	2 310	36 639	0	36 639
Fixed assets	123 355	3 193	126 548	128 701	1 322	130 023
Intangible assets	5 535	0	5 535	7 531	0	7 531
Accrued income and prepaid expenses	43 497	10 963	54 460	25 527	9 414	34 941
Other assets	508 884	22 930	531 814	316 803	549	317 352
Total assets	1 506 440	4 104 217	5 610 657	1 455 912	3 248 956	4 704 868
Liabilities and shareholders' equity						
Money market instruments	44 997	0	44 997	58 163	0	58 163
Due to banks	323 189	1 275 883	1 599 072	918 419	686 181	1 604 600
Due to customers, other	1 026 112	1 569 512	2 595 624	1 098 600	1 001 452	2 100 052
Accrued expenses and deferred income	118 919	20 206	139 125	91 407	12 476	103 883
Other liabilities	584 329	10 216	594 545	326 515	201	326 716
Valuation adjustments and provisions	21 915	219	22 134	22 412	451	22 863
Reserves for general banking risks	53 621	0	53 621	53 621	0	53 621
Share capital	8 100	0	8 100	8 100	0	8 100
Capital reserves	65 612	0	65 612	65 464	0	65 464
Retained earnings brought forward	240 177	0	240 177	172 324	0	172 324
Net income	247 651	0	247 651	189 645	0	189 645
Treasury stock	0	0	0	(563)	0	(563)
Total liabilities and shareholders' equity	2 734 622	2 876 035	5 610 657	3 004 107	1 700 761	4 704 868

3.15 Assets by countries / country groups in CHF 1000

	2006		2005	
	absolute	Current year 31.12.2006 share in %	absolute	Prior year 31.12.2005 share in %
Switzerland	1 506 440	26.85	1 455 912	30.94
Liechtenstein	25 100	0.45	20 956	0.45
Total industrialized countries other than Switzerland/Liechtenstein	1 945 447	34.67	1 796 841	38.19
thereof Europe	1 787 120	31.85	1 476 485	31.38
thereof USA/Canada	149 734	2.67	300 280	6.38
thereof Japan	8 593	0.15	20 076	0.43
Financial markets outside industrial countries	490 528	8.74	68 693	1.46
Hongkong	63 289	1.13	37 493	0.80
Singapore	427 239	7.61	31 200	0.66
Other countries	1 643 142	29.29	1 362 466	28.96
Total assets	5 610 657	100.00	4 704 868	100.00

3.16 Balance sheet by currencies in CHF 1000

Balance as per 31.12.2006

Assets	Currencies							Total
	CHF	USD	EUR	JPY	GBP	Others		
Cash	103 330	378	3 854	1	298	735	108 596	
Money market instruments	40 001	322	54	0	403	9 915	50 695	
Due from banks	334 264	650 101	509 367	26 943	72 814	253 889	1 847 378	
Due from customers	317 369	1 288 197	663 491	216 095	135 852	89 545	2 710 549	
Securities and precious metal trading portfolios	2 862	16 574	14 573	1 424	24 609	49 456	109 498	
Financial investments	62 753	355	166	0	0	0	63 274	
Non-consolidated participations	2 310	0	0	0	0	0	2 310	
Fixed assets	124 226	0	768	0	1 497	57	126 548	
Intangible assets	5 535	0	0	0	0	0	5 535	
Accrued income and prepaid expenses	11 796	26 631	10 911	1 133	3 436	553	54 460	
Other assets	132 068	228 129	136 187	6 945	10 176	18 309	531 814	
Total assets	1 136 514	2 210 687	1 339 371	252 541	249 085	422 459	5 610 657	
Delivery claims from spot exchange deals, forward exchange deals and currency options transactions	1 242 692	603 532	1 472 780	166 023	42 878	131 941	3 659 846	
Total assets	2 379 206	2 814 219	2 812 151	418 564	291 963	554 400	9 270 503	
Liabilities								
Money market instruments	1 203	10 567	3 829	0	29 354	44	44 997	
Due to banks	217 186	742 148	317 677	135 549	118 979	67 533	1 599 072	
Due to customers, other	214 505	998 673	815 823	203 800	74 448	288 375	2 595 624	
Accrued expenses and deferred income	107 075	14 795	6 515	78	9 191	1 471	139 125	
Other liabilities	69 512	405 298	40 546	25 915	17 431	35 843	594 545	
Valuation adjustments and provisions	21 915	0	0	0	0	219	22 134	
Reserves for general banking risks	53 621	0	0	0	0	0	53 621	
Share capital	8 100	0	0	0	0	0	8 100	
Capital reserves	65 612	0	0	0	0	0	65 612	
Retained earnings brought forward	240 177	0	0	0	0	0	240 177	
Net income	247 651	0	0	0	0	0	247 651	
Treasury stocks	0	0	0	0	0	0	0	
Total liabilities	1 246 557	2 171 481	1 184 390	365 342	249 403	393 484	5 610 657	
Delivery claims from spot exchange deals, forward exchange deals and currency options transactions	253 085	2 021 410	1 075 730	116 153	41 151	219 530	3 727 059	
Total liabilities	1 499 642	4 192 891	2 260 120	481 495	290 554	613 014	9 337 716	
Net-position per currency	879 564	(1378 672)	552 031	(62 931)	1 409	(58 614)	(67 213)	

3.17 Analysis of other assets and liabilities in CHF 1000

	2006	2005
	Current year 31.12.2006	Prior year 31.12.2005
Other assets		
Positive replacement values	233 203	177 817
Credit balance from adjustment account	0	5 267
Settlement accounts only	16 730	2 813
Balance from interbank business transactions	277 845	128 594
Indirect taxes	4 036	2 861
Total other assets	531 814	317 352

	2006	2005
	Current year 31.12.2006	Prior year 31.12.2005
Other liabilities		
Negative replacement values	235 375	174 338
Debit balance from adjustment account	325	0
Settlement accounts only	369	42
Balance from interbank business transactions	349 185	145 306
Indirect taxes	9 291	7 030
Total other liabilities	594 545	326 716

4. Information on off-balance sheet transactions

4.1 Analysis of contingent liabilities in CHF 1000

	2006	2005	Deviation
	Current year 31.12.2006	Prior year 31.12.2005	
Contingent liabilities			
Guarantees to secure credits and similar	211 268	227 283	(16 015)
Other contingent liabilities	0	0	0
Total contingent liabilities	211 268	227 283	(16 015)

4.2 Analysis of credit commitments in CHF 1000

	2006	2005	Deviation
	Current year 31.12.2006	Prior year 31.12.2005	
Credit commitments			
Acceptance liabilities	0	0	0
Other credit commitments	31 635	29 846	1 789
Total credit commitments	31 635	29 846	1 789

4.3 Analysis of fiduciary transactions in CHF 1000

	2006	2005	Deviation
	Current year 31.12.2006	Prior year 31.12.2005	
Fiduciary transactions			
Fiduciary placements with third-party banks	6 301 063	4 723 705	1 577 358
Fiduciary placements with group banks and affiliated banks	1 416 940	1 095 723	321 217
Fiduciary credits and other fiduciary financial transactions	829 713	1 244 909	(415 196)
Total fiduciary transactions	8 547 716	7 064 337	1 483 379

