

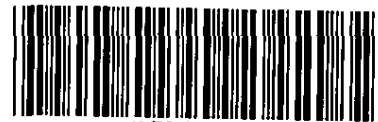
CREDIT SUISSE 

3045280

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK)
INVESTMENT HOLDINGS)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

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**CREDIT SUISSE INVESTMENT HOLDINGS (UK)
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT
HOLDINGS)**

BOARD OF DIRECTORS

Kevin J Burrowes Director

Costas P Michaelides Director

Kevin L Studd Director

COMPANY SECRETARY

Paul E Hare

Company Registration Number 3045280

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

The directors present their report and the financial statements for the year ended 31 December 2006

Change of Name

Credit Suisse Investment Holdings (UK) (the "Company") changed its name from Credit Suisse First Boston (UK) Investment Holdings on 16 January 2006

Business Review and Principal Activities

Credit Suisse Investment Holdings (UK) is an investment holding company, established primarily to hold the interests of Credit Suisse Investments (UK), formerly known as Credit Suisse First Boston (UK) Investments, a UK holding company whose ultimate parent is Credit Suisse Group

Credit Suisse Group ('CSG'), a company domiciled in Switzerland, is the ultimate parent of a worldwide group of companies (collectively referred to as the Credit Suisse group) specialising in Investment Banking, Private Banking and Asset Management

The Company's principal interests include

- Credit Suisse Securities (Europe) Limited, an international corporate finance and securities issuing and trading company,
- Credit Suisse First Boston Equities Limited, which traded in equities and equity derivative products, but which ceased trading on 1 January 2006, with the intention of being liquidated in the future,
- Credit Suisse First Boston Canary Wharf Health Club Limited, which carries on the business of a sport, health and fitness club,
- Credit Suisse Securities Sociedad de Valores SA, a Spanish Equity Brokerage company,
- Credit Suisse Client Nominees (UK) Limited, a wholly owned subsidiary of Credit Suisse Securities (Europe) Limited, which holds registered securities for Credit Suisse Securities (Europe) Limited and its clients,
- Credit Suisse First Boston Trustees Limited, a wholly owned subsidiary of Credit Suisse Securities (Europe) Limited, a trust company,
- Credit Suisse First Boston Equities Nominees Limited, which was dissolved on 8 May 2007,
- Credit Suisse First Boston Fixed Assets Limited, the principal activity of which is to serve as a holding company,
- Credit Suisse First Boston UK Nominees Limited, which has filed for strike-off,
- Grupo Financiero Credit Suisse (Mexico), S A de C V, a regulated Mexican financial holding company to service the Mexican Bank and Mexican Broker Dealer entities,
- Banco Credit Suisse (Mexico), S A, a 99.9% owned subsidiary of Grupo Financiero Credit Suisse (Mexico), S A de C V providing banking facilities in Mexico,

CREDIT SUISSE INVESTMENT HOLDINGS (UK) (FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

Business Review and Principal Activities (continued)

- Casa de Bolsa Credit Suisse (Mexico), S A de C V , a 99.9% owned subsidiary of Grupo Financiero Credit Suisse (Mexico), S A de C V providing broker dealer facilities in Mexico,
- Credit Suisse Servicios Mexico S A de C V , a 99.9% owned subsidiary of Grupo Financiero Credit Suisse (Mexico), S A de C V , providing service facilities to the Mexican Bank and Broker Dealer companies in Mexico,
- Credit Suisse First Boston InvestCo UK Limited, an unregulated subsidiary incorporated in Cayman for investment purposes, but which ceased activities during 2006 and became dormant,
- Credit Suisse First Boston InvestCo UK No1 Limited, an unregulated subsidiary incorporated in Cayman for investment purposes, but which ceased activities during 2006, with the intention of being liquidated in the future,
- Credit Suisse First Boston InvestCo UK No2 Limited, which is dormant,
- DLJ UK Properties Limited, a 99% owned subsidiary of Credit Suisse First Boston Fixed Assets Limited, a property investment company, which purchases fixed assets and rents them to other group companies,
- Credit Suisse First Boston Gilts, formerly a UK Government Bond Primary Dealer which is expected to be liquidated in the future, and
- Credit Suisse First Boston PF (Europe) Limited, a wholly owned subsidiary of Credit Suisse Securities (Europe) Ltd, which acts as a limited partner in funds for The Private Funds Group
- During the year, capital contributions of US\$1,247,661,200 were made to Credit Suisse Securities (Europe) Limited and US\$20,052,092 to Grupo Financiere Credit Suisse (Mexico), S A de C V

There has been no significant change in the Company's principal activities compared to previous years. The directors are not aware of any significant developments or factors which will have a major impact on the continued success or operation of the business in the future.

Performance

The loss for the year was US\$21,311,000 (2005 US\$460,153,000). As at 31 December 2006, the Company had total assets of US\$2,121,946,000 (2005 US\$1,958,964,000) and net liabilities position of \$11,139,000 (2005 US\$139,828,000).

Principal Risks and Uncertainties

The Company faces few risks as the majority of transactions it undertakes are with entities within the Credit Suisse Group.

