

VII

Consolidated financial statements – Credit Suisse (Bank)

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KPMG AG
Audit Financial Services
Badenerstrasse 172
CH-8004 Zurich

P.O. Box
CH-8026 Zurich

Telephone +41 44 249 31 31
Fax +41 44 249 23 19
Internet www.kpmg.ch

Report of the Statutory Auditor on the Consolidated Financial Statements to the General Meeting of

Credit Suisse AG, Zurich

As statutory auditor, we have audited the accompanying consolidated financial statements of Credit Suisse AG and subsidiaries (the "Bank"), which comprise the consolidated balance sheets as of December 31, 2009 and 2008, and the related consolidated statements of operations, changes in equity, comprehensive income and cash flows, and notes for each of the years in the three-year period ended December 31, 2009.

Board of Directors' Responsibility

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The board of directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Swiss law and Swiss Auditing Standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position as of December 31, 2009 and 2008, and the results of operations and cash flows for each of the years in the three-year period ended December 31, 2009, in accordance with U.S. generally accepted accounting principles and comply with Swiss law.

As discussed in Note 1 to the consolidated financial statements, in 2007 the Bank changed its method of accounting for certain financial instruments accounted for at fair value.



Report on Other Legal and Regulatory Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) (Switzerland) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the board of directors.

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

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Bank's internal control over financial reporting as of December 31, 2009, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated March 25, 2010 expressed an unqualified opinion on the effectiveness of the Bank's internal control over financial reporting.

KPMG AG

A handwritten signature in black ink, appearing to read 'David L. Jahnke'.

David L. Jahnke
Licensed Audit Expert
Auditor in Charge

A handwritten signature in black ink, appearing to read 'Marc Ufer'.

Marc Ufer
Licensed Audit Expert

Zurich, Switzerland
March 25, 2010

Consolidated financial statements

Consolidated statements of operations

	Reference to notes	2009	2008	2007
in				
Consolidated statements of operations (CHF million)				
Interest and dividend income	6	24,522	47,102	61,592
Interest expense	6	(18,153)	(39,189)	(53,994)
Net interest income	6	6,369	7,913	7,598
Commissions and fees	7	12,770	13,640	17,522
Trading revenues	28	12,164	(10,340)	5,804
Other revenues	8	690	(3,908)	5,966
Net revenues		31,993	7,305	36,890
Provision for credit losses	9	460	797	227
Compensation and benefits	10	14,706	12,958	15,528
General and administrative expenses	11	7,622	7,299	6,781
Commission expenses		1,848	2,090	2,189
Total other operating expenses		9,470	9,389	8,970
Total operating expenses		24,176	22,347	24,498
Income/(loss) from continuing operations before taxes		7,357	(15,839)	12,165
Income tax expense/(benefit)	24	1,794	(4,922)	844
Income/(loss) from continuing operations		5,563	(10,917)	11,321
Income/(loss) from discontinued operations, net of tax	4	169	(531)	6
Net income/(loss)		5,732	(11,448)	11,327
Less net income/(loss) attributable to noncontrolling interests		(697)	(3,379)	5,013
Net income/(loss) attributable to shareholder		6,429	(8,069)	6,314
of which from continuing operations		6,260	(7,538)	6,308
of which from discontinued operations		169	(531)	6

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Consolidated balance sheets

	Reference to notes	end of	
		2009	2008
Assets (CHF million)			
Cash and due from banks		52,535	90,521
Interest-bearing deposits with banks		2,200	3,892
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	12	208,378	269,013
of which reported at fair value		128,303	164,743
Securities received as collateral, at fair value		37,371	29,755
of which encumbered		27,671	16,966
Trading assets, at fair value	13	331,307	341,381
of which encumbered		112,843	69,921
Investment securities	14	9,190	11,681
of which reported at fair value		9,190	11,457
Other investments	15	23,547	26,908
of which reported at fair value		20,865	24,820
Net loans	16	221,452	220,392
of which reported at fair value		36,246	32,314
allowance for loan losses		(1,184)	(1,428)
Premises and equipment	17	5,901	5,789
Goodwill	18	8,132	8,195
Other intangible assets	18	318	412
of which reported at fair value		30	113
Brokerage receivables		41,872	57,499
Other assets	20	68,279	85,208
of which reported at fair value		29,097	34,066
of which encumbered		975	3,329
Assets of discontinued operations held-for-sale	4	0	1,023
Total assets		1,010,482	1,151,669

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Consolidated balance sheets (continued)

	Reference to notes	2009	end of 2008
Liabilities and equity (CHF million)			
Due to banks	21	50,081	74,948
of which reported at fair value		4,914	3,576
Customer deposits	21	258,697	267,010
of which reported at fair value		2,038	1,975
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	12	191,587	243,970
of which reported at fair value		122,136	174,975
Obligation to return securities received as collateral, at fair value		37,371	29,755
Trading liabilities, at fair value	13	134,875	153,718
Short-term borrowings		6,058	10,182
of which reported at fair value		3,383	2,545
Long-term debt	22	156,676	148,550
of which reported at fair value		70,900	76,069
Brokerage payables		59,132	93,426
Other liabilities	20	70,254	83,089
of which reported at fair value		30,271	24,275
Liabilities of discontinued operations held-for-sale	4	0	872
Total liabilities		964,731	1,105,520
Common shares / Participation certificates		4,400	4,400
Additional paid-in capital		24,299	25,059
Retained earnings		11,422	5,132
Treasury shares, at cost		(487)	18
Accumulated other comprehensive income/(loss)	23	(8,406)	(7,741)
Total shareholder's equity		31,228	26,868
Noncontrolling interests		14,523	19,281
Total equity		45,751	46,149
Total liabilities and equity		1,010,482	1,151,669
<hr/>			
end of		2009	2008
Additional share information			
Par value (CHF)		100.00	100.00
Issued shares (million)		44.0	44.0
Shares outstanding (million)		44.0	44.0

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Consolidated statements of changes in equity

	Attributable to shareholder								Number of common shares outstanding ²
	Common shares/Participation certificates	Additional paid-in capital	Retained earnings	Treasury shares, at cost ¹	Accumulated other comprehensive income	Total shareholder's equity	Non-controlling interests	Total equity	
2009 (CHF million)									
Balance at beginning of period	4,400	25,059	5,132	18	(7,741)	26,868	19,281	46,149	43,996,652
Purchase of subsidiary shares from noncontrolling interests, changing ownership	-	9	-	-	-	9	(9)	0	-
Purchase of subsidiary shares from noncontrolling interests, not changing ownership ^{3, 4}	-	-	-	-	-	-	(468)	(468)	-
Sale of subsidiary shares to noncontrolling interests, changing ownership	-	(1)	-	-	-	(1)	5	4	-
Sale of subsidiary shares to noncontrolling interests, not changing ownership ⁴	-	-	-	-	-	-	1,229	1,229	-
Net income/(loss)	-	-	6,429	-	-	6,429	(697)	5,732	-
Gains/(losses) on cash flow hedges	-	-	-	-	17	17	-	17	-
Foreign currency translation	-	-	-	-	(472)	(472)	(303)	(775)	-
Unrealized gains/(losses) on securities	-	-	-	-	13	13	-	13	-
Actuarial gains/(losses)	-	-	-	-	(223)	(223)	-	(223)	-
Total other comprehensive income/(loss), net of tax	-	-	-	-	(665)	(665)	(303)	(968)	-
Issuance of common shares	-	(13)	-	-	-	(13)	-	(13)	-
Sale of treasury shares	-	50	-	1,645	-	1,695	-	1,695	-
Repurchase of treasury shares	-	-	-	(2,150)	-	(2,150)	-	(2,150)	-
Share-based compensation, net of tax	-	(797)	-	-	-	(797)	-	(797)	-
Dividends on share-based compensation, net of tax	-	(5)	-	-	-	(5)	-	(5)	-
Cash dividends paid	-	-	(141)	-	-	(141)	(111)	(252)	-
Change in scope of consolidation	-	-	-	-	-	-	(4,491)	(4,491)	-
Other	-	(3)	2	-	-	(1)	87	86	-
Balance at end of period	4,400	24,299	11,422	(487)	(8,406)	31,228	14,523	45,751	43,996,652

¹ Reflects Credit Suisse Group shares which are reported as treasury shares. Those shares are held to economically hedge share award obligations. ² The Bank's total share capital is fully paid and consists of 43,996,652 registered shares with nominal value of CHF 100 per share. Each share is entitled to one vote. The Bank has no warrants or convertible rights on its own shares outstanding. ³ Distributions to owners in funds include the return of original capital invested and any related dividends. ⁴ Includes transactions with and without ownership changes related to fund activity.

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Consolidated statements of changes in equity (continued)

	Attributable to shareholder								Number of common shares outstanding
	Common shares/ Participa- tion certi- ficates	Additional paid-in capital	Retained earnings	Treasury shares, at cost	Accumu- lated other compre- hensive income	Total share- holder's equity	Non- controlling interests	Total equity	
2008 (CHF million)									
Balance at beginning of period	4,400	20,849	15,872	(5,497)	(4,290)	31,334	24,019	55,353	43,996,652
Purchase of subsidiary shares from noncontrolling interests, changing ownership	-	-	-	-	-	-	(77)	(77)	-
Purchase of subsidiary shares from noncontrolling interests, not changing ownership	-	-	-	-	-	-	(1,717)	(1,717)	-
Sale of subsidiary shares to noncontrolling interests, not changing ownership	-	-	-	-	-	-	1,991	1,991	-
Net income/(loss)	-	-	(8,069)	-	-	(8,069)	(3,379)	(11,448)	-
Cumulative effect of accounting changes, net of tax	-	-	(11)	-	7	(4)	-	(4)	-
Gains/(losses) on cash flow hedges	-	-	-	-	(14)	(14)	-	(14)	-
Foreign currency translation	-	-	-	-	(3,294)	(3,294)	(1,353)	(4,647)	-
Unrealized gains/(losses) on securities	-	-	-	-	(54)	(54)	-	(54)	-
Actuarial gains/(losses)	-	-	-	-	(95)	(95)	-	(95)	-
Net prior service cost	-	-	-	-	(1)	(1)	-	(1)	-
Total other comprehensive income/(loss), net of tax	-	-	-	-	(3,458)	(3,458)	(1,353)	(4,811)	-
Issuance of common shares	-	2,958	-	-	-	2,958	-	2,958	-
Sale of treasury shares	-	1	-	1,039	-	1,040	-	1,040	-
Repurchase of treasury shares	-	-	-	(1,021)	-	(1,021)	-	(1,021)	-
Share-based compensation, net of tax	-	1,264	-	-	-	1,264	-	1,264	-
Dividends on share-based compensation, net of tax	-	(203)	-	-	-	(203)	-	(203)	-
Cash dividends paid	-	-	(2,660)	-	-	(2,660)	(124)	(2,784)	-
Change in scope of consolidation	-	-	-	-	-	-	15	15	-
Other	-	190	-	5,497	-	5,687	(94)	5,593	-
Balance at end of period	4,400	25,059	5,132	18	(7,741)	26,868	19,281	46,149	43,996,652

