



Financial Report 2006
Credit Suisse Fides

Contents

Preface	2
Commentary on the 2006 Financial Report	3
Balance Sheet	4
Profit and Loss Account	6
Appendix to the 2006 Financial Statements	8
Governing Bodies	11

Preface

Consolidation and a new beginning

Dear reader

For Credit Suisse Fides, 2006 represented the dawning of a new era. After dedicating ourselves for many years to the needs of our global client base, last year saw us undertake preparations for the transfer of our business activities to a leading international private banking company.

The merger of the five strong and outstandingly positioned entities Credit Suisse Fides, Clariden, Bank Hofmann, Bank Leu, and BGP Banca di Gestione Patrimoniale, resulted in the emergence of a new, exclusive private bank – Clariden Leu. This strategic step lays a stable foundation for further healthy growth. A much more powerful capital base, combined with the retention of a globally leading financial services provider as principal shareholder, will ensure additional long-term stability. At the same time, the merger allows us to undertake further fine-tuning of our services, as the "DNA" of five traditional Swiss institutions is amalgamated to form one of the international market leaders in the sphere of private banking. Back-office functions will continue to be provided by Credit Suisse in the future, enabling us to focus on what we do best – providing optimum support to our clients in the management of their assets.

Working at a relentless pace, teams from all five merger partners demonstrated great dedication and vigor as they pooled their experience to create the world's most modern traditional bank. The synthesis has resulted in a globally unique spectrum of products that is specifically geared to the requirements of our sophisticated clients.

Thanks to our local branches we will be acquiring a new client base in rapidly growing markets. These are clients who wish to choose their banking partner from a global selection of alternatives, and who choose us because they feel they receive the best advice to suit their requirements. Our client advisors see the world through the globally oriented view of their clients. And these high-caliber generalists have recourse to the best internal and external specialists in the world, for every product category.

Parallel to the preparation for, and establishment of, Clariden Leu, our operating business demonstrated a pleasing overall performance, in the face of difficult parameters. Despite unfavorable developments for foreign-currency positions that had fared successfully the previous year, intensive management and a realignment of portfolios enabled us to retain the trust of our clients. The decline in operating income of around four percent was largely offset by cost-cutting measures, thereby enabling overall profitability targets to be met. At the same time, the development of new products, the integration of processes, and an adjustment of incentive systems created the necessary basis for stabilizing the income situation and offering our clients the best possible services.

We are very much looking forward to continuing to provide support to our discerning clients over the coming years under the new name Clariden Leu. We will work tirelessly in future to fulfil their high expectations.



Bernhard Hürlimann
CEO CREDIT SUISSE FIDES

Commentary on the 2006 Financial Report

Result

Credit Suisse Fides ended 2006 with an operating profit before extraordinary income/expenditure and tax of CHF 27.2 million. The overall result after extraordinary income/expenditure and tax was CHF 21.6 million.

Business trend

2006 was a very pleasing year. Equity markets in the Eurozone, the US, Switzerland, and developing countries performed healthily, while the currencies EUR and CHF appreciated significantly against the USD and the JPY. Economies all around the world performed strongly, and in the major conurbations there was even evidence of a significant tightening in labor markets. Inflationary fears overshadowed the picture and left their mark on the performance of long-term bonds, but even these instruments ended the year in positive territory.

Outlook

Markets kicked off 2007 in sparkling style. We are expecting a slight slowdown in growth and a good year for equities, albeit not to the same degree as in 2005/6. The commodity markets have anticipated this development, posting significant losses as the year got underway, while the US dollar has benefited.

For Fides, our integration into the Clariden Leu Group is still very much a focus. This will offer our clients an even greater range of products, and release synergies that will in turn act as a catalyst for new growth.