The main risk facing the entity is credit risk. Credit risk is the risk of loss in the value of financial assets due to counterparties failing to meet part or all of their obligations. Credit risk is not considered a significant risk as the majority of receivable balances as at 31 December 2006 are with entities within the Credit Suisse Group.

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

Key Performance Indicators ("KPI's")

Given the straight forward nature of the business, the Company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business

Going Concern Basis

The financial statements as at 31 December 2006 have been prepared on a going concern basis taking into account US\$400,000,000, US\$399,457,500 and US\$245,000,000 capital injections from the parent company Credit Suisse Investments (UK) on 14 June 2007, 11 July 2007 and 5 September 2007 respectively. This has provided the directors with the appropriate level of comfort to prepare the financial statements on a going concern basis

Directors

The names of the directors as at the date of this report are set out on page 2. There have been no changes in the directorate since 1 January 2006, and up to the date of this report

All directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report

Dividends

No dividends were paid or are proposed for 2006 (2005 US\$Nil)

Share Capital

During the year no share capital was issued (2005 Nil)

Capital Contribution

During the year the Company received US\$150,000,000 in capital contributions (2005 US\$Nil)

Risk Management

The Group's financial risk management objectives and policies and the exposure of the Group to foreign exchange risk, credit risk, liquidity risk and cash flow risk are outlined in note 17

Donations

No charitable or political donations were made during the year (2005 US\$Nil)

Prompt Payment Code

It is the policy of the Company to pay all invoices in accordance with contract and payment terms

Auditor

Pursuant to Section 386 of the Companies Act 1985, KPMG Audit Plc continues in office as the Company's auditor

International Financial Reporting Standards

The Company's 2006 annual accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union ("EU")

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

Subsequent Events

On 21 December 2006, the Company established a limited liability partnership in the Republic of Kazakhstan, named Credit Suisse (Kazakhstan) LLP. On 5 July 2007, the Company made a contribution of \$1,560 to the charter capital of the partnership.

On 30 January 2007, the Company made a capital contribution of GBP9,000,000 or US\$17,652,870 to Credit Suisse First Boston Canary Wharf Health Club Ltd.

On 6 March 2007, the Company acquired a nominal 1 share in Credit Suisse (Istanbul) Menkul Değerler A S (CSIMD), a Turkish onshore brokerage company, for US\$10. The Company has no beneficial interest in the said share and is only acting as a nominee and trustee for Credit Suisse (International) Holding A G, the ultimate beneficial owner.

On 9 May 2007, the Company made a capital contribution of US\$200,000,000 to Credit Suisse Securities (Europe) Limited.

On 14 June 2007, the Company received US\$400,000,000 of capital contributions from the parent company, Credit Suisse Investments (UK).

On the same date, the Company made a capital contribution of US\$400,000,000 to Credit Suisse Securities (Europe) Limited.

On 12 July 2007, the Company received US\$399,457,500 of capital contributions from the parent company, Credit Suisse Investments (UK).

On the same date, the Company made a capital contribution of US\$49,457,500 to Credit Suisse Securities (Europe) Limited.

On 5 September 2007, the Company received US\$245,000,000 of capital contributions from the parent company, Credit Suisse Investments (UK).

On the same date, the Company made a capital contribution of US\$245,000,000 to Credit Suisse Securities (Europe) Limited.

There were no other subsequent events that require disclosure as at the date of this report.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

By Order of the Board


Paul E Hare
Secretary

One Cabot Square
London E14 4QJ
26 September 2007

**CREDIT SUISSE INVESTMENT HOLDINGS (UK)
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT
HOLDINGS)**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS'
REPORT AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with IFRS as adopted by the EU and applicable laws

The financial statements are required by law to present fairly the financial position and the performance of the Company, the Companies Act 1985 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether they have been prepared in accordance with IFRSs as adopted by the EU, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CREDIT SUISSE
INVESTMENT HOLDINGS (UK) (FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK)
INVESTMENT HOLDINGS)**

We have audited the financial statements (the "financial statements") of Credit Suisse Investment Holdings (UK) for the year ended 31 December 2006 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Equity and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU are set out in the Statement of Directors' Responsibilities on page 7.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements.

In addition, we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements

- give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the Company's affairs as at 31 December 2006 and of the loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
London
1 October 2007

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT
HOLDINGS)

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	2006 US\$'000	2005 US\$'000
Interest and dividend income	4	86,036	177,642
Other Income	4	16,473	1,322
Revenue	4	102,509	178,964
Impairment of investments	6	-	509,092
Other expenses	7	28,745	119,820
Finance costs		126,068	63,842
Administration expenses	5	16	30
Loss before tax		(52,320)	(513,820)
Income tax benefit	8	31,009	53,667
Loss for the year		(21,311)	(460,153)

All losses for both 2006 and 2005 are from Continuing Operations

The notes on pages 13 to 29 form an integral part of these financial statements

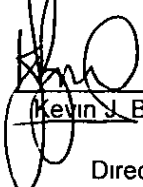
CREDIT SUISSE INVESTMENT HOLDINGS (UK)
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS)