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Consolidated statements of changes in equity (continued)

	Attributable to shareholder								Number of common shares outstanding
	Common shares/ Participa- tion certifi- cates	Additional paid-in capital	Retained earnings	Treasury shares, at cost	Accumu- lated other compre- hensive income	Total share- holder's equity	Non- controlling interests	Total equity	
2007 (CHF million)									
Balance at beginning of period	4,400	19,593	11,652	(6,149)	(3,451)	26,045	18,902	44,947	43,996,652
Purchase of subsidiary shares from noncontrolling interests, changing ownership	-	-	-	-	-	-	(1,152)	(1,152)	-
Purchase of subsidiary shares from noncontrolling interests, not changing ownership	-	-	-	-	-	-	(5,958)	(5,958)	-
Sale of subsidiary shares to noncontrolling interests, changing ownership	-	-	-	-	-	-	2	2	-
Sale of subsidiary shares to noncontrolling interests, not changing ownership	-	-	-	-	-	-	7,849	7,849	-
Net income/(loss)	-	-	6,314	-	-	6,314	5,013	11,327	-
Cumulative effect of accounting changes, net of tax	-	-	(680)	-	10	(670)	(26)	(696)	-
Gains/(losses) on cash flow hedges	-	-	-	-	2	2	-	2	-
Foreign currency translation	-	-	-	-	(1,168)	(1,168)	(1,921)	(3,089)	-
Unrealized gains/(losses) on securities	-	-	-	-	15	15	-	15	-
Actuarial gains/(losses)	-	-	-	-	304	304	-	304	-
Net prior service cost	-	-	-	-	(2)	(2)	-	(2)	-
Total other comprehensive income/(loss), net of tax	-	-	-	-	(849)	(849)	(1,921)	(2,770)	-
Repurchase of treasury shares	-	-	-	(287)	-	(287)	-	(287)	-
Share-based compensation, net of tax	-	833	-	939	-	1,772	-	1,772	-
Dividends on share-based compensation, net of tax	-	112	-	-	-	112	-	112	-
Cash dividends paid	-	-	(1,167)	-	-	(1,167)	(52)	(1,219)	-
Change in scope of consolidation	-	-	-	-	-	-	930	930	-
Other	-	311	(247)	-	-	64	432	496	-
Balance at end of period	4,400	20,849	15,872	(5,497)	(4,290)	31,334	24,019	55,353	43,996,652

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Comprehensive income

in	2009	2008	2007
Comprehensive income (CHF million)			
Net income/(loss)	5,732	(11,448)	11,327
Other comprehensive income/(loss), net of tax ¹	(968)	(4,811)	(2,770)
Comprehensive income/(loss)	4,764	(16,259)	8,557
Comprehensive income/(loss) attributable to noncontrolling interests	(1,000)	(4,732)	3,092
Comprehensive income/(loss) attributable to shareholder	5,764	(11,527)	5,465

¹ For details on the components of other comprehensive income, refer to Note 23 – Accumulated other comprehensive income.

Consolidated statements of cash flows

in	2009	2008	2007
Operating activities of continuing operations (CHF million)			
Net income/(loss)	5,732	(11,448)	11,327
Less net income/(loss) attributable to noncontrolling interests	(697)	(3,379)	5,013
Net income/(loss) attributable to shareholder	6,429	(8,069)	6,314
(Income)/loss from discontinued operations attributable to shareholder, net of tax	(169)	531	(6)
Income/(loss) from continuing operations attributable to shareholder	6,260	(7,538)	6,308
Adjustments to reconcile net income/(loss) to net cash provided by/(used in) operating activities of continuing operations (CHF million)			
Impairment, depreciation and amortization	1,081	1,129	859
Provision for credit losses	460	797	227
Deferred tax provision/(benefit)	935	(5,133)	(1,193)
Share of net income from equity method investments	(28)	20	(91)
Trading assets and liabilities, net	(8,623)	122,210	(64,803)
(Increase)/decrease in other assets	27,236	(1,396)	(63,591)
Increase/(decrease) in other liabilities	(40,612)	27,880	60,460
Other, net	1,085	(4,221)	7,864
Total adjustments	(18,466)	141,286	(60,268)
Net cash provided by/(used in) operating activities of continuing operations	(12,206)	133,748	(53,960)
Investing activities of continuing operations (CHF million)			
(Increase)/decrease in interest-bearing deposits with banks	1,584	207	(455)
(Increase)/decrease in central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	55,508	12,285	3,327
Purchase of investment securities	(67)	(510)	(445)
Proceeds from sale of investment securities	891	55	2,884
Maturities of investment securities	2,209	2,365	3,450
Investments in subsidiaries and other investments	(1,961)	(3,828)	(8,395)
Proceeds from sale of other investments	1,919	2,515	2,188
(Increase)/decrease in loans	3,690	(10,441)	(36,137)
Proceeds from sale of loans	992	596	339
Capital expenditures for premises and equipment and other intangible assets	(1,374)	(1,400)	(1,296)
Proceeds from sale of premises and equipment and other intangible assets	3	4	90
Other, net	169	141	(43)
Net cash provided by/(used in) investing activities of continuing operations	63,563	1,989	(34,493)

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Consolidated statements of cash flows (continued)

in	2009	2008	2007
Financing activities of continuing operations (CHF million)			
Increase/(decrease) in due to banks and customer deposits	(30,327)	(57,581)	46,290
Increase/(decrease) in short-term borrowings	3,259	(7,564)	(49)
Increase/(decrease) in central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(47,354)	(40,975)	30,590
Issuances of long-term debt	61,467	106,422	77,786
Repayments of long-term debt	(71,061)	(85,496)	(62,638)
Repayments of trust preferred securities	0	111	22
Issuances of common shares	(13)	2,958	0
Sale of treasury shares	1,695	1,040	0
Repurchase of treasury shares	(2,150)	(1,021)	(287)
Dividends paid/capital repayments	(257)	(3,002)	(1,152)
Other, net	(3,447)	5,622	7,522
Net cash provided by/(used in) financing activities of continuing operations	(88,188)	(79,486)	98,084
Effect of exchange rate changes on cash and due from banks (CHF million)			
Effect of exchange rate changes on cash and due from banks	(1,155)	(2,016)	(1,244)
Net cash provided by/(used in) discontinued operations (CHF million)			
Net cash provided by/(used in) operating activities of discontinued operations	0	(18)	52
Net increase/(decrease) in cash and due from banks (CHF million)			
Net increase/(decrease) in cash and due from banks	(37,986)	54,217	8,439
Cash and due from banks at beginning of period	90,521	36,304	27,865
Cash and due from banks at end of period	52,535	90,521	36,304
Assets and liabilities sold in business divestitures (CHF million)			
Assets sold	869	0	0
Liabilities sold	799	0	0

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Notes to the consolidated financial statements

1 Summary of significant accounting policies

The accompanying consolidated financial statements of Credit Suisse AG, the Swiss bank subsidiary of the Group (the Bank), are prepared in accordance with accounting principles generally accepted in the US (US GAAP) and are stated in CHF. The financial year for the Bank ends on December 31. Certain reclassifications have been made to the prior year's consolidated financial statements to conform to the current year's presentation and had no impact on net income/(loss) or total shareholder's equity.

In preparing the consolidated financial statements, management is required to make estimates and assumptions including, but not limited to, the fair value measurements of certain financial assets and liabilities, the allowance for loan losses, the impairment of assets other than loans, recognition of deferred tax asset, tax uncertainties, pension liabilities, as well as various contingencies. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the dates of the consolidated balance sheets and the reported amounts of revenues and expenses during the reporting period. While management evaluates its estimates and assumptions on an ongoing basis, actual results could differ materially from management's estimates. Current market conditions may increase the risk and complexity of the judgments applied in these estimates.

For a summary of significant accounting policies, with the exception of the following accounting policies, refer to Note 1 – Summary of significant accounting policies in V – Consolidated financial statements – Credit Suisse Group.

Pensions and other post-retirement benefits

Credit Suisse sponsors a Group defined benefit pension plan in Switzerland that covers eligible employees of the Bank domiciled in Switzerland. The Bank also has single-employer defined benefit pension plans and defined contribution pension plans in Switzerland and other countries around the world.

For the Bank's participation in the Group defined benefit pension plan, no retirement benefit obligation is recognized in the consolidated balance sheets of the Bank and defined contribution accounting is applied, as the Bank is not the sponsoring entity of the Group plan.

For single-employer defined benefit plans, the Bank uses the projected unit credit actuarial method to determine the present value of its projected benefit obligations (PBO) and the current and past service costs or credits related to its defined benefit and other post-retirement benefit plans. The measurement date used to perform the actuarial valuation is December 31.

Certain key assumptions are used in performing the actuarial valuations. These assumptions must be made concerning the future events that will determine the amount and timing of the benefit payments and thus require significant judgment and estimate by Bank management. Among others, assumptions have to be made with regard to discount rates, expected return on plan assets and salary increases.

The assumed discount rates reflect the rates at which the pension benefits could be effectively settled. These rates are determined based on yields of high-quality corporate bonds currently available and are expected to be available during the period to maturity of the pension benefits. In countries where no deep market in high-quality corporate bonds exists, the estimate is based on governmental bonds adjusted to include a risk premium reflecting the additional risk for corporate bonds.

The expected long-term rate of return on plan assets is determined on a plan-by-plan basis, taking into account asset allocation, historical rate of return, benchmark indices for similar type pension plan assets, long-term expectations of future returns and investment strategy.

Health care cost trend rates are determined by reviewing external data and the Bank's own historical trends for health care costs. Salary increases are determined by reviewing external data and considering internal projections.

The funded status of the Bank's defined benefit post-retirement and pension plans are recognized in the consolidated balance sheets.

Actuarial gains and losses in excess of 10% of the greater of the PBO or the market value of plan assets and unrecognized prior service costs or credits are amortized to net periodic pension and other post-retirement cost on a straight-line basis over the average remaining service life of active employees expected to receive benefits.

The Bank records pension expense for defined contribution plans when the employee renders service to the company, essentially coinciding with the cash contributions to the plans.

Own shares, own bonds and financial instruments on Group shares

The Bank's shares are wholly-owned by Credit Suisse Group AG and are not subject to trading. The Bank may buy and sell Credit Suisse Group AG shares (Group shares), own bonds and financial instruments on Group shares within its normal trading and market-making activities. In addition, the Bank may hold Group shares to physically hedge commitments aris-

ing from employee share-based compensation awards. Group shares are reported as trading assets, unless those shares are held to economically hedge share award obligations. Hedging shares are reported as treasury shares, resulting in a reduction to total shareholder's equity. Financial instruments on Group shares are recorded as assets or liabilities and carried at fair value. Dividends received on Group shares and unrealized and realized gains and losses on Group shares are recorded according to the classification of the shares as trading assets or treasury shares. Purchases of bonds originally issued by the Bank are recorded as an extinguishment of debt.