4.4 Outstanding derivative instruments in CHF 1000

Balance as per 31.12.2006

	Trading instruments			"Hedging" instruments			
	Positive replacement value	Negative replacement value	Contract-volume	Positive replacement value	Negative replacement value	Contract-volume	
Interest rate instruments							
Forward contracts including FRAs	0	0	0	0	0	0	
Swaps	0	0	0	1 837	5 228	260 090	
Futures	0	0	206 678	0	0	0	
Options (OTC)	759	759	170 912	0	0	0	
Options (exchange traded)	0	0	0	0	0	0	
Foreign exchange / precious metals							
Forward contracts	48 765	47 846	8 150 818	0	0	0	
Combined interest rate and currency swaps	0	0	0	0	0	0	
Futures	0	0	9 171	0	0	0	
Options (OTC)	8 872	9 038	914 986	0	0	0	
Options (exchange traded)	0	0	317	0	0	0	
Shares / Indices							
Forward contracts	0	0	0	0	0	0	
Futures	217	0	264 637	0	0	0	
Options (OTC)	70 204	76 879	1 977 754	0	0	0	
Options (exchange traded)	102 548	95 625	803 285	0	0	0	
Other							
Forward contracts	0	0	0	0	0	0	
Futures	0	0	0	0	0	0	
Options (OTC)	0	0	0	0	0	0	
Options (exchange traded)	0	0	0	0	0	0	
Total before consideration of netting contracts							
	Reporting year	231 366	230 147	12 498 558	1 837	5 228	260 090
	Prior year	177 667	166 731	9 720 068	150	7 607	442 415
Total after consideration of netting contracts							
		Positive replacement values (accumulated)		233 203			
		Negative replacement values (accumulated)		235 375			

4.5 Client assets in CHF 1000

	2006	2005
	Current year 31.12.2006	Prior year 31.12.2005
Character of client assets		
Assets in own administrated funds	14 355 568	12 525 540
Assets with administration mandate	8 391 875	7 220 103
Other client assets	33 513 866	28 569 017
Total client assets (incl. double counts)	56 261 309	48 314 660
Thereof double counts	7 080 354	6 690 120
Net increase/decrease of client assets	4 656 437	4 496 286

Assets under management include assets from clients for which Clariden Bank Group provides investment advisory or asset management services. Assets that are held solely for transaction-related or safekeeping/custody purposes are not considered assets under management. Assets of corporate clients and public institutions that are used primarily for cash management or transaction-related purposes are also not considered assets under management. The classification of assets under management is individually assessed on the basis of each client's intentions and objectives and the banking services provided to the client. Reclassifications between assets under management and assets held for transaction-related or safekeeping purposes result in corresponding net new assets inflows or outflows.

Net new assets measure the degree of success in acquiring assets under management. The calculation is based on the direct method, taking into account individual cash and securities transactions, and any new or repaid loans. Interest and dividend income credited to clients and commissions, interest and fees charged for banking services are not taken into account when calculating net new assets, as such charges are not directly related to the acquisition of assets under management. Similarly, changes in assets under management due to currency and market volatility as well as asset inflows and outflows due to the acquisition or divestiture of businesses are not part of net new assets.

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 Clariden Bank Group. Specifically, double-counting results from the investment of assets under management in own funds and own insurance policies.

5. Information concerning the income statement

5.1 Analysis of results from trading operations in CHF 1000

	2006	2005	
	Current year 2006	Prior year 2005	Deviation
Trading income			
Income from foreign currency trading	54 189	47 270	6 919
Income from trading on precious metals	162	94	68
Income from trading in securities	(3 051)	(2 116)	(935)
Total trading income	51 300	45 248	6 052

5.2 Analysis of personnel expenses in CHF 1000

	2006	2005	
	Current year 2006	Prior year 2005	Deviation
Personnel expenses			
Salaries	146 181	128 703	17 478
Social benefits	13 008	11 712	1 296
Pension plan	10 081	9 547	534
Other personnel expenses	4 069	4 683	(614)
Total personnel expenses	173 339	154 645	18 694

The number of Clariden bank group staff was 744 for the year ended December 31, 2006 (prior year 693).

5.3 Analysis of other operating expenses in CHF 1000

	2006	2005	
	Current year 2006	Prior year 2005	Deviation
Operating expenses			
Occupancy expenses	8 072	9 280	(1 208)
Information technology	14 005	13 050	955
Communication and information	8 872	7 362	1 510
Advertisement and public relations	13 484	13 065	419
Other services and other operating expenses	16 293	13 141	3 152
Total other operating expenses	60 726	55 898	4 828

5.4 Disclosure and explanation of revaluations of non-current assets up to historical cost (Art. 665 and 665a Code of Obligations)

None

5.5 Disclosure of revenues and expenses relating to the ordinary banking business, analysed into domestic and foreign origin, based on the principle of domicile of operations in CHF 1000

	2006		2005	
	Domestic	Current year 2006 Foreign	Domestic	Prior year 2005 Foreign
Net interest income	60 964	3 321	43 405	2 220
Results from commission and service fee activities	323 581	107 261	273 380	85 496
Results from trading income	51 318	(18)	45 775	(527)
Other ordinary results	261	258	1 314	149
Total operating income	436 124	110 822	363 874	87 338
Operating expenses				
Personnel expenses	(162 211)	(11 128)	(146 100)	(8 545)
Other operating expenses	(55 176)	(5 550)	(50 220)	(5 678)
Total operating expenses	(217 387)	(16 678)	(196 320)	(14 223)
Gross profit	218 737	94 144	167 554	73 115
Depreciation and write-offs on non-current assets	(12 382)	(199)	(13 627)	(176)
Valuation adjustments, provisions and losses	(1 287)	0	(3 386)	(466)
Net income prior to extraordinary items and taxes	205 068	93 945	150 541	72 473
Extraordinary income	9 894	344	664	33
Extraordinary expenses	(13 192)	0	(191)	(13)
Taxes	(45 879)	(2 529)	(32 725)	(1 137)
Net income	155 891	91 760	118 289	71 356

6. Further Information

6.1 Foreign Currency Translation

Important currencies	End year rates for balance sheet and off-balance sheet transactions		Average rates for Income Statement	
	31.12.2006	31.12.2005	2006	2005
1 US-Dollar	1.2208	1.3137	1.2496	1.2516
1 Euro	1.6085	1.5572	1.5774	1.5484
1 Pound Sterling	2.3987	2.2692	2.3138	2.2663
1 Canadian Dollar	1.0522	1.1303	1.1056	1.0359
1 Singapore Dollar	0.7966	0.7899	0.7899	0.7509
1 Hongkong Dollar	0.1570	0.1694	0.1608	0.1609
100 Japanese Yen	1.0264	1.1190	1.0752	1.1305

Report of the Statutory Auditors



As statutory auditors, we have audited the accounting records and the financial statements (balance sheet, income statement, cash flow statement and notes) of Clariden Bank Ltd 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, 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 available earnings 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 read 'Daniel Senn'.