Balance sheet as at 31 December 2006

Assets (in CHF 1,000)	2006	2005
Liquidity	472	549
Due from banks	161,264	202,847
Due from customers	79,878	98,918
Mortgage claims	21,500	21,500
Long-term holdings	700	700
Physical assets	304	690
Accrued and deferred items	2,263	2,737
Other assets	2,294	1,784
Total Assets	268,675	329,725
Total claims against group companies and qualified participants	21,858	21,652

Liabilities (in CHF 1,000)	2006	2005
Due to banks	32,441	41,533
Due to customers, other deposits	149,757	200,916
Accrued and deferred items	8,824	10,986
Other liabilities	3,993	3,559
Writedowns and provisions	5,860	6,509
Share capital	5,000	5,000
General legal reserves	3,600	3,600
Other reserves	6,104	6,104
Profit carried forward	31,518	28,593
Net profit	21,578	22,925
Total liabilities	268,675	329,725
Total liabilities in respect of group companies and qualified participants	659	332

The details supplied in summary form represent extracts from the annual accounts of CREDIT SUISSE FIDES, as audited and certified unconditionally by our auditors KPMG Klynveld Peat Marwick Goerdeler SA of Zurich, and dated 15 January 2007.

Off-balance-sheet transactions 2006

	31.12.2006 in CHF 1,000	31.12.2005 in CHF 1,000
Potential liabilities	15,073	16,035
Derivate financial instruments		
– Contact values	157,447	133,290
– Positive replacement values	1,541	1,304
– Negative replacement values	1,491	1,245
Fiduciary transactions	986,252	1,075,141

Profit and loss account 2006

Income and expenditure from ordinary business	2006 in CHF 1,000	2005 in CHF 1,000
Income from interest business		
Interest and discount income	7,084	7,116
Interest expense	-601	-570
Subtotal, income from interest business	6,483	6,546
Commission and fee income		
Commission on securities and investments	46,439	44,996
Other commissions and fee income	784	739
Commissions expense	-6,269	-5,700
Subtotal, commission and fee income	40,954	40,035
Income from trading	6,462	8,915
Other ordinary income		
Income from the sale of financial assets	-	-
Real estate sales	953	1,336
Other ordinary income	1,879	2,016
Subtotal, other ordinary income	2,832	3,352
Totale income	56,731	58,848

Income and expenditure from ordinary business	2006 in CHF 1,000	2005 in CHF 1,000
Operating expenditure		
Staff costs	-21,380	-21,673
Property equipment, and administrative costs	-5,794	-7,450
Subtotal, operating expenditure	-27,174	-29,123
<hr/>		
Gross profit	29,557	29,725
<hr/>		
Net profit		
Gross profit	29,557	29,725
Depreciation of assets	-387	-372
Writedowns, provisions and losses	-1,933	-305
Intermediate result	27,237	29,048
Extraordinary income	361	170
Extraordinary expenditure	-	-
Tax	-6,020	-6,293
<hr/>		
Net profit	21,578	22,925

Appendix to the 2006 Financial Statements

1. Details of business activities and staff employed

Credit Suisse Fides, headquartered in Zurich, is a company of the Credit Suisse Group and as such is assigned to the Credit Suisse business area. The core business of the company comprises national and international private banking, i.e. providing investment advisory and asset management services to a discerning private client base.

Credit Suisse Fides also has an office in Lausanne. As at December 31, 2006, the company employed the full-time equivalent of 85 staff (equivalent figure as at December 31, 2005: 94 staff).

Risk management

Market risks such as currency risks, interest-rate risks, and price fluctuation risks, are monitored on a regular basis. Limits are established to keep these risks within certain parameters, and these limits are in turn monitored by the risk control unit on an ongoing basis.

Default risks are managed through the careful selection of counterparties. Loans are granted to clients only against collateral. The classification of loans in an internal risk classification system enables the bank to assess the quality of any particular exposure at all times. To improve the management of credit risk, the company sets both individual exposure limits and country limits, with the decision-making process staggered by means of different credit authorization levels. The controlling of assumed risks is undertaken as part of a continual credit monitoring process; the processing of transactions in accordance with directives is ensured by regular management controls. Where any special risks arise, these are reported to the Executive Board and the Board of Directors.

Operational risks are managed in a number of ways, including via a comprehensive system of directives, guidelines, working instructions, and controls.

All risks are aggregated and monitored by the risk control unit.

Outsourcing of business areas

No business areas were outsourced.