2 Recently issued accounting standards

For recently adopted accounting standards and standards to be adopted in future periods, refer to Note 2 – Recently issued accounting standards in V – Consolidated financial statements – Credit Suisse Group. With the exception of the following standards, the impact on the Bank's and Group's financial condition, results of operations or cash flows was or is expected to be identical.

Recently adopted accounting standards

ASC Topic 715 – Compensation – Retirement Benefits

The cumulative effect after-tax of the Bank adopting the guidance regarding measurement provisions as of December 31, 2008 was a decrease in retained earnings of CHF 11 million,

an increase in accumulated other comprehensive income/(loss) (AOCI) of CHF 7 million and a decrease in consolidated net assets of CHF 4 million.

For further information, refer to Note 27 – Pension and other post-retirement benefits.

ASC Topic 820 – Fair value measurements and disclosures

As a result of the adoption of guidance regarding fair value measurements and fair value option as of January 1, 2007, the Bank reported a decrease in opening retained earnings of CHF 667 million, net of tax. For further information, refer to Note 31 – Financial instruments.

3 Business developments

The Bank had no significant acquisitions in 2009 and no significant divestitures in 2007. For significant acquisitions in 2008 and 2007 and significant divestitures in 2009 and 2008, refer to

Note 3 – Business developments in V – Consolidated financial statements – Credit Suisse Group.

4 Discontinued operations

For further information on discontinued operations, refer to Note 4 – Discontinued operations in V – Consolidated financial statements – Credit Suisse Group.

Income/(loss) from discontinued operations

in	2009	2008	2007
Income/(loss) from discontinued operations (CHF million)			
Net revenues	56	346	413
Total expenses	(167)	(393)	(405)
Income/(loss) before taxes from discontinued operations	(111)	(47)	8
Gain/(loss) on disposal	261 ¹	(463)	0
Income tax expense/(benefit)	(19)	21	2
Income/(loss) from discontinued operations, net of tax	169	(531)	6

¹ Represents net gains/(losses) from the deconsolidation of subsidiaries. The Bank did not retain any investment in the former subsidiaries.

5 Segment information

For purpose of presentation of reportable segments, the Bank has included accounts of affiliate entities wholly owned by the same parent which are managed together with the operating segments of the Bank. These affiliate entities include certain bank and trust affiliates, primarily managed by Private Banking. Income from continuing operations before taxes, noncontrolling interests, extraordinary items and cumulative effect of accounting changes of these non-consolidated affiliate entities included in the segment presentation for the years ended December 31, 2009, 2008 and 2007 were CHF 654 million,

CHF 513 million and CHF 1,078 million, respectively. For the same periods net revenues of these non-consolidated affiliate entities included in the segment presentation were CHF 1,789 million, CHF 2,092 million and CHF 2,501 million, respectively, and total assets of these non-consolidated affiliate entities included in the segment presentation as of December 31, 2009 and 2008, were CHF 48.8 billion and CHF 51.9 billion, respectively. For further information, refer to Note 5 – Segment information in V – Consolidated financial statements – Credit Suisse Group.

Net revenues and income from continuing operations before taxes

in	2009	2008	2007
Net revenues (CHF million)			
Private Banking	11,662	12,907	13,522
Investment Banking	20,537	(1,971)	18,584
Asset Management	1,842	632	2,390
Adjustments ^{1, 2}	(2,048)	(4,263)	2,394
Net revenues	31,993	7,305	36,890
Income/(loss) from continuing operations before taxes (CHF million)			
Private Banking	3,651	3,850	5,486
Investment Banking	6,845	(13,792)	3,496
Asset Management	35	(1,185)	350
Adjustments ^{1, 3}	(3,174)	(4,712)	2,833
Income/(loss) from continuing operations before taxes	7,357	(15,839)	12,165

¹ Adjustments represent certain consolidating entries and balances, including those relating to items that are managed but are not legally owned by the Bank and vice-versa and certain expenses that were not allocated to the segments. ² Includes noncontrolling interest-related revenues of CHF (689) million, CHF (2,806) million and CHF 5,046 million in 2009, 2008 and 2007, respectively, from the consolidation of certain private equity funds and other entities in which the Bank does not have a significant economic interest in such revenues. ³ Includes noncontrolling interest income of CHF (872) million, CHF (2,952) million and CHF 4,864 million in 2009, 2008 and 2007, respectively, from the consolidation of certain private equity funds and other entities in which the Bank does not have a significant economic interest in such income.

Total assets

end of	2009	2008
Total assets (CHF million)		
Private Banking	345,488	374,771
Investment Banking	819,081	976,713
Asset Management	19,289	21,580
Adjustments ¹	(173,376)	(221,395)
Total assets	1,010,482	1,151,669

¹ Adjustments represent certain consolidating entries and balances, including those relating to items that are managed but are not legally owned by the Bank and vice-versa and certain expenses that were not allocated to the segments.

Net revenues and income from continuing operations before taxes by geographic location

in	2009	2008	2007
Net revenues (CHF million)			
Switzerland	9,073	11,494	9,823
EMEA	6,795	(4,132)	9,576
Americas	13,763	(975)	14,984
Asia Pacific	2,362	918	2,507
Net revenues	31,993	7,305	36,890
Income/(loss) from continuing operations before taxes (CHF million)			
Switzerland	1,610	4,695	3,205
EMEA	960	(10,308)	2,665
Americas	5,076	(8,579)	6,329
Asia Pacific	(289)	(1,647)	(34)
Income/(loss) from continuing operations before taxes	7,357	(15,839)	12,165

The designation of net revenues and income/(loss) before taxes is based upon the location of the office recording the transactions. This presentation does not reflect the way the Bank is managed.

Total assets by geographic location

end of	2009	2008
Total assets (CHF million)		
Switzerland	164,800	166,516
EMEA	267,411	324,794
Americas	492,836	578,870
Asia Pacific	85,435	81,489
Total assets	1,010,482	1,151,669

The designation of total assets by region is based upon customer domicile.

6 Net interest income

in	2009	2008	2007
Net interest income (CHF million)			
Loans	5,575	8,231	8,208
Investment securities	207	598	713
Trading assets	13,280	18,131	22,838
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	3,076	13,523	22,462
Other	2,384	6,619	7,371
Interest and dividend income	24,522	47,102	61,592
Deposits	(2,977)	(10,358)	(15,991)
Short-term borrowings	(232)	(411)	(894)
Trading liabilities	(7,360)	(8,516)	(8,664)
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(2,262)	(12,523)	(21,134)
Long-term debt	(4,800)	(4,806)	(4,653)
Other	(522)	(2,575)	(2,658)
Interest expense	(18,153)	(39,189)	(53,994)
Net interest income	6,369	7,913	7,598

7 Commissions and fees

in	2009	2008	2007
Commissions and fees (CHF million)			
Lending business	995	771	2,015
Investment and portfolio management	3,666	4,464	4,919
Other securities business	124	216	216
Fiduciary business	3,790	4,680	5,135
Underwriting	2,375	1,049	1,808
Brokerage	3,846	4,629	5,438
Underwriting and brokerage	6,221	5,678	7,246
Other services	1,764	2,511	3,126
Commissions and fees	12,770	13,640	17,522

8 Other revenues

in	2009	2008	2007
Other revenues (CHF million)			
Noncontrolling interests without significant economic interest	(917)	(2,978)	4,915
Loans held-for-sale	(287)	(269)	(638)
Long-lived assets held-for-sale	13	41	30
Equity method investments	95	(98)	200
Other investments	907	(1,367)	732
Other	879	763	727
Other revenues	690	(3,908)	5,966

9 Provision for credit losses

in	2009	2008	2007
Provision for credit losses (CHF million)			
Provision for loan losses	271	570	25
Provision for lending-related and other exposures	189	227	202
Provision for credit losses	460	797	227

10 Compensation and benefits

in	2009	2008	2007
Compensation and benefits (CHF million)			
Salaries and variable compensation	12,857	11,068	13,745
Social security	973	731	816
Other	876	1,159	967
Compensation and benefits	14,706	12,958	15,528

11 General and administrative expenses

in	2009	2008	2007
General and administrative expenses (CHF million)			
Occupancy expenses	1,121	1,090	1,091
IT, machinery, etc.	1,191	1,171	1,065
Provisions and losses	1,434	540	97
Travel and entertainment	413	540	577
Professional services	1,759	2,043	2,223
Goodwill impairment	0	82	0
Amortization and impairment of other intangible assets	48	108	34
Other	1,656	1,725	1,694
General and administrative expenses	7,622	7,299	6,781

12 Securities borrowed, lent and subject to repurchase agreements

end of	2009	2008
Securities borrowed or purchased under agreements to resell (CHF million)		
Central bank funds sold and securities purchased under resale agreements	119,830	158,858
Deposits paid for securities borrowed	88,548	110,155
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	208,378	269,013
Securities lent or sold under agreements to repurchase (CHF million)		
Central bank funds purchased and securities sold under repurchase agreements	163,515	211,796
Deposits received for securities lent	28,072	32,174
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	191,587	243,970

For further information, refer to Note 13 – Securities borrowed, lent and subject to repurchase agreements in V – Consolidated financial statements – Credit Suisse Group.

13 Trading assets and liabilities

end of	2009	2008
Trading assets (CHF million)		
Debt securities	159,277	152,747
Equity securities ¹	100,031	72,879
Derivative instruments ²	55,323	104,844
Other	16,676	10,911
Trading assets	331,307	341,381
Trading liabilities (CHF million)		
Short positions	77,605	59,932
Derivative instruments ²	57,270	93,786
Trading liabilities	134,875	153,718

¹ Including convertible bonds. ² Amounts shown net of cash collateral receivables and payables.

Cash collateral receivables and payables

end of	2009	2008
Cash collateral receivables (CHF million)		
Receivables netted against derivative positions	31,788	51,314
Receivables not netted ¹	16,025	16,994
Total	47,813	68,308
Cash collateral payables (CHF million)		
Payables netted against derivative positions	28,808	36,176
Payables not netted ¹	18,935	27,739
Total	47,743	63,915

¹ Recorded as cash collateral on derivative instruments in Note 20 – Other assets and other liabilities.