Daniel Senn
Swiss Certified Accountant
Auditor in charge

A handwritten signature in black ink, appearing to read 'Andreas Herbst'.

Andreas Herbst
Swiss Certified Accountant

Zurich, January 15, 2007

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

Clariden Bank

Balance Sheet in CHF

	2006	2005	Deviation
	Current year 31.12.2006	Prior year 31.12.2005	
Assets			
Cash	108 594 771	48 138 032	60 456 739
Money market instruments	50 695 253	49 423 021	1 272 232
Due from banks	1 203 928 850	1 236 706 098	(32 777 248)
Due from customers	2 696 610 121	2 050 697 294	645 912 827
Securities and precious metals trading portfolio	109 107 785	105 729 244	3 378 541
Financial investments	61 678 051	61 938 226	(260 175)
Participations	271 600	1 015 121	(743 521)
Fixed assets	12 410 467	127 453 691	(115 043 224)
Accrued income and prepaid expenses	40 355 533	23 217 498	17 138 036
Other assets	529 386 603	316 164 958	213 221 646
Total assets	4 813 039 035	4 020 483 182	792 555 853
Total subordinated claims	0	0	0
Total due from group companies and significant shareholders	0	0	0
Liabilities and shareholders' equity			
Money market instruments	1 077 154	671 276	405 878
Due to banks	1 522 887 620	1 529 618 071	(6 730 451)
Due to customers, other	2 166 342 415	1 677 293 472	489 048 944
Accrued expenses and deferred income	111 694 136	84 894 545	26 799 591
Other liabilities	602 138 673	337 414 820	264 723 853
Valuation adjustments and provisions	68 650 000	69 829 264	(1 179 264)
Share capital	10 000 000	10 000 000	0
General legal reserve	107 735 000	94 319 813	13 415 187
Other reserves	68 600 000	97 500 000	(28 900 000)
Retained earnings brought forward	276 736	3 295 507	(3 018 771)
Net income	153 637 302	115 646 416	37 990 887
Total liabilities and shareholders' equity	4 813 039 035	4 020 483 182	792 555 853
Total subordinated liabilities	40 000 000	40 000 000	0
Total due to group companies and significant shareholders	51 809 242	46 655 586	5 153 656

Off-balance sheet transactions in CHF

Contingent liabilities	211 267 807	227 282 621	(16 014 814)
Irrevocable commitments	31 635 360	29 846 000	1 789 360
Derivative financial instruments			
Positive replacement value	233 202 969	177 816 936	55 386 033
Negative replacement value	243 174 192	185 427 912	57 746 280
Contract volume	12 758 647 000	10 162 483 000	2 596 164 000
Fiduciary transactions	9 123 068 127	7 575 179 000	1 547 889 127

Income Statement in CHF	2006	2005	Deviation
	Current year	Prior year	
Revenues and expenses on ordinary banking activities			
Results from interest activities			
Interest and discount income	140 660 188	70 613 349	70 046 839
Interest and dividend income on trading portfolios	1 663 535	7 030 574	(5 367 039)
Interest and dividend income on financial investments	1 838 552	2 013 663	(175 111)
Interest expense	(84 160 811)	(36 540 328)	(47 620 483)
Net interest income	60 001 465	43 117 257	16 884 208
Results from commission and service fee activities			
Commission income on lending activities	2 051 849	1 750 114	301 735
Commission income on securities and investment transactions	393 597 037	320 036 878	73 560 159
Commission income on other services	2 477 913	2 051 512	426 401
Commission expenses	(79 648 577)	(56 039 409)	(23 609 168)
Results from commission and service fee activities	318 478 222	267 799 095	50 679 127
Results from trading operations	51 455 263	45 742 853	5 712 410
Other ordinary results			
Results from the sale of financial investments	48 289	208 534	(160 245)
Participation income	91 700	50 000	41 700
Other ordinary income	266 518	528 042	(261 524)
Other ordinary expenses	0	0	0
Other ordinary results	406 507	786 576	(380 069)
Operating expenses			
Personnel expenses	(158 900 767)	(142 883 690)	(16 017 077)
Other operating expenses	(58 076 442)	(49 469 228)	(8 607 214)
Operating expenses	(216 977 209)	(192 352 918)	(24 624 291)
Gross profit	213 364 248	165 092 863	48 271 385
Depreciation and write-offs on non-current assets	(11 350 555)	(14 191 597)	2 841 042
Valuation adjustments, provisions and losses	(1 286 785)	(3 385 716)	2 098 931
Net income prior to extraordinary items and taxes	200 726 908	147 515 550	53 211 358
Extraordinary income	9 853 541	541 339	9 312 202
Extraordinary expenses	(12 763 147)	(130 475)	(12 632 672)
Taxes	(44 180 000)	(32 280 000)	(11 900 000)
Net income	153 637 302	115 646 414	37 990 888

Statement of cash flows in CHF 1000	2006			2005		
	Source of funds	Application of funds	Balance of funds	Source of funds	Application of funds	Balance of funds
Cash flow from operating results (internal sources)	243 289	152 467	90 822	154 344	69 675	84 669
Net income	153 637	0		115 646	0	
Depreciation and write-offs on non-current assets	11 351	0		14 192	0	
Valuation adjustments and provisions	0	1 179		1 501	0	
Accrued income and prepaid expenses	0	17 138		0	6 675	
Accrued expenses and deferred income	26 799	0		17 408	0	
Other items	51 502	0		5 597	0	
Dividend of preceding year	0	134 150		0	63 000	
Cash flow from shareholders' equity transactions	0	0	0	0	0	0
Share capital	0	0		0	0	
Share premium	0	0		0	0	
Cash flow from investment activities	110 151	5 714	104 437	739	7 593	(6 854)
Participations	631	0		430	0	
Other fixed assets	109 520	5 714		309	7 593	
Cash flow from banking operations						
Medium- and long-term operations (>1 year)	8 770	10 000	(1 230)	6 797	17 979	(11 182)
Due to banks	0	10 000		5 000	0	
Due to customers, other	405	0		0	0	
Due from banks	0	0		0	0	
Due from customers	8 105	0		0	17 979	
Financial investments	260	0		1 797	0	
Short-term operations	525 097	658 669	(133 572)	1 052 005	1 099 868	(47 863)
Money market instruments	406	0		0	1 225	
Due to banks	3 270	0		758 528	0	
Due to customers, other	488 644	0		207 228	0	
Due from money market instruments	0	1 272		52 497	0	
Due from banks	32 777	0		0	512 821	
Due from customers	0	654 018		0	585 822	
Securities and precious metal trading portfolio	0	3 379		33 752	0	
Change of cash position	(60 457)	0	(60 457)	(18 770)	0	(18 770)
Cash previous year	48 138			29 368		
Cash actual year	108 595			48 138		

in CHF 1000

	2006	2005	
	Current year 31.12.2006	Prior year 31.12.2005	Deviation
Proposed appropriation of retained earnings			
Net income	153 637	115 646	37 991
Retained earnings brought forward	277	3 295	(3 018)
Retained earnings at the end of period	153 914	118 941	34 973
Available earnings at the end of period	153 914	118 941	34 973
Proposal of the Board of Directors:			
Allocation to general legal reserve	(13 950)	(13 415)	(535)
Allocation to special reserves	0	0	0
Release of special reserves	50	28 900	(28 850)
Cash dividend ordinary	(140 000)	(70 000)	(70 000)
Cash dividend extraordinary	0	(64 150)	64 150
Retained earnings carried forward	14	277	(263)

Notes to the Financial Statements

1. Notes on operations and risk management

1.1 Notes on operations

Clariden Bank Ltd is a legally independent member of Credit Suisse Group and a part of the Private Banking division focusing on private banking for Swiss and international customers, i.e. providing investment counselling and asset management for a sophisticated private clientele. Clariden Bank Ltd also issues its own mutual funds. The Bank's investment policy is determined centrally and put into action regionally. The Bank offers services also through its foreign entities which operate under Clariden Holding Ltd.