BALANCE SHEET AS AT 31 DECEMBER 2006

	Note	2006 US\$'000	2005 US\$'000
ASSETS			
Non-current assets			
Investments	9	1,897,005	1,455,848
		1,897,005	1,455,848
Current assets			
Amounts due from related companies	10	224,518	502,949
Cash and cash equivalents	11	423	167
		224,941	503,116
Total assets		2,121,946	1,958,964
LIABILITIES			
Non-current liabilities			
Deferred tax	12	-	17,814
		-	17,814
Current liabilities			
Amounts due to related companies	13	2,133,085	2,079,246
Short-term borrowings	14	-	1,732
		2,133,085	2,080,978
Total liabilities		2,133,085	2,098,792
SHAREHOLDERS' EQUITY			
Share capital	15	2,714,729	2,564,729
Retained earnings		(2,725,868)	(2,704,557)
Total shareholders' equity		(11,139)	(139,828)
Total shareholders' equity and liabilities		2,121,946	1,958,964

The notes on pages 13 to 29 form an integral part of these financial statements

Approved by the Board of Directors on 26 September 2007 and signed on its behalf by


Kevin J. Burrowes
Director

**CREDIT SUISSE INVESTMENT HOLDINGS (UK)
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS)**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2006

	Attributable to equity holders of the Company			Total
	Share Capital	Retained Earnings	US\$'000	
Balance at 1 January 2005	2,564,729	(2,244,404)	US\$'000 320,325	
Loss for the year	-	(460,153)	(460,153)	
Total recognised income and expense for the period	-	(460,153)	(460,153)	
Balance at 31 December 2005	2,564,729	(2,704,557)	(139,828)	

	Share Capital	Retained Earnings	Total
	US\$'000	US\$'000	US\$'000
Balance at 1 January 2006	2,564,729	(2,704,557)	(139,828)
Loss for the year	-	(21,311)	(21,311)
Total recognised income and expense for the period	-	(21,311)	(21,311)
Capital contribution	150,000	-	150,000
Balance at 31 December 2006	2,714,729	(2,725,868)	(11,139)

The notes on pages 13 to 29 form an integral part of these financial statements

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT
HOLDINGS)

CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	2006 US\$'000	2005 US\$'000
Operating activities of operations			
Loss before tax for the year		(52,320)	(513,820)
Adjustments to reconcile net income to net cash provided by operating activities			
<i>Non-cash items included in loss before tax</i>			
Impairment of investments	6, 9a, 9b	-	509,092
Foreign exchange losses	9b	31,853	121,117
Gain on disposal of financial instruments	4	(1,349)	-
<i>Net decrease / (increase) in operating assets</i>			
Decrease / (increase) in amounts due from related companies	10	99,045	(99,733)
<i>Net increase in operating liabilities</i>			
Increase in amounts due to related companies	13	53,839	360,063
Cash generated from operations		131,068	376,719
Income taxes re-paid		192,581	-
Net cash flow from operating activities		323,649	376,719
Investing activities			
Return of Capital		-	20,212
Investment in subsidiaries	9a	(1,267,714)	(400,000)
Redemption of preference share investments	9b	794,611	-
Proceeds from disposal of financial instruments	9c	1,442	-
Net cash flow used in investing activities		(471,661)	(379,788)
Financing activities			
Capital contribution	15	150,000	-
Net cash flow from financing activities		150,000	-
Net decrease in cash and cash equivalents		1,988	(3,069)
Cash and cash equivalents at beginning of year		(1,565)	1,504
Cash and cash equivalents at end of year		423	(1,565)
Cash and cash equivalents at end of year comprises			
Cash and cash equivalents	11	423	167
Short-term borrowings	14	-	(1,732)
Cash and cash equivalents at end of year		423	(1,565)

The notes on pages 13 to 29 form an integral part of these financial statements

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

1 General

Credit Suisse Investment Holdings (UK) is a company domiciled in the United Kingdom. The Company's principal activity is to serve as a holding company.

2 Going Concern

The financial statements have been prepared on a going concern basis notwithstanding the deficiency in shareholders' equity amounting to US\$11,139,000, taking into account US\$400,000,000, US\$399,457,500 and US\$245,000,000 capital injections from the parent company Credit Suisse Investments (UK) on 14 June 2007, 11 July 2007 and 5 September 2007 respectively.

3 Significant Accounting Policies

a) Statement of compliance

Following the adoption of Regulation EC 1606/2002 on the 19 July 2002 by the European Parliament, the Company has elected to prepare financial statements in accordance with IFRS as adopted by the European Union ('EU'), including the standards (IAS/IFRS), as well as the interpretations issued by both the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC) as applicable to the Company under IFRS for financial periods beginning after 1 January 2005 and the Companies Act 1985 ('the Act').

b) Basis of preparation

The financial information has been prepared on the basis of recognition and measurement requirements of IFRS in issue as at 31 December 2006 and endorsed by the EU.

The financial statements are presented in US dollars (US\$), rounded to the nearest thousand.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision has a significant effect on both current and future periods.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The financial statements have also been prepared in accordance with the Companies Act 1985.

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT
HOLDINGS)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2006

3 Significant accounting policies (continued)

c) Foreign currency

Transactions denominated in currencies other than the functional currency of the reporting entity are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at balance sheet date are translated to US\$ at the foreign exchange rate ruling at that date. Foreign exchange differences arising from translation are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies at balance sheet date are not revalued for movements in foreign exchange rates.

d) Cash and cash equivalents

For the purpose of preparation and presentation of the cash flow statement, cash and cash equivalents are defined as short-term, highly liquid instruments with original maturities of three months or less and that are held for cash management purposes.