14 Investment securities

end of	2009	2008
Investment securities (CHF million)		
Debt securities held-to-maturity	0	224
Securities available-for-sale	9,190	11,457
Total investment securities	9,190	11,681

Investment securities by type

end of	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
2009 (CHF million)				
Debt securities issued by foreign governments	8,375	271	0	8,646
Corporate debt securities	312	0	0	312
Collateralized debt obligations	60	7	0	67
Other debt securities	59	0	0	59
Debt securities available-for-sale	8,806	278	0	9,084
Banks, trust and insurance companies	83	9	0	92
Industry and all other	13	1	0	14
Equity securities available-for-sale	96	10	0	106
Securities available-for-sale	8,902	288	0	9,190
2008 (CHF million)				
Debt securities issued by foreign governments	224	0	0	224
Debt securities held-to-maturity	224	0	0	224
Debt securities issued by foreign governments	10,579	101	34	10,646
Corporate debt securities	707	0	0	707
Other	5	0	0	5
Debt securities available-for-sale	11,291	101	34	11,358
Equity securities available-for-sale	96	3	0	99
Securities available-for-sale	11,387	104	34	11,457

Gross unrealized losses on investment securities and the related fair value

end of	Less than 12 months		12 months or more		Total	
	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses
2008 (CHF million)						
Debt securities available-for-sale	0	0	5,002	34	5,002	34

There were no unrealized losses on investment securities in 2009. Management determined that the unrealized losses in 2008 on debt securities were primarily attributable to general market interest rate, credit spread or exchange rate movements. No significant impairment charges were recorded as

the Bank does not intend to sell the investments, nor is it more likely than not that the Bank will be required to sell the investments before the recovery of their amortized cost bases, which may be maturity.

Proceeds from sales, realized gains and realized losses from available-for-sale securities

in	Debt securities			Equity securities		
	2009	2008	2007	2009	2008	2007
Additional information (CHF million)						
Proceeds from sales	723	2	2,878	168	53	6
Realized gains	17	3	23	22	0	0
Realized losses	(14)	0	(6)	(1)	0	0

Amortized cost, fair value and average yield of debt securities

end of	Debt securities available-for-sale		Average yield (in %)
	Amortized cost	Fair value	
2009 (CHF million)			
Due within 1 year	1,641	1,651	2.68
Due from 1 to 5 years	5,911	6,132	3.39
Due from 5 to 10 years	1,120	1,159	3.52
Due after 10 years	134	142	4.68
Total debt securities	8,806	9,084	3.30

15 Other investments

end of	2009	2008
Other investments (CHF million)		
Equity method investments	3,618	2,863
Non-marketable equity securities ¹	17,470	21,674
Real estate held for investment	360	379
Life finance instruments ²	2,099	1,992
Total other investments	23,547	26,908

¹ Includes private equity, hedge funds and restricted stock investments as well as certain investments in non-marketable mutual funds for which the Bank has neither significant influence nor control over the investee. ² Includes life settlement contracts at investment method and SPIA contracts.

Non-marketable equity securities include investments in entities that regularly calculate net asset value per share or its equivalent. For further information on such investments, refer to Note 31 – Financial instruments.

Substantially all non-marketable equity securities are carried at fair value. There were no non-marketable equity securities not carried at fair value that have been in a continuous unrealized loss position.

The Bank performs a regular impairment analysis of real estate portfolios. The carrying values of the impaired properties were written down to their respective fair values, estab-

lishing new cost bases. For these properties, the fair values were measured based on either discounted cash flow analyses or external market appraisals. In 2009 and 2007, no impairment charges were recorded. Impairment charges of CHF 22 million were recorded in 2008.

Accumulated depreciation related to real estate held for investment amounted to CHF 326 million, CHF 320 million and CHF 313 million for 2009, 2008 and 2007, respectively.

For further information, refer to Note 16 – Other investments in V – Consolidated financial statements – Credit Suisse Group.

16 Loans

end of	2009	2008
Loans (CHF million)		
Banks	2,541	2,063
Commercial	45,479	46,912
Consumer	72,413	71,072
Public authorities	886	929
Lease financings	1,930	1,896
Switzerland	123,249	122,872
Banks	7,852	8,206
Commercial	68,968	69,217
Consumer	17,386	17,996
Public authorities	4,161	2,319
Lease financings	1,109	1,295
Foreign	99,476	99,033
Gross loans	222,725	221,905
Net (unearned income)/deferred expenses	(89)	(85)
Allowance for loan losses	(1,184)	(1,428)
Net loans	221,452	220,392
Impaired loan portfolio (CHF million)		
Gross impaired loans	1,932	2,327
of which loans with a specific allowance	1,600	2,170
of which loans without a specific allowance	332	157

Allowance for loan losses

in	2009	2008	2007
Allowance for loan losses (CHF million)			
Balance at beginning of period	1,428	1,000	1,305
Change in accounting	0	0	(61) ¹
Change in scope of consolidation	0	0	(92)
Net movements recognized in statements of operations	271	570	25
Gross write-offs	(618)	(181)	(236)
Recoveries	57	82	83
Net write-offs	(561)	(99)	(153)
Provisions for interest	38	16	3
Foreign currency translation impact and other adjustments, net	8	(59)	(27)
Balance at end of period	1,184	1,428	1,000
of which a specific loan loss allowance	839	1,018	640
of which an inherent loan loss allowance	345	410	360

¹ Related to the adoption of the fair value option.

As of December 31, 2009 and 2008, the Bank did not have any material commitments to lend additional funds to debtors whose loan terms have been modified in troubled debt restructurings.

Additional loan information

in / end of	2009	2008	2007
Additional loan information (CHF million)			
Average balance of impaired loans	2,023	2,130	1,480
Interest income recognized	29	11	18
Interest income recognized on a cash basis	29	11	18
Net gains/(losses) on the sale of loans	(287)	(269)	(638)
Total non-performing and non-interest-earning loans	1,327	1,599	1,037

17 Premises and equipment

end of	2009	2008
Premises and equipment (CHF million)		
Buildings and improvements	3,311	3,365
Land	716	708
Leasehold improvements	1,896	1,852
Software	3,223	2,584
Equipment	3,095	2,942
Premises and equipment	12,241	11,451
Accumulated depreciation	(6,340)	(5,662)
Total premises and equipment, net	5,901	5,789

The depreciation expenses for 2009, 2008 and 2007 were CHF 988 million, CHF 839 million and CHF 823 million, respectively. The carrying value of the Bank's premises and equipment is tested for impairment on a regular basis. This revaluation process identifies premises and equipment to be written down to their fair values, establishing a new cost base.

In 2009 and 2008, impairment charges of CHF 45 million and CHF 100 million, respectively, were recorded. The impairment charges in 2008 included CHF 92 million on software and were primarily in connection with the accelerated implementation of the Bank's strategic plan. No significant impairment charges were recorded in 2007.

18 Goodwill and other intangible assets

Goodwill

	Private Banking	Investment Banking	Asset Manage- ment	Credit Suisse (Bank)
end of 2009				
Gross amount of goodwill (CHF million)				
Balance at beginning of period	355	6,333	1,589	8,277
Foreign currency translation impact	24	(130)	(9)	(115)
Other	0	0	52	52
Balance at end of period	379	6,203	1,632	8,214
Accumulated impairment losses (CHF million)				
Balance at beginning of period	0	82	0	82
Balance at end of period	0	82	0	82
Net book value (CHF million)				
Net book value	379	6,121	1,632	8,132
end of 2008				
Gross amount of goodwill (CHF million)				
Balance at beginning of period	564	6,744	2,438	9,746
Goodwill acquired during the year	1	15	76	92
Discontinued operations	0	0	(577)	(577)
Foreign currency translation impact	(126)	(391)	(258)	(775)
Other	(84)	(35)	(90)	(209)
Balance at end of period	355	6,333	1,589	8,277
Accumulated impairment losses (CHF million)				
Balance at beginning of period	0	0	0	0
Impairment losses	0	82	0	82
Balance at end of period	0	82	0	82
Net book value (CHF million)				
Net book value	355	6,251	1,589	8,195

For further information, refer to Note 19 – Goodwill and other intangible assets in V – Consolidated financial statements – Credit Suisse Group.

Other intangible assets

end of	2009			2008		
	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
Other intangible assets (CHF million)						
Tradenames/trademarks	28	(22)	6	29	(22)	7
Client relationships	556	(311)	245	514	(264)	250
Other	101	(101)	0	103	(103)	0
Total amortizing other intangible assets	685	(434)	251	646	(389)	257
Non-amortizing other intangible assets	67	–	67	155	–	155
Total other intangible assets	752	(434)	318	801	(389)	412

The aggregate amortization expenses for 2009, 2008 and 2007 were CHF 41 million, CHF 58 million and CHF 28 million, respectively. No significant impairment charges were recorded in 2009 and 2007. In 2008, an impairment charge of CHF 50 million was recognized, primarily on client relation-

ships in Asset Management. For further information, refer to Note 19 – Goodwill and other intangible assets in V – Consolidated financial statements – Credit Suisse Group.

Estimated amortization expenses (CHF million)

2010	34
2011	32
2012	30
2013	29
2014	27

19 Life settlement contracts

2009	within 1 year	within 1-2 years	within 2-3 years	within 3-4 years	within 4-5 years	Thereafter	Total
Fair value method							
Number of contracts	493	909	451	933	1,720	4,312	8,818
Carrying value (CHF million)	49	33	25	37	106	581	831
Face value (CHF million)	23	41	39	55	263	3,813	4,234
Investment method							
Number of contracts	–	–	–	–	–	8	8
Carrying value (CHF million)	–	–	–	–	–	51	51
Face value (CHF million)	–	–	–	–	–	75	75
2008							
Fair value method							
Number of contracts	350	322	898	386	762	5,725	8,443
Carrying value (CHF million)	18	16	38	20	44	998	1,134
Face value (CHF million)	19	16	43	25	65	5,102	5,270
Investment method							
Number of contracts	–	–	–	–	–	8	8
Carrying value (CHF million)	–	–	–	–	–	50	50
Face value (CHF million)	–	–	–	–	–	76	76

For further information, refer to Note 20 – Life settlement contracts in V – Consolidated financial statements – Credit Suisse Group.

20 Other assets and other liabilities

end of	2009	2008
Other assets (CHF million)		
Cash collateral on derivative instruments	16,025	16,994
Cash collateral on non-derivative transactions	1,827	3,152
Derivative instruments used for hedging	1,994	3,326
Assets held-for-sale	14,569	23,329
of which loans	14,287	23,166
of which real estate	269	163
Interest and fees receivable	5,645	7,430
Deferred tax assets	8,982	10,415
Prepaid expenses	958	524
Failed purchases	172	2,045
Other	18,107	17,993
Other assets	68,279	85,208
Other liabilities (CHF million)		
Cash collateral on derivative instruments	18,935	27,739
Cash collateral on non-derivative transactions	29	1,333
Derivative instruments used for hedging	1,080	274
Provisions ¹	1,684	1,709
of which off-balance sheet risk	601	483
Interest and fees payable	6,928	9,468
Current tax liabilities	1,471	1,812
Deferred tax liabilities	187	584
Failed sales	9,258	9,251
Other	30,682	30,919
Other liabilities	70,254	83,089

¹ Includes provision for bridge commitments.

For further information, refer to Note 21 – Other assets and other liabilities in V – Consolidated financial statements – Credit Suisse Group.