1.2 Information about the outsourcing of business areas

In the case that the outsourcing of services through agreements with service providers outside Clariden Bank Group is considered to be significant in the meaning of the FBC Circular 99/2 "Outsourcing", the agreements comply with the legal and regulatory requirements, such as business and banking secrecy, protection of data and customer information.

Significant outsourcing relationships exist with Credit Suisse Group for archiving, and other providers outside Credit Suisse Group in the area of payment systems provided by BBP Biveroni Batschelet Partners AG.

1.3 Notes on risk management

Transactions involving financial products entail various risks, in particular market and credit risks, but also operational and legal risks. The Bank's organizational structure, well-trained staff and state-of-the-art technical support allow it to implement risk management mechanisms, which are independent of trading.

The methods, processes and chain of command established for identifying, managing, valuing, monitoring, controlling and reporting market risks are determined by the risk management standards defined by specialists of the Bank and approved by the Board of Directors.

Market risk represents the possible change in the value of financial products, which may result from fluctuations in market prices, rates or volatilities. Operating independently of the traders and reporting directly to the Chief Financial Officer, the Market & Credit Risk Management is responsible for the daily monitoring, controlling and reporting of risks. Market risk is measured by means of Value-at-Risk (VaR), defined as the potential loss, which will be exceeded within a holding period of ten days with a remaining probability of 1 %. The

methods used in the VaR calculation are identical with those employed by Credit Suisse (based on data from the past two years). The bank has stipulated position and VaR limits for all financial products and positions, which are determined according to individual levels of responsibility and authority. Monthly reports to the Executive Board of Management and quarterly reports to the Board of Directors aggregating the individual risks for the entire bank are prepared.

The term credit risk refers to the risk that a counterparty might default. The Bank has devoted substantial resources to develop effective and efficient mechanisms for evaluating such risks. A well-developed credit management ensures a clear overview of all the Bank's credit exposures.

By classifying credits according to the internal rating system of risk categories, the credit quality of the entire loan portfolio is gauged at any point in time. To enhance credit risk management, counterparty and country limits are set and graded authority levels for credit approval are assigned. Control of risk exposure is part of our ongoing credit monitoring procedure; regular management reviews ensure compliance with the Bank's internal directives in the conduct of credit business. The Executive Board of Management and the Board of Directors are informed about special risks.

Among the tools used to manage operating risks is a comprehensive system of directives, guidelines, working instructions and controls.

Within asset & liability management, authorities and limits for the balance sheet management are defined separately from trading. Responsibility rests with the Executive Board of Management. Monitoring and managing of the positions lies within the responsibility of the asset & liability committee reporting directly to the Executive Board of Management. The interest risk contained in balance sheet positions is valued by means of VaR and monitored with VaR limits. Interest rate sensitivity risk is analysed daily with the help of interest rate scenarios, applying the same parameters as Credit Suisse. Risk is reported monthly to the Executive Board of Management. The sole hedging instruments employed are interest rate swaps.

2. Principles of presentation and valuation

2.1 Principles of accounting

The financial statements are drawn up in accordance with the Swiss Federal Law on Banks and Savings Banks (BankL), the Implementing Ordinance on Banks and Savings Banks (BankO) and the Federal Banking Commission Guidelines of December 14, 1994 (BAG-FBC).

2.2 Foreign currency translations

Income and expense in foreign currencies are translated at the exchange rate as of transaction date. Assets and liabilities in foreign currencies are translated at the year-end closing rates. Gains and losses arising from currency translations are taken to the *trading income*.

2.3 Recording of transactions

Trade-date accounting is uniformly applied to all types of financial transactions.

2.4 Repurchase and reverse purchase transactions

The bank enters into securities purchases under agreements to resell and sale of securities under agreements to repurchase substantially identical securities. Such agreements normally do not constitute economic sales and are therefore treated as financing transactions. Securities sold subject to such agreements continue to be recognized on the balance sheet. The proceeds from the sale of these securities are recorded as liabilities. Securities purchased under agreements to resell are recognized as loans collateralized by securities or as cash deposits against which securities are pledged.

Transactions in which economic control over the securities transferred has been relinquished are reported as purchases or sales with a related forward commitment to resell or repurchase the securities.

2.5 Transactions involving non-monetary items (Securities lending & borrowing)

Securities lending & borrowing transactions that are collateralized by cash are included on the balance sheet at amounts equal to the cash advanced or received. Securities lent or securities provided as collateral for securities borrowed continue to be recognized on the balance sheet at their carrying value unless economic control over the securities provided has been transferred. Securities borrowed and securities received as collateral for securities lent are only recognized on the balance sheet if economic control over the securities has been transferred. Lending fees earned or incurred are recognized as *interest income* or *interest expense* from the banking business.

2.6 Due from money market papers, banks and customers

Receivables are recorded on the balance sheet at their nominal values and the unearned discount is accrued over the remaining time-to-maturity. Receivables, for which it is unlikely that the debtor will fulfil his obligations, are considered at risk and are recorded at liquidation value. Receivables are considered being at risk if agreed repayments on the principal amount and/or interest are overdue for more than 90 days.

For receivables at risk, specific valuation adjustments are made considering the prudence principle based on continuous and extensive analysis of the concerned client relationships taking into account the specific counter-party risk and the net realizable value of the collateral provided. Interest and commissions that are at risk are value adjusted and only credited to *interest income* after cash collection thereof will have been made.

Provisions required in accordance with the rules of the Swiss Bankers Association are established with respect to receivables exposed to country risk, which are recorded on the balance sheet under the position *valuation adjustments and provisions*.

2.7 Trading portfolios of securities and precious metals

Marketable securities, remaining issues from initial public offerings and precious metal positions that are held for the purpose of short-term profit making are shown in the balance sheet item *securities and precious metal trading portfolios*.

Trading balances in bonds, equities and similar papers and precious-metal positions/accounts are valued at fair value as of balance sheet date. Positions, which are not traded at a recognized exchange or for which no representative market exists, are valued at lower of cost or market.

Revaluation gains and losses as well as realized gains and losses on trading balances are recorded under *revenues from trading activities*. Interest and dividend income from securities trading are recorded in *revenues from interest-differential business*.