2. Balance sheet and valuation principles

a) Principles

The statutory individual financial statements of CS Fides were drawn up according to the provisions of the Swiss Code of Obligations, the accounting regulations of the Swiss Federal Banking Act and the associated Ordinance, as well as the Federal Act and Ordinance to the Federal Act on Stock Exchanges and Securities Trading (SESTA/SESTO) together with the guidelines of the Swiss Federal Banking Commission. The key valuation principles can be summarized as follows:

b) Recording of business transactions

Transactions are recorded in the accounts as per transaction date. Profits and losses arising from transactions are booked **as per the closing date of the relevant period**.

c) Claims due from banks and customers (incl. mortgage claims)

Claims are valued at their nominal value. A value adjustment is undertaken as soon as a clear doubt exists as to the recoverability of the claims. Interest and capital writedowns required for operational purposes are undertaken upon consideration of the prudence principle, the collateral provided, and the economic environment. If a listed claim turns out to be non-recoverable, it is charged to the applicable writedown. For claims that are exposed to country risk, provisions are created according to the regulations of the Swiss Bankers Association. Writedowns and provisions are found in the balance sheet under "Writedowns and provisions".

d) Long-term holdings

Any holdings of at least 10 % in other corporations – whether these pertain to equity capital or voting rights – are displayed as long-term holdings. The valuation is effected in accordance with the acquisition value principle, i.e. at purchase cost minus any writedowns required for operational purposes.

e) Physical assets

Items are entered in the balance sheet at acquisition cost, minus depreciation based on prudent estimates of the given item's useful life.

The value of physical assets is reviewed whenever events or circumstances make it likely that the book value no longer correlates to the market value. An impairment of value is deemed to exist whenever the book value exceeds the realizable value.

f) Other assets and liabilities

The items listed under this balance-sheet category are primarily the positive or negative replacement values arising from the valuation of derivative financial instruments (trading business).

g) Writedowns and provisions

In accordance with the prudence principle, individual writedowns and provisions are formed for all risks identifiable as at the balance-sheet reference day. Any repayments of receivables that were written off in earlier periods are credited to this position. In addition to the operationally-necessary provisions, hidden reserves may be created in the form of other provisions to cover general business risk.

h) Tax

Tax is calculated and set aside on the basis of the result for the reporting year. Tax owed from the current result is booked under accrued and deferred items.

i) Staff pensions

CS Fides has its own staff pension fund that operates as a legally independent entity. All regularly employed staff of CS Fides are members of this pension fund. They and their dependants are insured against the economic repercussions of old age, disability, and death.

j) Claims and liabilities in respect of group companies and qualified participants

Claims comprise loans and mortgages with group companies **as well as qualified participants**. The applicable terms correspond to the market rate of interest with a reduced credit margin. The liabilities relate to credit balances of group company accounts that earn interest according to Information Sheet S-02.111 of the Swiss Federal Tax Administration (interest rates for the calculation of monetary benefits).

k) Foreign-currency conversion

Claims and liabilities in foreign currencies, as well as banknote and coin holdings for the foreign-exchange business, are converted at the daily rate applicable on the balance-sheet reference day (middle of bid/offer spread).

Any profits or losses on foreign currencies included in the profit and loss account are converted using the daily rate in question.

The most important foreign-currency conversion rates for all positions in the balance sheet and the profit and loss account are listed in the appendix.

The price gains and losses arising from the foreign-currency conversion are booked under "Income from trading".

l) Derivative financial instruments

Disclosure with respect to off-balance-sheet transactions and the appendix: In the off-balance-sheet section and in the appendix, the gross replacement values of individual contracts in derivative financial instruments as well as all forward positions (interest-rate and currency swaps, equity products, stock-index products, foreign-currency products, precious-metal products, interest-rate products, financial futures, and forward agreements) are presented in gross form, augmented by the corresponding contract volumes.