Cash and cash equivalents also include overdrafts for the purposes of the cash flow statement.

e) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case the income tax is recognised in equity. For items initially recognised in equity and subsequently recognised in the income statement, the related income tax initially recognised in equity is also subsequently recognised in the income statement.

Current tax is the expected tax payable on the taxable income for the year and includes any adjustment to tax payable in respect of previous years. Current tax is calculated using tax rates enacted or substantially enacted at the balance sheet date.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax-base. The principal temporary differences arise from the revaluation of certain investments. The amount of deferred tax provided is based on the amount at which it is expected to recover or settle the carrying amount of assets and liabilities in the balance sheet, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax liability is recognised on taxable temporary differences arising on un-remitted earnings of subsidiaries except to the extent that it is probable that such temporary differences will not reverse in the foreseeable future.

Information as to the calculation of income tax on the profit or loss for the periods presented is included in Note 8.

f) Interest income

Interest income relates to intercompany loan interest, amounts received on the Company's bank accounts and amounts received from the Company's investment in securities, which are redeemable with fixed dividends.

Interest income is recognised on an effective yield basis.

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

3 Significant accounting policies (continued)

g) Investments

Investments in subsidiaries are carried at cost and are assessed on a regular basis for impairment

Investments in unquoted debt securities are classified as loans and receivables. They are held at amortised cost in the balance sheet and changes in foreign exchange are recognised in the income statement

Financial investments are available-for-sale assets. These investments have not been fair valued as they are unquoted equity investments and the fair value cannot be reliably measured

h) Critical accounting estimates, and judgements in applying accounting policies

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances

Fair Value

The Company reports fair values in the financial statements with respect to financial instruments. Fair value may be objective, as is the case for exchange-traded instruments, for which quoted prices in price-efficient and liquid markets generally exist, or as is the case where a financial instrument's fair value is derived from actively quoted prices or pricing parameters or alternative pricing sources with a reasonable level of price transparency. For financial instruments that trade infrequently and have little price transparency, fair value may be subjective and require varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument

Income taxes

Deferred tax valuation

Deferred tax assets and liabilities are recognised to reflect the estimated amounts of income tax recoverable/payable in future periods in respect of temporary differences and unused carry forward of tax losses and credits. For temporary differences, a deferred tax asset is recognised to the extent that it is probable that taxable income will be available against which the deductible temporary difference can be utilised. Similarly, a deferred tax asset is recognised on unused carry forward tax losses and credits to the extent that it is probable that future taxable profits will be available against which the unused carry forward tax losses and credits can be utilised

Periodically, management evaluates the probability that taxable profits will be available against which the deductible temporary differences and unused carry forward tax losses and credits can be utilised. Within this evaluation process, management also considers tax-planning strategies. The evaluation process requires significant management judgement, primarily with respect to projecting future taxable profits

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT
HOLDINGS)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2006

3 Significant accounting policies (continued)

Tax contingencies

Significant judgement is required in determining the effective tax rate and in evaluating certain tax positions. The Company may accrue for tax contingencies despite the belief that positions taken in tax returns are always fully supportable. Tax contingency accruals are adjusted due to changing facts and circumstances, such as case law, progress of audits or when an event occurs requiring a change to the tax contingency accruals. Management regularly assesses the appropriateness of provisions for income taxes. Management believes that it has appropriately accrued for any contingent tax liabilities.

4 Revenue

	2006 US\$'000	2005 US\$'000
Interest income	48,448	127,910
Dividend income	37,588	49,732
Gain on redemption of preference shares (note 16b)	15,124	-
Other income	1,349	1,322
Total Revenue	102,509	178,964

5 Administration Expenses

	2006 US\$'000	2005 US\$'000
Fees payable to the auditors in respect of the audit of the company	16	14
Advisory fees	-	15
Other	-	1
Total administrative expenses (note 16b)	16	30

Audit fees are paid by another group company and recharged to the Company

6 Impairment of Investments

	2006 US\$'000	2005 US\$'000
Impairment of investment in subsidiaries (note 9a)	-	506,000
Impairment of investment in securities (note 9b)	-	12,060
Writeback of investment in securities (note 9b)	-	(8,968)
Total impairment of investments (note 16b)	-	509,092

7 Other Expenses

	2006 US\$'000	2005 US\$'000
Foreign exchange translation losses	28,745	119,820
Total other expenses	28,745	119,820

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT
HOLDINGS)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2006

8. Income Tax Benefit

	2006 US\$'000	2005 US\$'000
<u>Components of tax benefit</u>		
Current tax		
Current tax on loss for the year	(13,195)	(29,274)
Adjustments in respect of previous years	-	(965)
Total current tax	(13,195)	(30,239)
Deferred tax		
Origination and reversal of temporary differences	(17,814)	(23,428)
Total deferred tax	(17,814)	(23,428)
Income tax benefit	(31,009)	(53,667)

Reconciliation of effective tax rate

The income tax benefit for the year can be reconciled to the loss per the income statement as follows