21 Deposits

end of	2009			2008		
	Switzer- land	Foreign	Total	Switzer- land	Foreign	Total
Deposits (CHF million)						
Non-interest-bearing demand deposits	5,673	2,095	7,768	5,047	1,508	6,555
Interest-bearing demand deposits	85,348	20,853	106,201	52,949	22,263	75,212
Savings deposits	42,422	37	42,459	34,754	38	34,792
Time deposits	24,092	128,258	152,350	41,732	183,667	225,399
Total deposits	157,535	151,243	308,778	134,482	207,476	341,958
of which due to banks	-	-	50,081	-	-	74,948
of which customer deposits	-	-	258,697	-	-	267,010

The designation of deposits in Switzerland versus foreign deposits is based upon the location of the office where the deposit is recorded.

As of December 31, 2009 and 2008, CHF 21 million and CHF 174 million, respectively, of overdrawn deposits were reclassified as loans. As of December 31, 2009 and 2008, the Bank had CHF 151.8 billion and CHF 222.7 billion,

respectively, of individual time deposits issued in Switzerland and in foreign offices in the Swiss franc equivalent amounts of USD 100,000 or more.

22 Long-term debt

end of	2009	2008
Long-term debt (CHF million)		
Senior	131,547	121,858
Subordinated	25,129	26,692
Long-term debt	156,676	148,550
of which reported at fair value	70,900	76,069

end of	2010	2011	2012	2013	2014	Thereafter	Total
Long-term debt (CHF million)							
Senior debt							
Fixed rate	7,623	10,560	9,614	13,467	7,817	16,672	65,753
Variable rate	17,159	11,944	12,132	8,016	4,191	12,352	65,794
Interest rates (range in %) ¹	0.5-4.9	0.5-6.1	0.8-11.5	0.5-8.5	1.9-6.1	0.4-8.8	–
Subordinated debt							
Fixed rate	1,476	1,205	183	1,234	158	16,799	21,055
Variable rate	–	1,000	2,000	–	200	874	4,074
Interest rates (range in %) ¹	2.2-8.3	0.5-6.9	0.5-7.1	6.6	1.5-5.1	0.4-11.0	–
Total long-term debt	26,258	24,709	23,929	22,717	12,366	46,697	156,676
of which structured notes	9,473	8,102	7,335	3,508	3,283	8,473	40,174

¹ Excludes structured notes for which fair value has been elected as the related coupons are dependent upon the embedded derivatives and prevailing market conditions at the time each coupon is paid.

For further information, refer to Note 23 – Long-term debt in V – Consolidated financial statements – Credit Suisse Group.

23 Accumulated other comprehensive income

	Gains/ (losses) on cash flow hedges	Cumulative translation adjustments	Unrealized gains/ (losses) on securities	Actuarial gains/ (losses)	Net prior service credit/ (cost)	Accumu- lated other compre- hensive income
2009 (CHF million)						
Balance at beginning of period	(7)	(7,273)	71	(538)	6	(7,741)
Increase/(decrease)	30	(522)	28	(238)	0	(702)
Reclassification adjustments, included in net income	(13)	50	(15)	15	0	37
Balance at end of period	10	(7,745)	84	(761)	6	(8,406)
2008 (CHF million)						
Balance at beginning of period	7	(3,979)	125	(450)	7	(4,290)
Increase/(decrease)	(14)	(3,294)	(63)	(127)	0	(3,498)
Reclassification adjustments, included in net income	0	0	9	32	(1)	40
Cumulative effect of accounting changes, net of tax	0	0	0	7	0	7
Balance at end of period	(7)	(7,273)	71	(538)	6	(7,741)
2007 (CHF million)						
Balance at beginning of period	(1)	(2,811)	106	(754)	9	(3,451)
Increase/(decrease)	6	(1,168)	19	248	0	(895)
Reclassification adjustments, included in net income	(4)	0	(4)	56	(2)	46
Cumulative effect of accounting changes, net of tax	6	0	4	0	0	10
Balance at end of period	7	(3,979)	125	(450)	7	(4,290)

For income tax expense/(benefit) on the movements of accumulated other comprehensive income, refer to Note 24 – Tax and Note 27 – Pension and other post-retirement benefits.

24 Tax

Income/(loss) from continuing operations before taxes in Switzerland and foreign countries

in	2009	2008	2007
Income/(loss) from continuing operations before taxes (CHF million)			
Switzerland	1,610	4,695	3,205
Foreign	5,747	(20,534)	8,960
Income/(loss) from continuing operations before taxes	7,357	(15,839)	12,165

Details of current and deferred taxes

in	2009	2008	2007
Current and deferred taxes (CHF million)			
Switzerland	99	7	578
Foreign	760	204	1,459
Current income tax expense/(benefit)	859	211	2,037
Switzerland	32	(277)	128
Foreign	903	(4,856)	(1,321)
Deferred income tax expense/(benefit)	935	(5,133)	(1,193)
Income tax expense/(benefit)	1,794	(4,922)	844
Income tax expense/(benefit) on discontinued operations	(19)	21	2
Income tax expense/(benefit) reported in shareholder's equity related to:			
Gains/(losses) on cash flow hedges	0	1	0
Cumulative translation adjustment	(164)	(132)	(97)
Unrealized gains/(losses) on securities	7	(41)	7
Actuarial gains/(losses)	(81)	(71)	124
Net prior service cost	(1)	(1)	0
Dividends	0	(15)	(5)
Cumulative effect of accounting changes	0	0	(265)
Share-based compensation and treasury shares	(169)	89	(56)

Reconciliation of taxes computed at the Swiss statutory rate

in	2009	2008	2007
Reconciliation of taxes computed at the Swiss statutory rate (CHF million)			
Income tax expense/(benefit) computed at the statutory tax rate of 22%	1,619	(3,485)	2,676
Increase/(decrease) in income taxes resulting from			
Foreign tax rate differential	887	(2,870)	(337)
Non-deductible amortization of other intangible assets and goodwill impairment	3	29	8
Other non-deductible expenses	502	257	373
Additional taxable income	70	171	288
Lower taxed income ¹	(575)	(1,645)	(1,106)
Income taxable to noncontrolling interests	313	1,000	(1,050)
Changes in tax law and rates	3	2	31
Changes in deferred tax valuation allowance ²	(91)	1,707	692
Other ^{3,4}	(937)	(88)	(731)
Income tax expense/(benefit)	1,794	(4,922)	844

¹ Included in 2008 was a tax benefit of CHF 588 million in respect of the Swiss tax effect of the valuation reduction in the investment in subsidiaries. 2008 also included a tax benefit of CHF 290 million in respect of the reversal of the deferred tax liability recorded to cover estimated recapture of loss deductions arising from foreign branches of the Bank. ² Included in 2009 was a tax benefit of CHF 567 million resulting from the release of valuation allowances on deferred tax assets for one of the Bank's operating entities in the US. This benefit was partially offset by a net increase to the valuation allowance on deferred tax assets on net tax loss carry-forwards of CHF 433 million. In 2008 and 2007 there was a tax benefit of CHF 125 million and CHF 39 million, respectively, resulting from the release of valuation allowance on deferred tax assets on net tax loss carry-forwards, offset by additions. ³ Included in 2009 and 2008 are foreign exchange translation gains of CHF 460 million and foreign exchange translation losses of CHF 467 million, respectively, relating to deferred tax assets on tax loss carry-forwards recorded in UK entities. The foreign exchange movements arose due to tax loss carry-forwards denominated in British pounds, which differs from the functional currency of the reporting entities. UK tax law was enacted during 2009 which had the effect of removing these foreign exchange movements going forward. Included in 2009 and 2008 is an amount of CHF 148 million and CHF 163 million, respectively, relating to the release of tax contingency accruals following the favorable resolution of tax matters. ⁴ 2009 included a tax benefit of CHF 91 million relating to the increase of deferred tax assets on net operating loss carry-forwards, which was offset by an equivalent increase of valuation allowance on deferred tax assets on net operating losses carried forward. 2008 and 2007 included a charge of CHF 25 million and CHF 11 million, respectively, relating to the reversal of deferred tax assets on net operating loss carry-forwards, which was offset by an equivalent release of valuation allowance on deferred tax assets on net operating loss carry-forwards. Included in 2007 is a CHF 512 million benefit related to previously unrecognized deferred tax assets due to changes in the assessment of certain US state and local tax positions.

As of December 31, 2009, the Bank had accumulated undistributed earnings from foreign subsidiaries of CHF 6.4 billion. No deferred tax liability was recorded in respect of those amounts as these earnings are considered indefinitely rein-

vested. It is not practicable to estimate the amount of unrecognized deferred tax liabilities for these undistributed foreign earnings.

Details of the tax effect of temporary differences

end of	2009	2008
Tax effect of temporary differences (CHF million)		
Compensation and benefits	2,148	2,415
Loans	660	1,583
Investment securities	32	29
Provisions	1,368	836
Derivatives	101	455
Real estate	200	135
Net operating loss carry-forwards	8,557	9,598
Other	97	88
Gross deferred tax assets before valuation allowance	13,163	15,139
Less valuation allowance	(2,790)	(2,922)
Gross deferred tax assets net of valuation allowance	10,373	12,217
Compensation and benefits	(142)	(46)
Loans	(9)	(9)
Investment securities	(217)	(1,262)
Business combinations	(613)	(433)
Derivatives	(263)	(447)
Leasing	(80)	(79)
Real estate	(64)	(61)
Other	(190)	(49)
Gross deferred tax liabilities	(1,578)	(2,386)
Net deferred tax assets	8,795	9,831

The most significant net deferred tax assets arise in the US and UK and these decreased from CHF 9,328 million as of the end of 2008 to CHF 8,438 million, net of a valuation allowance of CHF 1,097 million in respect of the deferred tax assets held in a US entity, as of the end of 2009. During 2009 and 2008, CHF 460 million of foreign exchange translation gains and CHF 467 million of foreign exchange translation

losses, respectively, arose on deferred tax assets on tax loss carry-forwards recorded in UK entities. The foreign exchange movements arose due to tax loss carry-forwards denominated in British pounds, which differs from the functional currency of the reporting entities. UK tax law was enacted during 2009 which had the effect of removing these foreign exchange movements going forward.

Amounts and expiration dates of net operating loss carry-forwards

end of 2009	Total
Net operating loss carry-forwards (CHF million)	
Due to expire within 1 year	58
Due to expire within 2 to 5 years	244
Due to expire within 6 to 10 years	10,214
Due to expire within 11 to 20 years	8,908
Amount due to expire	19,424
Amount not due to expire	13,609
Total net operating loss carry-forwards	33,033

Movements in the valuation allowance

	2009	2008	2007
Movements in the valuation allowance (CHF million)			
Balance at beginning of period	2,922	1,378	721
Discontinued operations	0	(13)	0
Net changes	(132)	1,557	657
Balance at end of period	2,790	2,922	1,378

Tax benefits associated with share-based compensation

Tax benefits associated with share-based compensation recorded in the consolidated statements of operations were CHF 623 million, CHF 936 million and CHF 819 million in 2009, 2008 and 2007, respectively. For further information on share-based compensation, refer to Note 25 – Employee share-based compensation and other compensation benefits.