2.8 Financial investments

Securities and precious metals acquired with the intention of a long-term investment are accounted for as financial investments. Premium and discounts of fixed interest-bearing debt securities which are intended to be held until maturity are accrued until time-to-maturity (accrual method). Realized interest-related gains or losses arising upon premature sale or repayment are accrued over the remaining time-to-maturity and recorded as *revenues from the interest-differential business*.

Investment positions in participations and debt securities which are, in principle, destined to be resold and which do not constitute trading portfolios are valued using the lower of cost or market principle. Purchase costs and market values of these portfolios are disclosed in the notes to the financial statements. Gains in excess of purchase cost realized upon the disposal of financial investments are accounted for as

gains from sale of financial investments; losses are accounted for as *other ordinary expenses*. Declines in value due to changes in market prices, valuation adjustments necessary to reflect credit risks and subsequent recoveries in value up to purchase cost are accounted for under *other ordinary income / expense respectively*.

2.9 Participations

Business interests with purpose of permanent ownership are reported as participations. These items are valued at acquisition cost less economically required amortization.

2.10 Fixed assets

Real estate investments are capitalized at purchase price plus value-enhancing investments, less economically required amortisation. New buildings are depreciated over 67 years and building improvement are amortized over five or ten years. No amortization is recorded on land with the exception of adjustments to the realizable market value.

Other fixed assets (fixtures and fittings, leasehold improvements, IT and telecommunication equipment, furniture, motor vehicles, etc.) are amortized over their estimated useful lives of three to five years.

External costs related to the acquisition, installation and development of software are capitalized if they have a measurable future economic benefit. Capitalized software costs are depreciated on a straight-line basis over the estimated useful life of the software, normally not exceeding 3 years.

Impairment tests are performed yearly for fixed assets and whenever there is evidence that their book value exceeds the realizable market value the respective asset will be adjusted accordingly.

2.11 Other assets and liabilities

These balance sheet positions mainly comprise positive and negative replacement values resulting from the valuation of open derivative contracts and the compensation accounts. The compensation accounts are used for recording positive and negative replacement values which result from the valuation of interest rate swaps employed for asset & liability management purposes which are not recognized in the income statement.

2.12 Valuation adjustments and provisions

Specific valuation adjustments and provisions are established for all recognizable risks, following the principle of prudence. Valuation adjustments are deducted directly from the related assets. Recoveries of receivables written off in prior periods are credited to this position. There are no general credit provisions built up.

Country risk provisions are made in accordance with the Swiss Bankers Association regulations for any positions exposed to it.

2.13 Forward positions and derivative products

Disclosure under off-balance sheet items and the notes to the financial statements

Gross replacement values of the individual contracts in derivative financial instruments including forward positions (interest rate and currency swaps, options on equity, equity indices, foreign currency, precious metal and interest rate products, financial futures as well as forward rate agreements), together with related contract volumes, are disclosed as off-balance items and in the notes to the financial statements.

Balance sheet presentation

Replacement values arising from contracts entered into as principle are accounted for in *other assets / liabilities*, irrespective of how they are treated for income statement purposes. The difference resulting from any differing treatment for income statement purposes is shown in a compensation account under *other assets / liabilities*. The replacement values arising from exchanged-traded and over-the-counter contracts concluded as commission agent are always recorded even if they are covered.

Income statement treatment

Forward positions in foreign currency, precious metals and securities as well as trading positions in derivative financial instruments are valued mark-to-market as of balance sheet date. The net gains and losses (after deducting costs in connection with these transactions directly related to the trade) are allocated to the trading revenues of the related business area (securities, foreign currency, precious metals, interest rate instruments).

Interest-rate swaps which are used for the purposes of global asset & liability management are recognized in accordance with the "accrual method" (accruing of gains/losses and interest over the total time-to-maturity of the instrument). Hedging instruments are valued using the same valuation methods as used for the underlying hedged transactions.

2.14 Income and expense (if not already mentioned above)

Pension costs

Employees are covered by legally independent pension funds according to a defined contribution plan. Employer's contributions are transferred to the pension funds and are expensed as personnel costs.

Tax expenses

Current tax expenses are recorded based on taxable earnings for the related period according to the tax laws applied in the domicile of Clariden Bank Ltd.

Extraordinary income / expense

The extraordinary expense amounted to CHF 12 763 000 in the reporting period stemming mostly from restructuring charges and costs originating from previous periods. The extraordinary income of CHF 9 854 000 consists mainly of disposals of participations, liquidation proceeds, AHV reimbursement and reversals for individual valuation adjustments made for receivables at risk that are no more necessary.

2.15 Events subsequent to the balance sheet date

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 together with Credit Suisse Fides with effect from the beginning of 2007 into a single autonomous bank, Clariden Bank. In the course of the planned merger on January 26, 2007, Clariden Bank will be renamed Clariden Leu retroactive to January 1, 2007.

As a consequence of the merger, employees of Clariden Bank will be transferred to the Credit Suisse staff pension fund with effect from January 1, 2007. The current staff pension funds of Clariden Bank will be transferred to the Credit Suisse staff pension fund and dissolved as legally independent foundations. The transfer of Clariden Bank employees will be treated as a partial liquidation by the current Clariden Bank staff pension funds.

3. Information concerning the balance sheet

Notes to financial statements are presented according to Article 25c BankO; the positions 5.1, 5.5, 5.6 and 5.7 have no content and will be omitted.

3.1 Summary of collateral for loans and off-balance sheet transactions in CHF 1000

Balance as per 31.12.2006

Loans	Type of collateral			Total
	mortgage collateral	other collateral	without collateral	
Due from customers	4 725	2 673 162	18 723	2 696 610
Total Loans	4 725	2 673 162	18 723	2 696 610
Prior year	0	2 025 927	24 770	2 050 697

Off-balance sheet transactions

Contingent liabilities	0	211 174	94	211 268
Irrevocable commitments	0	31 635	0	31 635
Total off-balance sheet transactions	0	242 809	94	242 903
Prior year	0	149 560	136	149 696

Impaired Loans / Receivables

in CHF 1000

	Total Amount of Debt	Estimated Liquidation Value of Collateral	Net Amount of Debt	Individual Value Adjustments
	285	0	285	285
Total current year	285	0	285	285
Prior year	500	0	500	500

3.2 Trading portfolios of securities and precious metals, financial investments and participations in CHF 1000

	2006	2005	Deviation
	Current year 31.12.2006	Prior year 31.12.2005	
Securities and precious metal trading portfolios			
Interest bearing debt securities	24 106	56 840	(32 734)
stock exchange listed	0	20 846	(20 846)
unlisted	24 106	35 994	(11 888)
Equity participating stock	84 934	48 762	36 172
thereof own equity securities	0	0	0
Precious metals	68	127	(59)
Total securities and precious metals trading portfolios	109 108	105 729	3 379
thereof repurchase transactions with securities in accordance with liquidity requirements	0	0	0
Financial investments			
Debt securities	60 355	60 382	(27)
of which held to maturity	60 000	60 000	0
of which lower of cost or market principle book value	355	382	(27)
fair value	60 355	60 382	(27)
Equity stock	60 338	62 000	(1 662)
thereof qualified participations	1 323	1 556	(233)
	0	0	0
Total financial investments	61 678	61 938	(260)
thereof repurchase transactions with securities in accordance with liquidity requirements	60 000	60 000	0
Participations			
with market value	0	0	0
without market value	272	1 015	(743)
Total participations	272	1 015	(743)

3.3 Name of company, domicile, business activities, share capital and ownership proportion of significant participations (votes and capital as well as contractual ties, if any).