	2006 US\$'000	2005 US\$'000
Loss before tax	(52,320)	(513,820)
Loss before tax multiplied by the UK statutory rate of corporation tax at the rate of 30% (2005 30%)	(15,696)	(154,146)
Tax effect of expenses that are non-deductible in determining taxable loss	15,365	2,170
Non-taxable income arising on dividends from UK tax resident subsidiaries	(22,199)	(50,740)
Non-deductible/(non-taxable) foreign exchange movements	(43,163)	12,906
Other permanent differences	-	(397)
Adjustment to current tax in respect of previous periods	-	(965)
Group relief surrendered for consideration lower/(in excess) of 30%	5,673	(15,223)
No deferred tax recognised on capital losses	29,011	-
Non-taxable write back of investment in subsidiaries	-	(2,690)
Non-deductible writedown of investment in subsidiaries	-	155,418
Income tax benefit	(31,009)	(53,667)

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

9 Investments

	2006 US\$'000	2005 US\$'000
Investment in subsidiaries (note 16a)	1,896,897	629,184
Loans and receivables (note 16a)	-	826,464
Financial investments held as available-for-sale (note 9c)	108	200
	1,897,005	1,455,848

a) Investment in Subsidiaries

A list of the investments in subsidiaries is given on the next page

Movements in investment in subsidiaries for the year were as follows

	2006 US\$'000	2005 US\$'000
As at 1 January	629,184	755,396
Investment in subsidiaries	1,267,713	400,000
Distributions out of capital reserves	-	(20,212)
Investment impairment	-	(506,000)
As at 31 December	1,896,897	629,184

During the year, capital contributions of US\$1,247,661,200 were made to Credit Suisse Securities (Europe) Limited and US\$20,052,092 to Grupo Financiere Credit Suisse (Mexico), S A de C V

Under section 228 of the Companies Act 1985, the Company is exempt from preparing consolidated financial statements as the Company is 98.07% owned by Credit Suisse Investments (UK) which prepares consolidated accounts. The ultimate holding company is Credit Suisse Group, which is incorporated in Switzerland.

Copies of accounts of Credit Suisse Investments (UK) and group accounts of the ultimate holding company, which are those of the smallest and largest groups in which the results of the Company are consolidated, are available to the public and may be obtained from The Registrar of Companies, Companies House, Crown Way, Mandy, Cardiff and Credit Suisse Group, Paradeplatz, P O Box 1, 8070 Zurich, respectively.

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

a) Investment in Subsidiaries (continued)

% of equity	Company name	Domicile	Activity	Investment in US\$
100	Credit Suisse Securities (Europe) Limited	UK	International corporate finance and securities issuing and trading company	1,767,661,200
100	Grupo Financiero Credit Suisse (Mexico), S A de C V	Mexico	Regulated Mexican financial holding company to service the Mexican Bank and Mexican Broker Dealer entities	95,252,091
100	Credit Suisse First Boston Equities Limited	UK	Traded in equities and equity derivative products Ceased trading on 1 January 2006, with the intention of being liquidated in the future	24,750,000
100	Credit Suisse Securities Sociedad de Valores SA	Spain	Spanish Equity Brokerage company	9,213,570
100	Credit Suisse First Boston Fixed Assets Limited	UK	Holding company	17,717
100	Credit Suisse First Boston Canary Wharf Health Club Limited	UK	Carries on the business of a sport, health and fitness club	162
100	Credit Suisse First Boston InvestCo UK Limited	Cayman	Unregulated subsidiary incorporated in Cayman for investment purposes	802
100	Credit Suisse First Boston InvestCo UK No1 Limited	Cayman	Unregulated subsidiary incorporated in Cayman for investment purposes	1,000
100	Credit Suisse First Boston InvestCo UK No2 Limited	Cayman	Dormant	891
100	Credit Suisse First Boston UK Nominees Limited	UK	Dormant	3
100	Credit Suisse First Boston Gilts	UK	Formerly a UK Government Bond Primary Dealer which is expected to be liquidated in the future	4
100	Credit Suisse Client Nominees (UK) Limited	UK	Subsidiary of Credit Suisse Securities (Europe) Limited, which holds registered securities of Credit Suisse Securities (Europe) Limited and its clients	Indirect
100	Credit Suisse First Boston Trustees Limited	UK	Subsidiary of Credit Suisse Securities (Europe) Limited, a trust company	Indirect
100	Credit Suisse First Boston PF (Europe) Limited	UK	Subsidiary of Credit Suisse Securities (Europe) Limited, which acts as a limited partner in funds for the Private Fund Group	Indirect
99.9	Banco Credit Suisse (Mexico), S A	Mexico	Subsidiary of Grupo Financiero Credit Suisse (Mexico), S A de C V, providing banking facilities in Mexico	Indirect
99.9	Casa de Bolsa Credit Suisse (Mexico), S A de C V	Mexico	Subsidiary of Grupo Financiero Credit Suisse (Mexico), S A de C V, providing broker dealer facilities in Mexico	Indirect
99.9	Credit Suisse Servicios Mexico S A de C V	Mexico	Subsidiary of Grupo Financiero Credit Suisse (Mexico), S A de C V, providing service facilities to the Mexican Bank and Broker Dealer companies	Indirect
99	DLJ UK Properties Limited	UK	Subsidiary of Credit Suisse First Boston Fixed Assets Limited, a property investment company, which rents fixed assets to other group companies	Indirect
				1,896,897,440