Balance-sheet accounting: The replacement values from concluded contracts are entered in the balance sheet under "Other assets and liabilities", irrespective of their treatment from an income perspective. Replacement values from stock-exchange-trade contracts concluded on commission appear on the balance sheet only to the extent that they are not fully covered by the margin deposited.

m) Events after the balance-sheet reference 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, as well as Credit Suisse Fides, to form Clariden Leu with effect from the beginning of 2007. Under the planned merger on January 26, 2007, with retroactive effect to January 1, 2007, the assets and liabilities of Credit Suisse Fides will be transferred to Clariden Bank, and Credit Suisse Fides will be deleted as an independent legal company from the commercial register. Under the planned merger on January 26, 2007, with retroactive effect to January 1, 2007, Clariden Bank will be renamed Clariden Leu.

As a consequence of the merger, the staff of Credit Suisse Fides are being transferred to the occupational benefits fund of Credit Suisse with effect from January 1, 2007. The departure of staff from Credit Suisse Fides will be treated as a partial liquidation with respect to the continuing occupational benefits funds of Credit Suisse Fides.

3. Employment of profits

The annual profit amounts to CHF 21,578,000 (previous year CHF 22,924,978). Together with the balance carried forward from the previous year of CHF 31,518,000, the sum of CHF 53,096,000 is available for disposal at the shareholders' general meeting. The Board of Directors proposes the following employment of profits:

At the disposal of the general meeting	53,096,000
Dividend distribution	-35,000,000
Carried forward	18,096,000

Governing bodies

Board of Directors

Hans Nützi, Meggen, Chairman
Dr. Felix P. Graber, Uitikon, Vice-Chairman
Reto Donatsch, Zollikon
Adrian Leuenberger, Erlenbach

Executive Board

Bernhard Hürlimann, Bonstetten, interim CEO
Dieter Ertl, Einsiedeln
Didier Huonder, Penthaz
Stefan Leuenberger, Thalwil

Auditors

KPMG Klynveld Peat Marwick Goerdeler SA, Zurich

Internal Audit

Credit Suisse Group Corporate Audit

Cautionary statement regarding forward-looking information

This Annual Report contains statements that constitute forward-looking statements. In addition, in the future we, and others on our behalf, may make statements that constitute forward-looking statements. Such forward-looking statements may include, without limitation, statements relating to our plans, objectives or goals; our future economic performance or prospects; the potential effect on our future performance of certain contingencies; and assumptions underlying any such statements. Words such as "believes," "anticipates," "expects," "intends" and "plans" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. We do not intend to update these forward-looking statements except as may be required by applicable laws. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. We caution you that a number of important factors could cause results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include (i) market and interest rate fluctuations; (ii) the strength of the global economy in general and the strength of the economies of the countries in which we conduct our operations in particular; (iii) the ability of counterparties to meet their obligations to us; (iv) the effects of, and changes in, fiscal, monetary, trade and tax policies, and currency fluctuations; (v) political and social developments, including war, civil unrest or terrorist activity; (vi) the possibility of foreign exchange controls, expropriation, nationalization or confiscation of assets in countries in which we conduct our operations; (vii) the ability to maintain sufficient liquidity and access capital markets; (viii) operational factors such as systems failure, human error, or the failure to properly implement procedures; (ix) actions taken by regulators with respect to our business and practices in one or more of the countries in which we conduct our operations; (x) the effects of changes in laws, regulations or accounting policies or practices; (xi) competition in geographic and business areas in which we conduct our operations; (xii) the ability to retain and recruit qualified personnel; (xiii) the ability to maintain our reputation and promote our brands; (xiv) the ability to increase market share and control expenses; (xv) technological changes; (xvi) the timely development and acceptance of our new products and services and the perceived overall value of these products and services by users; (xvii) acquisitions, including the ability to integrate successfully acquired businesses; (xviii) the adverse resolution of litigation and other contingencies; and (xix) our success at managing the risks involved in the foregoing. We caution you that the foregoing list of important factors is not exclusive; when evaluating forward-looking statements, you should carefully consider the foregoing factors and other uncertainties and events, as well as the risks identified in Credit Suisse Group's most recently filed Form 20-F and reports on Form 6-K furnished to the US Securities and Exchange Commission. Cautionary statement regarding non-GAAP financial information.

This Annual Report contains non-GAAP financial information. A reconciliation of such non-GAAP financial information to the most directly comparable measures under generally accepted accounting principles, is posted on our website at <http://www.credit-suisse.com/sec.html>