The Bank realized windfall tax benefits of CHF 179 million and CHF 73 million in 2009 and 2007, respectively, and incurred a shortfall tax charge of CHF 93 million in 2008 upon settlement of share-based compensation. In 2009 and 2008, zero and CHF 16 million, respectively, of tax benefits were recognized in respect of tax on dividend equivalent payments. However, windfall deductions and dividend equivalents aggregating CHF 0.3 billion and CHF 1.6 billion for 2009 and

2008, respectively, did not result in a reduction of income taxes payable because certain entities were in a net operating loss position. When the income tax benefit of these deductions is realized, an estimated CHF 131 million tax benefit will be recorded in additional paid-in capital.

Uncertain tax positions

Interest and penalties are reported as tax expense. The amount of interest and penalties recognized in the consolidated statements of operations was a tax benefit of CHF 16 million, zero and a tax charge of CHF 29 million for 2009, 2008 and 2007, respectively. The amount of interest and penalties recognized in the consolidated balance sheets was CHF 267 million and CHF 246 million as of the end of 2009 and 2008, respectively.

Reconciliation of the beginning and ending amount of gross unrecognized tax benefits

	2009	2008
Movements in gross unrecognized tax benefits (CHF million)		
Balance at beginning of period	1,136	1,350
Increases in unrecognized tax benefits as a result of tax positions taken during a prior period	18	51
Decreases in unrecognized tax benefits as a result of tax positions taken during a prior period	(197)	(206)
Increases in unrecognized tax benefits as a result of tax positions taken during the current period	25	81
Decreases in unrecognized tax benefits relating to settlements with tax authorities	(48)	(19)
Reductions to unrecognized tax benefits as a result of a lapse of the applicable statute of limitations	(6)	(12)
Other (including foreign currency translation)	16	(109)
Balance at end of period	944	1,136

The total amount of net unrecognized tax benefits that, if recognized, would affect the effective tax rate was CHF 895 million and CHF 1,058 million on December 31, 2009 and December 31, 2008, respectively.

It is reasonably possible that there will be a decrease of between zero and CHF 240 million in unrecognized tax benefits within 12 months of the reporting date.

The Bank remains open to examination from federal, state, provincial or similar local jurisdictions from the following years onward in these major countries: Switzerland – 2007; Japan – 2005; the US – 1999; and the UK – 1999.

For further information, refer to Note 25 – Tax in V – Consolidated financial statements – Credit Suisse Group.

25 Employee share-based compensation and other compensation benefits

Total compensation expense for share-based compensation and other awards granted in 2009 and prior years recognized in compensation and benefits in the consolidated statements of operations was CHF 3,341 million (including CHF 628 million of Partner Asset Facility (PAF)), CHF 3,475 million (including CHF 450 million of PAF) and CHF 2,564 million for 2009, 2008 and 2007, respectively. As of December 31, 2009, the total estimated unrecognized compensation expense of CHF 1,861 million related to non-vested share-based compensation and other compensation benefits relating to awards granted in 2009 and prior years will be recognized over the remaining weighted-average requisite service period of 1.4 years.

The Group generally repurchases its own shares in the open market to satisfy obligations in connection with share-based compensation but it can also issue new shares out of

available conditional capital. For 2009, 2008 and 2007, the Bank delivered 38.1 million, 17.2 million and 22.1 million Group shares, respectively, to employees.

Share-based compensation

For further information, refer to Note 26 – Employee share-based compensation and other compensation benefits in V – Consolidated financial statements – Credit Suisse Group.

Fair value assumptions for share-based compensation

The following table illustrates the significant assumptions used to estimate the fair value of Incentive Share Units (ISUs), Performance Incentive Plan (PIP) awards, share awards and share options granted in 2009 and prior years based on the annual variable compensation process.

Significant fair value assumptions

	2009	2008	2007
Significant assumptions			
Expected volatility, in %	62.97	32.04	22.95
Expected dividend yield, in %	–	5.46	2.41
Expected dividend cash flows, in CHF			
2009	0.10	–	–
2010	0.60	–	–
2011	1.00	–	–
Expected risk-free interest rate, in %	1.24	2.45	2.63
Expected term, in years	3	3	3

Incentive Share Unit

On January 21, 2010, the Bank granted 6.0 million ISUs with a total value of CHF 325 million. The recognition of compensation expense for the ISUs granted in January 2010 began in 2010 and thus had no impact on the 2009 consolidated financial statements. The estimated unrecognized compensation expense of CHF 360 million was determined based on the fair value of the award at the date of grant, taking into account management's best estimate on that date of the projected outcome of the increase in the Group's average share price and future forfeitures over the three-year vesting period. The estimated unrecognized compensation expense will be recognized

over the three-year vesting period, subject to early retirement rules.

On January 21, 2009, January 22, 2008 and January 23, 2007, the Bank granted 25.9 million, 45.7 million and 26.2 million ISUs, respectively. The compensation expense recognized in 2009, 2008 and 2007 related to ISUs granted in 2009 and prior years was CHF 1,609 million, CHF 2,329 million and CHF 1,128 million, respectively. The estimated unrecognized compensation expense related to these awards as of December 31, 2009 was CHF 788 million and will be recognized over the term of the award, subject to early retirement rules.

Incentive Share Unit activities

	2009	2008	2007
Number of awards (million)			
Balance at beginning of period	59.3	25.4	–
Granted ¹	25.9	46.5	27.2
Settled	(42.8)	(9.9)	(0.4)
Forfeited	(2.2)	(2.7)	(1.4)
Balance at end of period	40.2	59.3	25.4
of which vested	2.7	1.4	0.0
of which unvested	37.5	57.9	25.4

¹ Includes ISUs granted in January and through out the year.

Scaled Incentive Share Unit

On January 21, 2010, the Bank granted 20.7 million Scaled Incentive Share Units (SISUs) with a total value of CHF 1,165 million. The recognition of compensation expense for the SISUs granted in January 2010 began in 2010 and thus had no impact on the 2009 consolidated financial statements. The estimated unrecognized compensation expense of CHF 1,370 million was determined based on the fair value of the award at the date of grant, taking into account management's best estimate on that date of the projected outcome of the increase in the Group's average share price, the Group average return on equity (ROE), and future forfeitures over the four-year vesting period. The estimated unrecognized compensation expense will be recognized over the four-year vesting period, subject to early retirement rules.

Adjustable Performance Plan Awards

On January 21, 2010, the Bank granted Adjustable Performance Plan (APP) awards with a total value of CHF 1,186 million. The recognition of compensation expense for the APP awards granted in January 2010 began in 2010 and thus had

no impact on the 2009 consolidated financial statements. The estimated unrecognized compensation expense of CHF 1,619 million was determined based on the fair value of the award at the date of grant, taking into account management's best estimate on that date of the projected outcome of the relevant business area performance, Group ROE, and future forfeitures over the three-year vesting period. The estimated unrecognized compensation expense will be recognized over the three-year vesting period, subject to early retirement rules.

Performance Incentive Plan

The compensation expense recognized in 2009, 2008 and 2007 related to PIP I and PIP II was CHF 11 million, CHF 111 million and CHF 432 million, respectively. PIP I was fully expensed as of December 31, 2009. The estimated unrecognized compensation expense related to PIP II as of December 31, 2009 was CHF 7 million and will be recognized over a period of one year. None of the PIP units were due for settlement as of December 31, 2009. Settlement of the PIP I awards is due in April 2010.

Performance Incentive Plan activities

	2009		2008		2007	
	PIP II	PIP I	PIP II	PIP I	PIP II	PIP I
Number of awards (million)						
Balance at beginning of period	6.1	11.8	6.2	11.9	5.9	12.0
Granted	–	–	0.1	–	0.4	–
Settled	0.0	0.0	0.0	0.0	0.0	0.0
Forfeited	0.0	0.0	(0.2)	(0.1)	(0.1)	(0.1)
Balance at end of period	6.1	11.8	6.1	11.8	6.2	11.9
of which vested	4.3	10.1	3.1	7.9	1.5	5.2
of which unvested	1.8	1.7	3.0	3.9	4.7	6.7

Share awards

The compensation expense recognized in 2009, 2008 and 2007 related to shares awarded under phantom share, blocked shares, longevity premium awards and special awards was CHF 274 million, CHF 585 million and CHF 1,004 mil-

lion, respectively. The estimated unrecognized compensation expense related to these awards as of December 31, 2009 was CHF 481 million and the majority thereof will be recognized over a period of five years.

Share award activities

	2009		2008		2007	
	Number of share awards in million	Weighted-average grant-date fair value in CHF	Number of share awards in million	Weighted-average grant-date fair value in CHF	Number of share awards in million	Weighted-average grant-date fair value in CHF
Share award activities						
Balance at beginning of period	20.5	58.90	28.5	65.13	50.7	60.70
Granted	8.1	40.35	8.4	46.93	4.3	81.49
Settled	(12.5)	69.36	(14.9)	61.66	(24.2)	59.03
Forfeited	(0.6)	53.33	(1.5)	82.82	(2.3)	62.66
Balance at end of period	15.5	45.67	20.5	58.90	28.5	65.13
of which vested	1.2	–	0.2	–	0.3	–
of which unvested	14.3	–	20.3	–	28.2	–

Share options

There were no options granted during 2009, 2008 or 2007. As of December 31, 2009, the aggregate intrinsic value of options outstanding and exercisable was CHF 154 million and the weighted-average remaining contractual term was 1.8 years. As of the exercise date, the total intrinsic value of options exercised during 2009, 2008 and 2007 was CHF 9 million, CHF 7 million and CHF 302 million, respectively. Cash received from option exercises during 2009, 2008 and 2007 was CHF 27 million, CHF 17 million and CHF 336 million, respectively.

As of December 31, 2009, there were 1.0 million fully vested and exercisable options outstanding containing a cash settlement feature. These options had a weighted-average exercise price of CHF 74 and a weighted-average remaining contractual term of 0.2 years. During 2009, 0.1 million options with a cash settlement feature were settled and 0.5 million expired.

As of December 31, 2009, 2.5 million additional options expired.