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

9 Investments (continued)

b) Loans and Receivables

	2006 US\$'000	2005 US\$'000
As at 1 January	826,464	950,673
Foreign exchange movement	(31,853)	(121,117)
Repayment of loans and receivables	(794,611)	-
Net impairment of investment	-	(3,092)
As at 31 December	-	826,464

The loans and receivables represent an investment in the preference shares of Credit Suisse First Boston InvestCo UK Limited and Credit Suisse First Boston InvestCo UK No 1 Limited, which are subsidiary companies. The preference shares were issued as redeemable preference shares with fixed dividends. On 17 May 2006, these preference shares were fully repurchased.

The movement during the year for loans and receivables is the result of foreign exchange movements of US\$31,853,000 (2005 US\$121,117,000) and preference shares redeemed of US\$794,611,000 (2005 Nil).

In 2006, the effective interest rate on loans and receivables was 14.70% (2005 12.48%) and the average maturity was 137 days (2005 137 days), based on the actual redemption of these instruments during 2006.

c) Financial Investments held as available-for-sale

	2006 US\$'000	2005 US\$'000
As at 1 January	200	198
Additions	1	-
Disposal of financial investment	(93)	-
Foreign exchange gains	-	2
As at 31 December	108	200

Financial investments represent the Company's 15.84% investment in Portucale SGFTC S A, a Portuguese fund manager. During the year, the Company's 10% investment in First South Securities (Proprietary) Limited, a local broker in South Africa, was disposed of.

10 Amounts due from related companies

	2006 US\$'000	2005 US\$'000
Receivables from related entities (note 16a)	222,634	212,505
Interest receivable (note 16a)	-	109,174
Group tax relief due from related entities (note 16a)	1,884	181,270
	224,518	502,949

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

10 Amounts due from related companies (continued)

Receivables from related entities represent intercompany deposits held by the Company, which is interest bearing Interest receivable represented preference dividends owed through the Company's investment in securities

The fair value of amount due from related companies approximates book value due to their short-term nature The effective interest rate on USD receivables from related entities was 5.83% (2005 3.74%) and the average maturity was 31 days (2005 48 days) There were no GBP receivables from related entities in 2006 The effective interest rate on GBP balances in 2005 was 4.81% and the average maturity was 7 days

11 Cash and Cash Equivalents

	2006 US\$'000	2005 US\$'000
Cash at bank (note 16a)	423	167
	423	167

All bank accounts are matured on demand The effective interest rate on the GBP bank account was 4.6% (2005 4.25%)

12 Deferred Tax

Deferred taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30% (2005 30%)

	2006 US\$'000	2005 US\$'000
Deferred tax liabilities	-	17,814
Net position	-	17,814

The movement for the year on the deferred tax position is analysed as follows

Beginning of the year	17,814	41,242
Benefit to income for the year	(17,814)	(23,428)
At end of year	-	17,814

Deferred tax liabilities are attributed to the following items

Deferred tax liabilities		
Investment in securities	-	17,814
At end of year	-	17,814

Deferred tax assets are recognised on carry forward tax losses only to the extent that realisation of the related tax benefit is probable The Company has capital losses of £49,215,813 (US\$96,704,151) (2005 US\$Nil) to carry forward against future capital gains and these have no expiry date The benefit of the tax losses has not been recognised in these financial statements due to the uncertainty of their recoverability Following a change to the rate of UK corporation tax with effect from 1 April 2008 the unrecognised deferred tax asset on capital losses will be reduced by £984,000 (US\$1,934,000) As the deferred tax is not recognised, there is not expected to be any effect to the tax charge for the foreseeable future

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2006

12 Deferred Tax (continued)

The Company had no deferred tax provided or deferred tax liabilities not recognised in respect of subsidiaries at 31 December 2006 (2005 US\$Nil)

13 Amounts due to related companies

	2006 US\$'000	2005 US\$'000
Amounts due to related entities (note 16a)	2,133,055	2,079,232
Other accruals (note 16a)	30	14
	<u>2,133,085</u>	<u>2,079,246</u>

Amounts due to related entities represents intercompany loans made to the Company, which are interest bearing

The fair value of amount due to related companies approximates book value due to their short-term nature. The effective interest rate on USD amounts due to related entities was 6.04% (2005 3.70%) and the average maturity was 86 days (2005 58 days). The effective interest rate on EUR amounts due to related entities was 4.11% (2005 2.85%) and the average maturity was 91 days (2005 61 days). There were no ZAR amounts due to related entities in 2006. The effective interest rate on ZAR amounts due to related entities was 14.04% and the average maturity was 3 days in 2005.

14 Short-term Borrowings

	2006 US\$'000	2005 US\$'000
Bank overdrafts (note 16a)	-	1,732
	<u>-</u>	<u>1,732</u>

All bank accounts are matured on demand. The effective interest rate on the EUR and USD bank account was Nil (2005 3.3%) and Nil (2005 5.05%) respectively.