At the balance sheet date, Clariden Bank did not hold material participations.

3.4 Summary of non-current assets in CHF 1000

	Historical costs	Write-offs/ acc. depreciation	Book value 31.12.2005	Additions	Disposals	Write-offs/ acc. depreciation	Book value 31.12.2006
Participations							
Majority participations	0	0	0	0	0	0	0
Minority participations	1 501	486	1 015	0	631	112	272
Total participations	1 501	486	1 015	0	631	112	272
Bank buildings	139 518	30 444	109 074	0	108 549	525	0
Other fixed assets	115 313	96 933	18 380	5 714	971	10 714	12 410
Total fixed assets	254 831	127 377	127 454	5 714	109 520	11 239	12 410

Fire insurance value of real estate 0

Fire insurance value of other fixed assets 23 125

Commitments: future leasing instalments under operating leases 1 995

3.5 Disclosure of capitalized formation expenses, costs incurred in connection with capital increases and organisation costs

There are no such expenses stemming from costs related to foundation, capital increase and reorganization.

3.6 A) Pledged or assigned assets as well as assets under title retention, without lending business and repurchase agreements with securities in CHF 1000

	2006	2005
	Current year 31.12.2006	Prior year 31.12.2005
Asset value of the pledged and assigned by way of collateral assets:	35 000	35 000
Effective obligations	0	0

(B) Lending business and repurchase agreements with securities in CHF 1000

	2006	2005
	Current year 31.12.2006	Prior year 31.12.2005
Receivables from cash deposits in connection with securities borrowing	0	0
Obligations from cash deposits in connection with securities lending	0	0
Securities at own disposal lent in connection with securities lending or delivered as collateral in connection with securities borrowing	6 851	2 373
of which with unrestricted right to resell or pledge granted	0	0
Borrowed securities as collateral in connection with securities lending or securities borrowing with unrestricted resell- or repledge rights	6 851	2 374
of which repledged or resold securities	0	0
Receivables from cash deposits in connection with reverse-repurchase business	0	0
Obligations from cash deposits in connection with repurchase business	0	0
Securities at own disposal transferred in connection with repurchase transactions	0	0
of which with unrestricted right to resell or pledge granted	0	0
Received securities in connection with reverse-repurchase transactions with unrestricted resell- or repledge rights	0	0
of which repledged or resold securities	0	0

3.7 Liabilities to own pension plans in CHF 1000

	2006	2005
	Current year 31.12.2006	Prior year 31.12.2005
Liabilities to own pension plans	8 222	4 942

The employee benefit obligations are accomplished as a legally independent Staff Welfare Foundation, the purpose of which is to provide the Bank's employees and their dependants and survivors with benefits safeguarding them against the economic consequences of old age, disability and death. The benefits are financed by the contributions of the employer and employees. There is no freely available surplus or deficit over the reserve that has to be disclosed in the financial statements according to the Swiss Financial Reporting Standard 'Swiss GAAP FER 16'.

The obligation of Clariden Bank with respect to the pension fund is limited to the payment of the contributions finally specified in the regulation. This means that neither assets nor liabilities are included in the balance sheet. The employer's contribution of TCHF 8 919 (previous year TCHF 8 647), included in the personnel expenses, corresponds to the booked expenditure. No additional obligations for Clariden Bank exist.

By 31.12.2005 employer's contribution fund reserves was TCHF 7 487.

The final amount for the reporting period 2006 will be determined definitively during the the first half of 2007.

3.8 Outstanding bond issues

The Bank did not have any transactions relating bonds issues in the current or prior year.

3.9 Valuation adjustments, provisions and reserves for general banking risks in CHF 1000

	Balance at end of prior year	Use conform with purpose and reversals	Change in purpose (reclassification)	Recoveries, doubtful interest and forex differences	New provision charged to income statement	Releases to income statement	Balance at end of current year
Provisions for deferred taxes	0	0	0	0	0	0	0
Valuation adjustments and provisions for default risks							
Valuation adjustments and provisions for default risks (credit and country risks)	500	0	0	0	0	(215)	285
Valuation adjustments and provisions for other business risks	0	0	0	0	0	0	0
Other provisions	69 829	(1 007)	0	0	1 287	(1 459)	68 650
Subtotal	70 329	(1 007)	0	0	1 287	(1 674)	68 935
Total valuation adjustments and provisions	70 329	(1 007)	0	0	1 287	(1 674)	68 935
Less: Valuation adjustments directly netted with assets	(500)	0	0	0	0	215	(285)
Total valuation adjustments and provisions as per balance sheet	69 829	(1 007)	0	0	1 287	(1 459)	68 650
Reserves for general banking risks	0	0	0	0	0	0	0

3.10 Capital structure

in CHF 1000

	2006			2005		
	Total nominal value	Current year Number of shares	Dividend bearing capital	Total nominal value	Prior year Number of shares	Dividend bearing capital
Capital structure						
Share capital	10 000	100 000	10 000	10 000	100 000	10 000
Total capital	10 000	100 000	10 000	10 000	100 000	10 000
Significant shareholders and shareholder groups with voting rights	Nominal CHF 1000	Current year participation in %		Nominal CHF 1000	Prior year participation in %	
Clariden Holding AG, Zurich	10 000	100.00		10 000	100.00	

3.11 Proof of shareholders' equity in CHF 1000

	2006	2005
	Current year 2006	Prior year 2005
Shareholders' equity at beginning of current year		
Share capital paid-in	10 000	10 000
General legal reserve	94 320	88 020
Special reserves	97 500	67 500
Retained earnings	118 941	102 595
Total shareholders' equity at beginning of current year (before appropriation of retained earnings)	320 761	268 115
– Dividend and other distributions of retained earnings brought forward	(134 150)	(63 000)
+ Net income of reporting period	153 637	115 646
Total shareholders' equity at end of current year (before appropriation of retained earnings)	340 248	320 761
Thereof:		
Share capital	10 000	10 000
General legal reserve	107 735	94 320
Special reserves	68 600	97 500
Retained earnings	153 914	118 941

3.12 Maturity structure of current assets and borrowed funds in CHF 1000

Balance as per 31.12.2006	Maturities						Total
	At sight	Re- deemable	within 3 months	within 3 to 12 months	within 12 month to 5 years	after 5 years	
Current assets							
Cash	108 595	0	0	0	0	0	108 595
Money market instruments	1 164	0	49 531	0	0	0	50 695
Due from banks	483 250	0	699 333	21 346	0	0	1 203 929
Due from customers	411 744	0	1 901 217	360 816	22 833	0	2 696 610
Securities and precious metal trading portfolios	109 108	0	0	0	0	0	109 108
Financial investments	1 323	0	0	355	0	60 000	61 678
Total current assets current year	1 115 184	0	2 650 081	382 517	22 833	60 000	4 230 615
Prior year	1 370 838	0	1 540 563	549 910	31 320	60 000	3 552 631
Borrowed funds							
Money market instruments	1 077	0	0	0	0	0	1 077
Due to banks	80 651	0	1 108 366	333 871	0	0	1 522 888
Due to customers, other	1 568 058	0	542 900	14 979	40 405	0	2 166 342
Total borrowed funds current year	1 649 786	0	1 651 266	348 850	40 405	0	3 690 307
Prior year	2 176 970	0	315 955	664 657	50 000	0	3 207 582