Share option activities

	2009		2008		2007	
	Number of share options in million	Weighted-average exercise price in CHF	Number of share options in million	Weighted-average exercise price in CHF	Number of share options in million	Weighted-average exercise price in CHF
Share options						
Balance at beginning of period	36.6	61.41	37.2	61.07	45.6	59.01
Exercised	(0.7)	41.60	(0.5)	38.00	(7.2)	47.45
Settled	(0.1)	62.05	0.0	0.00	(0.3)	61.49
Forfeited	0.0	0.00	0.0	0.00	(0.7)	75.31
Expired	(3.0)	51.89	(0.1)	42.00	(0.2)	35.52
Balance at end of period	32.8	62.68	36.6	61.41	37.2	61.07
Exercisable at end of period	32.8	62.68	35.6	60.83	36.1	60.43

Other compensation benefits

Partner Asset Facility

On January 21, 2009, the Bank granted PAF awards to employees with a total notional value of CHF 676 million. The compensation expense recognized in 2009 related to PAF was CHF 628 million, including the change in the underlying fair value of the awards during 2009. The compensation expense recognized in 2008 was CHF 450 million. There was no estimated unrecognized compensation expense as of December 31, 2009.

Cash Retention Awards

Compensation expense relating to the Cash Retention Awards in 2009 was CHF 819 million. There was no impact on the 2008 consolidated financial statements. The estimated unrecognized compensation expense as of December 31, 2009 was CHF 585 million and will be recognized over a period of one year.

26 Related parties

The Group owns all of the Bank's outstanding voting registered shares. The Bank is involved in significant financing and other transactions with subsidiaries and affiliates of the Group. The Bank 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 third parties.

For further information, refer to Note 27 – Related parties in V – Consolidated financial statements – Credit Suisse Group.

Related party assets and liabilities

end of	2009	2008
Assets (CHF million)		
Cash and due from banks	1,145	1,668
Interest-bearing deposits with banks	1,022	1,930
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	523	504
Securities received as collateral	0	370
Trading assets	148	238
Net loans	10,725	10,681
Other assets	55	115
Total assets	13,618	15,506
Liabilities (CHF million)		
Due to banks/customer deposits	16,051	19,273
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	0	600
Obligation to return securities received as collateral	0	370
Trading liabilities	521	443
Long-term debt	8,951	9,017
Other liabilities	569	670
Total liabilities	26,092	30,373

Related party revenues and expenses

in	2009	2008	2007
Revenues (CHF million)			
Interest and dividend income	120	501	444
Interest expense	(514)	(1,177)	(1,277)
Net interest income	(394)	(676)	(833)
Commissions and fees	(42)	(11)	(5)
Other revenues	248	264	246
Net revenues	(188)	(423)	(592)
Expenses (CHF million)			
Total operating expenses	(101)	19	(226)

Related party guarantees

end of	2009	2008
Guarantees (CHF million)		
Credit guarantees and similar instruments	76	64
Derivatives	42	33
Other guarantees	53	70
Total guarantees	171	167

Loans to members of the Board of Directors and the Executive Board

in	2009	2008	2007
Loans to members of the Board of Directors (CHF million)			
Balance at beginning of period	14¹	15	22
Additions	11	1	0
Reductions	(1)	(2)	(7)
Balance at end of period	24¹	14	15
Loans to members of the Executive Board (CHF million)			
Balance at beginning of period	24²	22	22
Additions	4	11	3
Reductions	(9)	(9)	(3)
Balance at end of period	19²	24	22

¹ The number of individuals with outstanding loans at the beginning and end of the year was five and eight, respectively. ² The number of individuals with outstanding loans at the beginning and end of the year was seven.

Liabilities due to own pension funds

Liabilities due to the Bank's own pension funds as of December 31, 2009 and 2008 of CHF 1,111 million and CHF 1,229 million, respectively, were reflected in various liability accounts in the Bank's consolidated balance sheets.

27 Pension and other post-retirement benefits

Pension plans

The Bank participates in a defined benefit pension plan sponsored by the Group and has single-employer defined benefit pension plans, defined contribution pension plans and other post-retirement defined benefit plans. The Bank's principal plans are located in Switzerland, the US and the UK. In 2008, the Bank changed the measurement date used to perform the actuarial valuation from September 30 to December 31.

Group pension plan

The Bank covers pension requirements for its employees in Switzerland through the participation in a defined benefit pension plan sponsored by the Group (Group plan). The plan provides benefits in the event of retirement, death and disability. Various legal entities within the Group participate in the plan, which is set up as an independent trust domiciled in Zurich. The Group accounts for the Group plan as a single-employer defined benefit pension plan and uses the projected unit credit actuarial method to determine the net periodic pension expense, the PBO and the Accumulated Benefit Obligation (ABO). The Bank accounts for the defined benefit pension plan sponsored by the Group as a Group pension plan because

other legal entities within the Group also participate in the plan and the assets contributed by the Bank are not segregated into a separate account or restricted to provide benefits only to employees of the Bank. The assets contributed by the Bank are commingled with the assets contributed by the other legal entities of the Group and can be used to provide benefits to any employee of any participating legal entity. The Bank's contributions to the Group plan comprise 90% of the total assets contributed to the Group plan by all participating legal entities on an annual basis.

In 2009, the Group announced a partial changeover from defined benefit to defined contribution for the Group plan.

The Bank accounts for the Group plan on a defined contribution basis whereby it only recognizes the amounts required to be contributed to the Group plan during the period as net periodic pension expense and only recognizes a liability for any contributions due and unpaid. No other expenses or balance sheet amounts related to the Group plan were recognized by the Bank. The Bank's contributions are determined using a predetermined formula based on each employee's salary level and age and approximates 167% of each employee's contribution.

During 2009, 2008 and 2007, the Bank contributed and recognized as expense CHF 394 million, CHF 579 million and CHF 333 million to the Group plan, respectively. The Bank expects to contribute CHF 410 million to the Group plan during 2010. If the Bank had accounted for the Group plan as a single-employer defined benefit plan, the net periodic pension expense recognized by the Bank during 2009, 2008 and 2007 would have been lower by CHF 274 million, CHF 477 million and CHF 186 million, respectively, and the Bank would have recognized CHF 38 million, CHF 35 million and CHF 74 million, respectively, as amortization of actuarial losses and prior service cost for the Group plan.

As of December 31, 2009 and 2008, the ABO of the Group plan was CHF 12.2 billion and CHF 11.2 billion, the PBO was CHF 13.3 billion and CHF 12.4 billion and the fair value of plan assets was CHF 12.6 billion and CHF 11.5 billion, respectively. As of December 31, 2009 and 2008, the Group plan was overfunded on an ABO basis by CHF 408 million and CHF 283 million and underfunded on a PBO basis by CHF 730 million and CHF 948 million, respectively. If the Bank had accounted for the Group plan as a defined benefit pension plan, the Bank would have had to recognize the funded status of the Group plan on a PBO basis of CHF 657 million and CHF 853 million as of December 31, 2009 and 2008, respectively, as a liability in the consolidated balance sheets, resulting in a decrease in AOCI within total shareholder's equity.

The calculation of the expense and liability associated with the Group plan requires an extensive use of assumptions, which include the expected long-term rate of return on plan assets and the discount rate as determined by the Group. If the Bank had accounted for the Group plan as a defined benefit plan, the expected long-term rate of return on plan assets used in the net periodic pension costs for 2009 and 2008 would have been 4.8% and 5.0%, respectively. As of Decem-

ber 31, 2009 and 2008, the discount rate used in the measurement of the benefit obligation would have been 3.5% and 3.9% and the net periodic pension cost would have been 3.9% and 4.0%, respectively.

International pension plans

Various pension plans cover the Bank's employees outside of Switzerland, including both single-employer defined benefit and defined contribution pension plans. These plans provide defined benefits in the event of retirement, death, disability or employment termination. Retirement benefits under the plans depend on age, contributions and salary. The Bank's funding policy with respect to these plans is consistent with local government and tax requirements. The assumptions used are derived based on local economic conditions.

Other post-retirement defined benefit plans

In the US, the Bank sponsors post-retirement defined benefit plans, that provide health and welfare benefits for certain retired employees. In exchange for the current services provided by the employee, the Bank promises to provide health and welfare benefits after the employee retires. The Bank's obligation for that compensation is incurred as employees render the services necessary to earn their post-retirement benefits.

Pension costs

The net periodic pension cost for defined benefit pension and other post-retirement defined benefit plans is the cost of the respective plan for a period during which an employee renders services. The actual amount to be recognized is determined using an actuarial formula which considers, among others, current service cost, interest cost, expected return on plan assets and the amortization of both prior service cost/(credit) and actuarial gains or losses recognized in AOCI.

Components of total pension costs

in	International single- employer defined benefit pension plans			Other post- retirement defined benefit plans		
	2009	2008	2007	2009	2008	2007
Total pension costs (CHF million)						
Service costs on benefit obligation	33	44	46	1	1	1
Interest costs on benefit obligation	129	139	149	9	8	9
Expected return on plan assets	(166)	(170)	(158)	–	–	–
Amortization of recognized prior service cost/(credit)	1	1	1	(2)	(2)	(3)
Amortization of recognized actuarial losses	17	39	75	8	9	11
Net periodic pension costs	14	53	113	16	16	18
Settlement (gains)/losses	1	–	–	–	–	–
Curtailment (gains)/losses	(2)	–	–	–	–	–
Total pension costs	13	53	113	16	16	18

Total pension costs reflected in compensation and benefits – other in the consolidated statements of operations for 2009, 2008 and 2007 were CHF 29 million, CHF 69 million and CHF 131 million, respectively.

On December 4, 2008, the Group announced the accelerated implementation of its strategic plan and, as part of this plan, a headcount reduction. This resulted in settlement payments of CHF 1 million in 2009 for the US pension plan. The curtailment gain of CHF 2 million in 2009 related to the reduction in the benefit obligation in connection with the discontinuance of a Japanese plan.

Benefit obligation

As of December 31, 2008, the Bank adopted the measurement date provisions that require the Bank to measure the plan assets and the benefit obligations as of the date of the employer's fiscal year-end statement of financial position. For further information on this guidance, refer to Note 2 – Recently issued accounting standards.

The following table shows the changes in the PBO, the fair value of plan assets and the amounts recognized in the consolidated balance sheets for the international single-employer defined benefit pension plans and other post-retirement defined benefit plans and as well as the ABO for the defined benefit pension plans.

Obligations and funded status of the plans

in	International single-employer defined benefit pension plans		Other post-retirement defined benefit plans	
	2009	2008	2009	2008
PBO (CHF million) ¹				
Beginning of the measurement period	1,953	2,580	134	145
Service cost	33	44	1	1
Interest cost	129	139	9	8
Plan amendments	18	–	–	–
Change in measurement date	–	40	–	2
Settlements	(8)	–	–	–
Curtailments	(5)	(8)	–	(1)
Special termination benefits	3	–	–	–
Actuarial (gains)/losses	185	(188)	9	(2)
Benefit payments	(67)	(85)	(8)	(10)
Exchange rate (gains)/losses	58	(569)	(4)	(9)
End of the measurement period	2,299	1,953	141	134
Fair value of plan assets (CHF million)				
Beginning of the measurement period	1,815	2,549	–	–
Actual return on plan assets	30	(244)	–	–
Employer contributions	169	185	8	10
Plan amendments	18	–	–	–
Change in measurement date	–	36	–	–
Settlements	(8)	–	–	–
Benefit payments	(67)	(85)	(8)	(10)
Exchange rate gains/(losses)	79	(626)	–	–
End of the measurement period	2,036	1,815	–	–
Total funded status recognized (CHF million)				
Funded status of the plan – over/(underfunded)	(263)	(138)	(141)	(134)
Total funded status recognized in the consolidated balance sheet at December 31	(263)	(138)	(141)	(134)
Total amount recognized (CHF million)				
Noncurrent assets	84	201	–	–
Current liabilities	(9)	(9)	(8)	(8)
Noncurrent liabilities	(338)	(330)	(133)	(126)
Total amount recognized in the consolidated balance sheet at December 31	(263)	(138)	(141)	(134)
ABO (CHF million) ²				
End of the measurement period	2,235	1,891	–	–

¹ Including estimated future salary increases. ² Exclusive of estimated future salary increases.

