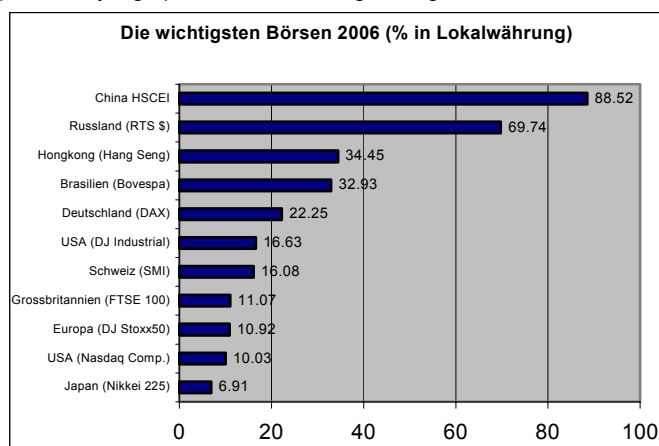


Structured equity products in 2006

2006 – a further year for equities

2006 was the fourth year in succession in which equity investments provided above-average yields. In fact, most of the markets recorded double-digit yields (see the illustration below). Not for the first time, the shares of companies in emerging nations performed best, whereby Russia and China excelled with particularly high performance among the significant markets.



Source: Bloomberg

Equity products with pleasing performance

Structured share products obviously benefit from the positive development on the stock markets. The relative performance of a structured equity product in comparison with the underlying basis values of course depends largely on the way in which the product is structured. A glance at the annualised performance of the relevant products shows that those products with a conditional capital guarantee have done far better than products which provide capital protection of 100%.

In the case of bonus products which have become very popular and which offer a conditional capital guarantee, one can basically assume that in a market which is tending to move sideways or downwards, they do better than the underlying value, whereas in markets which are moving strongly upwards, those bonus products provide a somewhat lower performance. One example is that the currency-secured bonus product on the Japanese Topix Index (which was moving sideways) achieved in the same period of time a performance of about 16% more than the underlying index in local currency. Conversely, all the bonus products which relate to basis values which have risen strongly in double digits did rather less well than the relevant, underlying stock indices or baskets.

The real leader among the structured products launched by the NPB Neue Privat Bank was the certificate on the HSCEI (an index on Chinese Blue Chips quoted in Hong Kong), which has recorded a performance of about 45% since its launch or an annualised 56%.

Multi-bonus products with significant out-performance

The fact that one can achieve with structured products an additional yield in comparison with the underlying values is demonstrated particularly by the positive price development of the so-called multi-bonus products on a number of shares. An example here is that the product launched at the end of February on the insurance shares Swiss Life, Zurich Financial and Swiss Re achieved a performance of about 26% (annualised 30%) which was almost double that of the basket of those three shares in the same period of time.

The investment strategy pursued by the NPB Neue Privat Bank with normal bonus products on stock indices and baskets as the core investment, supplemented by selected multi-bonus products, has proven itself excellently in the past year. The advantages of that investment strategy with the risk buffers offered by the bonus products can really come into their own if and when shares no longer perform as well as they did in 2006 and start to tend sideways or moderately downwards.

MR/29.12.2006

Overview of NPB structured equity products

Valor	Bonus/Coupons	FX	Issue date	Issuer	Product	Maturity	Price 1.1.06	Price 29.12.06	Performance 06
Equity products									
1'529'337	40.00%	EUR	19.12.2002	Bear Stearns	Cliquet Note on Eurostoxx50 / LN27024	20.12.2010	123.260%	127.47%	3.42
1'504'503	40.00%	EUR	28.10.2002	Bear Stearns	Cliquet Note on Eurostoxx50 / LN16853	28.10.2010	128.680%	134.30%	4.37
1'582'062	40.00%	EUR	01.04.2003	Dexia	Bonus Note EuroStoxx50 Index	31.03.2009	165.33%	188.16%	13.81
1'642'750	50.00%	EUR	10.07.2003	Dexia	Bonus Note DJ Global Titans	20.07.2009	143.72%	177.23%	23.32
1'769'692	10.00%	EUR	27.01.2004	Dexia	Bonus Note DJ EuroStoxx50	27.04.2007	125.21%	144.04%	15.04
1'984'411	125.00%	EUR	10.11.2004	KBC Ifirma	Bonus Note SMI Index / LN40486	10.11.2008	130.66%	152.93%	17.04
2'046'735	30.00%	EUR	07.02.2005	HVB	Bonus Note HVB Dividenden Basket	06.02.2009	113.62%	130.09%	14.50
2'089'992	172.00%	CHF	24.05.2005	Lehman	Altiplano Note	24.05.2013	94.92%	106.17%	11.85
2'179'411	127.50%	CHF	20.06.2005	Calyon	CSGN Bonus Note, Barriere 82.50%	20.06.2008	1277.59	1617.92	26.64
2'191'989	119.00%	CHF	29.06.2005	Lehman	NESN Bonus Note, Barriere 85	29.06.2008	1189.30	1291.40	8.58
2'240'892	0.5%-6.25%	CHF	16.08.2005	Lehman	CapPlus Note, linked to a Basket of 20 shs.	16.08.2011	96.17	102.43	6.51
2'271'584	100.00%	USD	26.09.2005	HSBC	Topix Note 100% Kap. Gar. + 110% Perform.	26.09.2008	119.91%	122.11%	1.83
2'292'374	100.00%	USD	25.10.2005	Calyon	Topix Note 100% Kap. Gar. + 100% Perform.	25.04.2008	110.75	112.37	1.46
2'324'807	50.00%	USD	21.11.2005	Calyon	Bonus Note Sx5E, 60% / 150%	21.11.2010	1031.59	1201.05	16.43
2'328'121	25.00%	CHF	21.11.2005	COBA	Bonus Note UBSN / 80% / 125%	24.11.2008	1052.00	1229.00	16.83
2'333'469	35.00%	USD	05.12.2005	Bear Stearns	Bonus Energy Basket / 75% / 135%	06.12.2010	104.41%	121.21%	16.09
2'409'349	55.00%	EUR	06.02.2006	Calyon	Bonus Topix - 80% Barriere - 55% Bonus	08.02.2010	100%	104.90%	4.90
2'450'670	27.00%	CHF	27.02.2006	Dresdner	Multi Bonus SLHN/RUKN/ZURN	27.08.2007	100%	125.10%	30.12
2'465'321	45.00%	USD	17.03.2006	BNP	Bonus HSCEI, 75% / 45%	17.03.2010	100%	144.85%	56.65
2'468'074	21.00%	CHF	13.03.2006	Dresdner	Multi Bonus UBSN/NESN/NOVN	27.08.2007	100%	114.63%	18.48
2'558'713	47.00%	EUR	28.11.2006	ING	Multi Bonus CS/NOVN/ZURN	22.05.2008	100%	101.88%	22.56
2'558'719	33.00%	CHF	17.11.2006	ING	Bonus Note auf DJ EuroStoxx	17.11.2010	100%	101.86%	14.88
2'557'679	-	EUR	10.07.2006	Bear Stearns	Take Five Note	10.07.2008	100%	103.63%	7.26
2'627'402	42.00%	EUR	20.07.2006	KBC	Multi Bonus Note Banks	21.07.2008	100%	114.78%	32.25
2'660'597	60.00%	CHF	18.08.2009	BCEE	Multi Bonus Note Pharma	18.08.2006	100%	102.92%	10.01

Products with 100% capital guarantee

Other products with conditional capital guarantee