15 Share Capital

	2006 US\$'000	2005 US\$'000
Authorised:		
100,000,000 ordinary shares of US\$1 each	100,000	100,000
1,000,000,000 preference shares of US\$1 each	1,000,000	1,000,000
	2006 GBP'000	2005 GBP'000
60,000,000 preference shares of GBP1 each	60,000	60,000

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

15 Share Capital (continued)

	2006 US\$'000	2005 US\$'000
Allotted, called up and fully paid		
73,369,578 ordinary shares of US\$1 each	73,369	73,369
860,000,000 preference shares of US\$1 each	860,000	860,000
35,000,000 preference shares of GBP1 each	58,003	58,003
Share premium	362,600	362,600
Capital reserve	1,360,757	1,210,757
	2,714,729	2,564,729

On 11 October 2006, the parent company Credit Suisse Investments (UK) made a capital contribution of US\$150,000,000 (2005 Nil) into the Company

Preference Shares

All preference shares are non-cumulative perpetual shares and are only entitled to dividends as and when declared by the board of directors in any given dividend period

Should the Company be wound up the preference shares shall carry the right to a return of capital (including premium) paid up thereon in priority to all payments made to holders of ordinary shares

The preference shares do not carry any voting rights

Share options

The Company does not offer share options to directors

16 Related Party Transactions

The Company is controlled by Credit Suisse Investments (UK), incorporated in the United Kingdom and which owns 98.07% of the ordinary shares. The ultimate parent company is Credit Suisse Group, which is incorporated in Switzerland.

The Company is involved in significant financing and other transactions, and has significant related party balances, with subsidiaries and affiliates of Credit Suisse Group. The Company generally enters into these transactions in the ordinary course of business and believes that these transactions are generally on market terms that could be obtained from unrelated parties.

The following tables set forth the Company's related party assets and liabilities and related party revenues and expenses

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

16 Related Party Transactions (continued)

a) Related party assets and liabilities

	2006			2005				
	Parent US\$'000	Fellow group companies US\$'000	Subsidiaries US\$'000	Totals US\$'000	Parent US\$'000	Fellow group companies US\$'000	Subsidiaries US\$'000	Totals US\$'000
ASSETS								
Non-current assets								
Investments	-	-	1,896,897	1,896,897	-	-	1,455,648	1,455,648
Financial investments held as available for sale	-	1	-	1	-	-	-	-
	-	1	1,896,897	1,896,898	-	-	1,455,648	1,455,648
Current assets								
Amounts due from related companies	222,634	1,884	-	224,518	210,704	183,071	109,174	502,949
Cash and cash equivalents	-	404	-	404	-	3	-	3
	222,634	2,288	-	224,922	210,704	183,074	109,174	502,952
Total related party assets	222,634	2,289	1,896,897	2,121,820	210,704	183,074	1,564,822	1,958,600
LIABILITIES								
Current liabilities								
Amounts due to related companies	-	2,132,938	147	2,133,085	-	943,550	1,135,696	2,079,246
Short-term borrowings	-	-	-	-	-	1,732	-	1,732
Total related party liabilities	-	2,132,938	147	2,133,085	-	945,282	1,135,696	2,080,978

**CREDIT SUISSE INVESTMENT HOLDINGS (UK)
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

16 Related Party Transactions (continued)

b) Related party revenues and expenses

	2006				2005			
	Parent US\$'000	Fellow group companies US\$'000	Subsidiaries US\$'000	Totals	Parent US\$'000	Fellow group companies US\$'000	Subsidiaries US\$'000	Totals
Interest and dividend income	11,930	37,617	36,408	85,955	7,910	439	169,135	177,484
Gain on redemption of preference shares	-	-	15,124	15,124	-	-	-	-
Total related party revenue	11,930	37,617	51,532	101,079	7,910	439	169,135	177,484
Administration expenses	-	16	-	16	-	30	-	30
Impairment of investments	-	-	-	-	-	-	509,092	509,092
Finance costs	-	107,142	18,872	126,014	-	27,564	36,112	63,676
Total related party expenses	-	107,158	33,996	141,154	-	27,594	545,204	572,798

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

16 Related Party Transactions (continued)

c) Remuneration of Directors and Key Management Personnel

	2006 US\$'000	2005 US\$'000
Directors' emoluments	1,178	190
Amounts receivable under long term incentive schemes	1,020	450
	<u>2,198</u>	<u>640</u>
Company contributions to money purchase pension schemes	242	528
	<u>2,440</u>	<u>1,168</u>

Under IFRS the aggregate value of compensation provided in the financial statements for 2006 for Directors was US\$10,813,053 (2005 US\$4,928,257)

Where directors perform services for a number of companies within the Credit Suisse Group, the total emoluments payable to each director have been apportioned to the respective entities. The directors' emoluments have been borne by subsidiary undertakings.

Included in amounts receivable under long term incentive schemes is \$56,734 (2005 \$56,970) relating to cash schemes.

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was US\$2,198,420 (2005 US\$639,857). He was a member of a money purchase pension scheme and the contribution paid during the year for the money purchase pension scheme was US\$241,599 (2005 US\$527,639). During the year the highest paid director received an entitlement to shares under a long term incentive scheme.