3.13 Amounts due from and due to affiliated entities as well as loans and exposures to the members of the Bank's governing bodies in CHF 1000

	2006	2005
	Current year 31.12.2006	Prior year 31.12.2005
Due from affiliated entities	871 248	719 662
Due to affiliated entities	2 629 803	1 217 904
Due from the Bank's governing bodies	19 976	22 536
Due to the Bank's governing bodies	0	0

In 2006 Clariden Bank performed transactions with the subsidiaries of the Clariden Bank Group which included loans (overdrafts, fixed-term loans). All transactions were exclusively executed under market conditions.

Due to the bank's governing bodies includes collateral loans with a maturity between 3 and 10 years to the members of the board of directors and executive board. The market interest rate was used including a reduced credit margin. There is no due from Bank's governing bodies reported for the financial year 2006.

3.14 Balance sheet by domestic and foreign origin in CHF 1000

	2006			2005		
	Current year 31.12.2006		Total	Prior year 31.12.2005		Total
	Domestic	Foreign		Domestic	Foreign	
Assets						
Cash	108 047	548	108 595	48 049	89	48 138
Money market instruments	41 164	9 531	50 695	41 524	7 899	49 423
Due from banks	426 743	777 186	1 203 929	613 537	623 169	1 236 706
Due from customers	131 256	2 565 354	2 696 610	150 095	1 900 602	2 050 697
Securities and precious metal trading portfolios	19 365	89 743	109 108	1 003	104 726	105 729
Financial investments	61 323	355	61 678	61 556	382	61 938
Participations	272	0	272	1 015	0	1 015
Fixed assets	11 539	871	12 410	126 358	1 096	127 454
Accrued income and prepaid expenses	39 596	759	40 355	23 206	11	23 217
Other assets	507 363	22 024	529 387	315 922	243	316 165
Total assets	1 346 668	3 466 371	4 813 039	1 382 265	2 638 218	4 020 483
Liabilities and shareholders' equity						
Money market instruments	1 077	0	1 077	671	0	671
Due to banks	271 186	1 251 702	1 522 888	868 419	661 199	1 529 618
Due to customers, other	504 215	1 662 127	2 166 342	631 298	1 045 995	1 677 293
Accrued expenses and deferred income	108 554	3 140	111 694	84 158	737	84 895
Other liabilities	591 991	10 148	602 139	337 254	161	337 415
Valuation adjustments and provisions	68 650	0	68 650	69 829	0	69 829
Reserves for general banking risks	0	0	0	0	0	0
Share capital	10 000	0	10 000	10 000	0	10 000
General legal reserve	107 735	0	107 735	94 320	0	94 320
Special reserves	68 600	0	68 600	97 500	0	97 500
Retained earnings brought forward	277	0	277	3 295	0	3 295
Net income	153 637	0	153 637	115 646	0	115 646
Total liabilities and shareholders' equity	1 885 922	2 927 117	4 813 039	2 312 390	1 708 092	4 020 483

3.15 Assets by countries / country groups

in CHF 1000

	2006		2005	
	absolute	Current year 31.12.2006 share in %	absolute	Prior year 31.12.2005 share in %
Switzerland	1 346 668	27.98	1 382 265	34.38
Liechtenstein	24 929	0.52	20 806	0.52
Total industrialized countries other than Switzerland/Liechtenstein	1 441 505	29.95	1 174 793	29.22
thereof Europe	1 284 671	26.69	877 713	21.83
thereof USA/Canada	148 242	3.08	276 983	6.89
thereof Japan	8 592	0.18	20 097	0.50
Financial markets outside industrialized countries:	466 078	9.68	60 152	1.50
Hongkong	61 669	1.28	36 387	0.91
Singapore	404 409	8.40	23 765	0.59
Other countries	1 533 859	31.87	1 382 467	34.39
Total assets	4 813 039	100.00	4 020 483	100.00

3.16 Balance sheet by currencies in CHF 1000

Balance as per 31.12.2006

Assets	Currencies						Total
	CHF	USD	EUR	JPY	GBP	Others	
Cash	103 328	378	3 854	1	298	736	108 595
Money market instruments	40 001	322	54	0	403	9 915	50 695
Due from banks	326 600	296 684	335 817	26 943	15 642	202 243	1 203 929
Due from customers	303 783	1 286 825	664 510	216 095	135 852	89 545	2 696 610
Securities and precious metal trading portfolios	2 928	16 242	14 573	1 424	24 609	49 332	109 108
Financial investments	61 157	355	166	0	0	0	61 678
Participations	272	0	0	0	0	0	272
Fixed assets	12 410	0	0	0	0	0	12 410
Accrued income and prepaid expenses	9 717	22 539	6 680	410	625	384	40 355
Other assets	130 528	228 129	136 049	6 945	9 442	18 294	529 387
Total assets	990 724	1 851 474	1 161 703	251 818	186 871	370 449	4 813 039
Delivery claims from spot exchange deals, forward exchange deals and currency options transactions	1 242 692	603 532	1 472 780	166 023	42 878	131 941	3 659 846
Total assets	2 233 416	2 455 006	2 634 483	417 841	229 749	502 390	8 472 885
Liabilities							
Money market instruments	66	135	818	0	15	43	1 077
Due to banks	142 186	742 453	317 677	135 549	118 979	66 044	1 522 888
Due to customers, other	350 900	675 605	647 604	203 800	46 760	241 673	2 166 342
Accrued expenses and deferred income	95 926	11 082	3 868	73	286	459	111 694
Other liabilities	69 358	405 819	40 503	25 915	24 708	35 836	602 139
Valuation adjustments and provisions	68 650	0	0	0	0	0	68 650
Reserves for general banking risks	0	0	0	0	0	0	0
Share capital	10 000	0	0	0	0	0	10 000
General legal reserve	107 735	0	0	0	0	0	107 735
Special reserves	68 600	0	0	0	0	0	68 600
Retained earnings brought forward	277	0	0	0	0	0	277
Net income	153 637	0	0	0	0	0	153 637
Total liabilities	1 067 335	1 835 094	1 010 470	365 337	190 748	344 055	4 813 039
Delivery claims from spot exchange deals, forward exchange deals and currency options transactions	253 085	2 021 410	1 075 730	116 153	41 151	219 530	3 727 059
Total liabilities	1 320 420	3 856 504	2 086 200	481 490	231 899	563 585	8 540 098
Net-positions per currency	912 996	(1 401 498)	548 283	(63 649)	(2 150)	(61 195)	(67 213)

3.17 Analysis of other assets and liabilities in CHF 1000

	2006	2005
	Current year 31.12.2006	Prior year 31.12.2005
Other assets		
Positive replacement values	233 203	177 817
Credit balance from compensation account	0	5 267
Settlement accounts only	16 176	2 536
Balance from interbank business transactions	277 845	128 594
Indirect taxes	2 163	1 951
Total other assets	529 387	316 165

	2006	2005
	Current year 31.12.2006	Prior year 31.12.2005
Other liabilities		
Negative replacement values	243 174	185 428
Debit balance from adjustment account	325	0
Settlement accounts only	578	2 773
Balance from interbank business transactions	348 791	142 957
Indirect taxes	9 271	6 257
Total other liabilities	602 139	337 415

4. Information concerning off-balance sheet transactions

4.1 Analysis of contingent liabilities in CHF 1000

	2006	2005	Deviation
	Current year 31.12.2006	Prior year 31.12.2005	
Contingent liabilities			
Guarantees to secure credits and similar	211 268	227 283	(16 015)
Performance guarantees and similar	0	0	0
Irrevocable commitments	0	0	0
Other contingent liabilities	0	0	0
Total contingent liabilities	211 268	227 283	(16 015)

4.2 Analysis of credit commitments in CHF 1000

	2006	2005	Deviation
	Current year 31.12.2006	Prior year 31.12.2005	
Credit commitments			
Acceptance liabilities	0	0	0
Other credit commitments	31 635	29 846	1 789
Total credit commitments	31 635	29 846	1 789

4.4 Analysis of fiduciary transactions in CHF 1000

	2006	2005	Deviation
	Current year 31.12.2006	Prior year 31.12.2005	
Fiduciary transactions may be analysed as follows:			
Fiduciary placements with third-party banks	7 718 003	5 819 429	1 898 574
Fiduciary placements with group and affiliated banks	575 352	510 842	64 510
Fiduciary credits and other fiduciary financial transactions	829 713	1 244 909	(415 196)
Total fiduciary transactions	9 123 068	7 575 179	1 547 889

4.3 Outstanding derivative instruments in CHF 1000

Balance as per 31.12.2006

	Trading instruments			"Hedging" instruments			
	Positive replacement value	Negative replacement value	Contract-volume	Positive replacement value	Negative replacement value	Contract-volume	
Interest rate instruments							
Forward contracts including FRSS	0	0	0	0	0	0	
Swaps	0	0	0	1 837	5 228	260 090	
Futures	0	0	206 678	0	0	0	
Options (OTC)	759	759	170 912	0	0	0	
Options (exchange traded)	0	0	0	0	0	0	
Foreign exchange / precious metals							
Forward contracts	48 765	47 846	8 150 818	0	0	0	
Combined interest rate and currency swaps	0	0	0	0	0	0	
Futures	0	0	9 171	0	0	0	
Options (OTC)	8 872	9 856	914 986	0	0	0	
Options (exchange traded)	0	0	317	0	0	0	
Shares / Indices							
Forward contracts	0	0	0	0	0	0	
Futures	217	0	264 637	0	0	0	
Options (OTC)	70 204	83 860	1 977 754	0	0	0	
Options (exchange traded)	102 548	95 625	803 285	0	0	0	
Other							
Forward contracts	0	0	0	0	0	0	
Futures	0	0	0	0	0	0	
Options (OTC)	0	0	0	0	0	0	
Options (exchange traded)	0	0	0	0	0	0	
Total before consideration of netting contracts							
	Reporting year	231 366	237 946	12 498 557	1 837	5 228	260 090
	Prior year	177 667	177 821	9 720 068	150	7 607	442 415
Total after consideration of netting contracts							
			Positive replacement values (accumulated)	233 203			
			Negative replacement values (accumulated)	243 174			

4.5 Client assets in CHF 1000

	2006	2005
	Current year 31.12.2006	Prior year 31.12.2005
Character of client assets		
Assets in own administrated funds	14 355 568	12 525 540
Assets with administration mandate	8 391 875	7 220 103
Other client assets	33 513 866	28 569 017
Total client assets (incl. double counts)	56 261 309	48 314 660
Thereof double counts	7 080 354	6 690 120
Net increase/decrease of client assets	4 656 437	4 496 286

Assets under management include assets from clients for which Clariden Bank Group provides investment advisory or asset management services. Assets that are held solely for transaction-related or safekeeping/custody purposes are not considered assets under management. Assets of corporate clients and public institutions that are used primarily for cash management or transaction-related purposes are also not considered assets under management. The classification of assets under management is individually assessed on the basis of each client's intentions and objectives and the banking services provided to the client. Reclassifications between assets under management and assets held for transaction-related or safekeeping purposes result in corresponding net new assets inflows or outflows.

Net new assets measure the degree of success in acquiring assets under management. The calculation is based on the direct method, taking into account individual cash and securities transactions, and any new or repaid loans. Interest and dividend income credited to clients and commissions, interest and fees charged for banking services are not taken into account when calculating net new assets, as such charges are not directly related to the acquisition of assets under management. Similarly, changes in assets under management due to currency and market volatility as well as asset inflows and outflows due to the acquisition or divestiture of businesses are not part of net new assets.

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 Clariden Bank Group. Specifically, double-counting results from the investment of assets under management in own funds and own insurance policies.

5. Information on income statement

5.2 Analysis of results from trading operations in CHF 1000

	2006	2005	Deviation
	Current year 2006	Prior year 2005	
Trading income			
Income from foreign currency trading	54 287	48 008	6 279
Income from trading on precious metals	162	94	68
Income from trading in securities	(2 994)	(2 360)	(634)
Total trading income	51 455	45 743	5 712

5.3 Personnel expenses in CHF 1000

	2006	2005	Deviation
	Current year 2006	Prior year 2005	
Personnel expenses			
Salaries	137 214	123 237	13 977
Social benefits	6 607	6 428	179
Pension plan	8 919	8 647	272
Other personnel expenses	6 161	4 572	1 589
Total personnel expenses	158 901	142 884	16 017

The number of bank staff was 646 for the year ended December 31, 2006 (staff prior year: 619)

5.4 Operating expenses in CHF 1000

	2006	2005	Deviation
	Current year 2006	Prior year 2005	
Operating expenses			
Occupancy expenses	10 420	7 139	3 281
Information technology	9 409	9 841	(432)
Communication and information	8 428	6 817	1 611
Advertisement and public relations	11 205	11 313	(108)
Other services and other operating expenses	18 614	14 359	4 255
Total operating expenses	58 076	49 469	8 607

6. Further Information

6.1 Foreign Currency Translation

Important currencies	End year rates for balance sheet and off-balance sheet transactions		Average rates for Income Statement	
	31.12.2006	31.12.2005	2006	2005
1 US-Dollar	1.2208	1.3137	1.2496	1.2516
1 Euro	1.6085	1.5572	1.5774	1.5484
1 Pound Sterling	2.3987	2.2692	2.3138	2.2663
1 Canadian Dollar	1.0522	1.1303	1.1056	1.0359
1 Singapore Dollar	0.7966	0.7899	0.7899	0.7509
1 Hongkong Dollar	0.1570	0.1694	0.1608	0.1609
100 Japanese Yen	1.0264	1.1190	1.0752	1.1305