Retirement benefits are accruing to the following number of directors under

	Number of Directors	
	2006	2005
Money purchase schemes	2	2
Both money purchase and defined benefit	<u>1</u>	<u>2</u>
Number of directors who exercised share options	<u>-</u>	<u>-</u>
Directors in respect of whose services shares were received or receivable under long term incentive schemes	<u>3</u>	<u>4</u>

All directors benefited from qualifying third party indemnity provisions.

d) Loans and advances to Directors and Key Management Personnel

There were no loans or advances made to directors or key management personnel during the year (2005 US\$Nil).

e) Liabilities due to pension funds

The Company has no employees and therefore does not have any liabilities with regard to pension funds.

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

17 Financial Risk Management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest risk and price risk), credit risk and liquidity risk. The overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the central treasury department of Credit Suisse (Group Treasury) under policies approved by its Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the operating units. The Credit Suisse Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest-rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investing excess liquidity.

a) Foreign Exchange Risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the GBP and the South African Rand. Foreign exchange risk arises when future commercial transactions, recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. Group Treasury is responsible for managing the net position in each foreign currency by using external forward currency contracts.

The Company had the following assets and liabilities denominated in currencies other than US\$. In 2006, the majority of these assets and liabilities are denominated in GBP (2005: ZAR).

	2006 US\$'000	2005 US\$'000
Non-USD denominated assets	<u>9,380</u>	<u>945,220</u>
Non-USD denominated liabilities	<u>93</u>	<u>92</u>

b) Credit Risk

The Company is exposed to credit risk from other Credit Suisse group companies, with the maximum exposure being US\$ 224,518,000.

The Company has policies in place to ensure that loans are made only to customers with an appropriate credit history. These include a credit request and approval process, ongoing credit and counterparty monitoring and a credit quality review process.

Credit committees and senior credit managers make credit decisions on a transaction-by-transaction basis, determined by levels appropriate to the amount and complexity of the transactions, and based on the overall exposures to counterparties and their related parties.

c) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to meet requirements as they fall due. Group Treasury manages the day-to-day liquidity position of Credit Suisse Group as a group. The Company is managed within this framework and receives intercompany funding.

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

17 Financial Risk Management (continued)

d) Cash Flow and Fair Value Interest Rate Risk

The Company's interest rate risk arises from the Company participating in the intercompany funding process with funding being short term and at fixed rates. Preference shares carry dividends at long term fixed interest rates. This process is overseen by Credit Suisse Group Treasury.

18 Corporate Asset and Liability Management

The Group Treasury department at Credit Suisse also oversees corporate policy with respect to interest rate and foreign exchange exposure, as well as a range of other important policy areas including debt maturity profile, internal and external capitalisation and intercompany funding. Credit Suisse minimises interest rate and foreign currency exposures from a corporate perspective.

19 IFRS not yet adopted

Certain new accounting standards and interpretations have been issued and are mandatory for accounting periods beginning on or after 1 January 2007. The Company has assessed those standards and interpretations issued. The initial application of these standards and interpretations is not expected to have any material impact on the Company's financial statements.

The Company has elected not to early adopt the provisions of IFRS 7 'Financial Instruments - Disclosures'. The new standard is a pure disclosure standard and does not change the recognition and measurement of financial instruments. Accordingly, it will have no effect on the Income Statements and Statement of Changes in Equity. The new standard requires enhanced quantitative and qualitative risk disclosures for all major categories of financial instruments in the financial statements.

The Company has not considered the impact of accounting standards issued after the balance sheet date.

20 Subsequent Events

On 21 December 2006, the Company established a limited liability partnership in the Republic of Kazakhstan, named Credit Suisse (Kazakhstan) LLP. On 5 July 2007, the Company made a contribution of \$1,560 to the charter capital of the partnership.

On 30 January 2007, the Company contributed GBP9,000,000 to Credit Suisse First Boston Canary Wharf Health Club Ltd.

On 6 March 2007, the Company acquired a nominal 1 share in Credit Suisse (Istanbul) Menkul Değerler A.Ş. (CSIMD), a Turkish onshore brokerage company, for US\$10. The Company has no beneficial interest in the said share and is only acting as a nominee and trustee for Credit Suisse (International) Holding A.G., the ultimate beneficial owner.

On 9 May 2007, the Company made a capital contribution of US\$200,000,000 to Credit Suisse Securities (Europe) Limited.

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT
HOLDINGS)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

20 Subsequent Events (continued)

On 14 June 2007, the Company received US\$400,000,000 of capital contributions from the parent company, Credit Suisse Investments (UK)

On the same date, the Company made a capital contribution of US\$400,000,000 to Credit Suisse Securities (Europe) Limited

On 12 July 2007, the Company received US\$399,457,500 of capital contributions from the parent company, Credit Suisse Investments (UK)

On the same date, the Company made a capital contribution of US\$49,457,500 to Credit Suisse Securities (Europe) Limited

On 5 September 2007, the Company received US\$245,000,000 of capital contributions from the parent company, Credit Suisse Investments (UK)

On the same date, the Company made a capital contribution of US\$245,000,000 to Credit Suisse Securities (Europe) Limited

There were no other subsequent events that require disclosure as at the date of this report