The total net amount recognized in other assets – other and other liabilities – other in the consolidated balance sheets as of December 31, 2009 and 2008 was an underfunding of CHF 404 million and CHF 272 million, respectively.

In 2009 and 2008, the Bank made contributions of CHF 169 million and CHF 179 million to the international single-employer defined benefit pension plans, including CHF 130 million and CHF 140 million as a special contribution to the UK defined benefit plan, respectively. In 2010, the Bank expects to contribute CHF 24 million to the international sin-

gle-employer defined benefit pension plans and CHF 8 million to other post-retirement defined benefit plans.

PBO and ABO in excess of plan assets

The following table discloses the aggregate PBO and ABO, as well as the aggregate fair value of plan assets for those plans with PBO in excess of plan assets and those plans with ABO in excess of plan assets as of December 31, 2009 and 2008, respectively.

Defined benefit pension plans in which PBO and ABO were in excess of plan assets

Measurement date	PBO exceeds fair value of plan assets ¹		ABO exceeds fair value of plan assets ¹	
	2009	2008	2009	2008
CHF million				
PBO	1,138	1,061	1,076	1,024
ABO	1,100	1,024	1,049	997
Fair value of plan assets	791	722	729	686

¹ Includes only those defined benefit pension plans where the PBO/ABO exceeded the fair value of plan assets.

Amount recognized in AOCI and other comprehensive income

The following table discloses the actuarial gains/(losses) and prior service credit/(cost) which were recorded in AOCI and subsequently recognized as components of net periodic pension cost.

Amounts recognized in AOCI, net of tax

in	International single-employer defined benefit pension plans		Other post-retirement defined benefit plans		Total	
	2009	2008	2009	2008	2009	2008
Amounts recognized in AOCI (CHF million)						
Actuarial gains/(losses)	(723)	(501)	(38)	(37)	(761)	(538)
Prior service credit/(cost)	(1)	(2)	7	8	6	6
Total	(724)	(503)	(31)	(29)	(755)	(532)

The following tables disclose the changes in other comprehensive income due to actuarial gains/(losses) and prior service credit/(cost) recognized in AOCI during 2009 and 2008 and

the amortization of the aforementioned items as components of net periodic pension cost for these periods as well as the amounts expected to be amortized in 2010.

Amounts recognized in other comprehensive income

in	International single-employer defined benefit pension plans			Other post- retirement defined benefit plans			Total net
	Gross	Tax	Net	Gross	Tax	Net	
2009 (CHF million)							
Actuarial gains/(losses)	(323)	88	(235)	(9)	3	(6)	(241)
Amortization of actuarial losses/(gains)	17	(7)	10	8	(3)	5	15
Amortization of prior service cost/(credit)	1	0	1	(2)	1	(1)	0
Immediate recognition due to curtailment/settlement	4	(1)	3	–	–	–	3
Total amounts recognized in other comprehensive income	(301)	80	(221)	(3)	1	(2)	(223)
2008 (CHF million)							
Actuarial gains/(losses)	(226)	92	(134)	2	(1)	1	(133)
Amortization of actuarial losses/(gains)	39	(13)	26	9	(3)	6	32
Amortization of prior service cost/(credit)	1	(1)	0	(2)	1	(1)	(1)
Immediate recognition due to curtailment	8	(3)	5	1	0	1	6
Total amounts recognized in other comprehensive income	(178)	75	(103)	10	(3)	7	(96)

Amounts in AOCI, net of tax, expected to be amortized in 2010

in 2010	International single- employer defined benefit pension plans	Other post- retirement defined benefit plans
CHF million		
Amortization of actuarial (gains)/losses		22
Amortization of prior service cost/(credit)		0
Total		22
		4
		(1)
		3

Assumptions

Weighted-average assumptions used to determine net periodic pension cost and benefit obligation

	International single- employer defined benefit pension plans		Other post- retirement defined benefit plans	
Measurement date	2009	2008	2009	2008
Net benefit pension cost (%)				
Discount rate	6.3	5.9	6.4	6.2
Salary increases	4.0	4.5	–	–
Expected long-term rate of return on plan assets	7.5	7.6	–	–
Benefit obligation (%)				
Discount rate	6.0	6.3	6.1	6.4
Salary increases	4.3	4.0	–	–

Health care assumptions

The health care cost trend is used to determine the appropriate other post-retirement defined benefit costs. In determining these costs, an annual weighted-average rate of 9.75% and 11% in the cost of covered health care benefits was assumed for 2009 and 2008, respectively. The rate is assumed to decrease gradually to 5% by 2013 and remain at that level thereafter. A 1% increase or decrease in the health care cost trend rate assumption would not have had a material impact on the amount of the accumulated post-retirement defined benefit obligation or expense in 2009 or 2008.

Plan assets and investment strategy

For further information, refer to Note 28 – Pension and other post-retirement benefits in V – Consolidated financial statements – Credit Suisse Group.

As of December 31, 2009 and 2008, there were no material amounts of Group debt or equity securities included in plan assets for the international single-employer defined benefit pension plans or other post-retirement defined benefit plans.

Fair Value of plan assets

In December 2008, the Financial Accounting Standards Board (FASB) amended and expanded the disclosure requirements for the Bank's reporting of plan assets measured at fair value

on a recurring basis for December 31, 2009, but did not require retrospective application. The following tables present the new disclosures. Comparable data was not presented for prior periods.

Plan assets measured at fair value on a recurring basis

end of 2009	Level 1	Level 2	Level 3	Total at fair value
Plan assets (CHF million)				
Cash and cash equivalents	163	8	0	171
Debt securities	79	392	176	647
of which governments	48	0	0	48
of which corporates	31	392	176	599
Equity securities	56	1,142	0	1,198
Real estate – indirect	0	0	14	14
Alternative investments	0	(130)	57	(73)
of which private equity	0	0	12	12
of which hedge funds	0	0	45	45
of which other	0	(130) ¹	0	(130)
Other investments	0	79	0	79
Total plan assets at fair value	298	1,491	247	2,036

¹ Primarily related to derivative instruments.

Plan assets measured at fair value on a recurring basis for level 3

	Actual return on plan assets				Balance at end of period
	Balance at beginning of period	On assets still held at reporting date	On assets sold during the period	Purchases, sales, settlements	
2009					
Plan assets (CHF million)					
Debt securities – corporates	103	20	(2)	55	176
Real estate – indirect	34	(19)	0	(1)	14
Alternative investments	73	10	(1)	(25)	57
of which private equity	35	(2)	3	(24)	12
of which hedge funds	38	12	(4)	(1)	45
Other investments	25	0	16	(41)	0
Total plan assets at fair value	235	11	13	(12)	247

The following table shows the plan asset allocation as of the measurement date calculated based on the fair value at that date including the performance of each asset's category.

Weighted-average plan asset allocation as of the measurement date

December 31	2009	2008
Weighted-average plan asset allocation (%)		
Cash and cash equivalents	8.4	0.9
Debt securities	31.7	34.7
Equity securities	58.8	39.1
Real estate	0.7	2.0
Alternative investments	(3.5) ¹	21.2
Insurance	3.9	2.1
Total	100.0	100.0

¹ Negative asset allocation was primarily related to derivative instruments.

The following table shows the target plan asset allocation for 2010 in accordance with the Bank's investment strategy. The target plan asset allocation is used to determine the expected return on plan assets to be considered in the net periodic pension costs for 2010.

Weighted-average target plan asset allocation to be applied prospectively

2010 (%)	
Debt securities	43
Equity securities	43
Alternative investments	10
Insurance	4
Total	100

Estimated future benefit payments for defined benefit pension and other post-retirement defined benefit plans

	International single- employer defined benefit pension plans	Other post- retirement defined benefit plans
Estimated future benefit payments (CHF million)		
2010	15	1
2011	16	1
2012	17	1
2013	18	1
2014	20	1
Thereafter	140	6

Defined Contribution Pension Plans

The Bank contributes to various defined contribution pension plans primarily in the US and the UK as well as other countries throughout the world. During 2009, 2008, and 2007, the

Bank contributed to these plans and recognized as expense CHF 235 million, CHF 249 million and CHF 256 million, respectively.

28 Derivatives and hedging activities

Fair value of derivative instruments

	Trading			Hedging ¹		
	Notional amount	Positive replacement value	Negative replacement value	Notional amount	Positive replacement value	Negative replacement value
end of 2009						
Derivative instruments (CHF billion)						
Forwards and forward rate agreements	7,956.7	6.4	6.2	0.0	0.0	0.0
Swaps	22,673.8	473.7	464.6	55.6	1.8	1.1
Options bought and sold (OTC)	2,461.2	43.6	46.1	0.0	0.0	0.0
Futures	1,895.1	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	926.5	0.1	0.2	0.0	0.0	0.0
Interest rate products	35,913.3	523.8	517.1	55.6	1.8	1.1
Forwards	1,675.8	18.8	21.0	22.4	0.2	0.0
Swaps	996.9	31.3	34.3	0.0	0.0	0.0
Options bought and sold (OTC)	865.6	14.8	15.8	0.0	0.0	0.0
Futures	22.6	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	17.1	0.2	0.4	0.0	0.0	0.0
Foreign exchange products	3,578.0	65.1	71.5	22.4	0.2	0.0
Forwards	12.2	1.6	1.0	0.0	0.0	0.0
Swaps	0.1	0.0	0.0	0.0	0.0	0.0
Options bought and sold (OTC)	22.0	0.6	1.1	0.0	0.0	0.0
Futures	3.0	0.0	0.0	0.0	0.0	0.0
Precious metals products	37.3	2.2	2.1	0.0	0.0	0.0
Forwards	6.3	1.6	0.1	0.0	0.0	0.0
Swaps	210.6	5.2	8.2	0.0	0.0	0.0
Options bought and sold (OTC)	352.9	18.1	21.6	0.0	0.0	0.0
Futures	124.2	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	501.3	1.2	1.3	0.0	0.0	0.0
Equity/index-related products	1,195.3	26.1	31.2	0.0	0.0	0.0
Credit derivatives²	2,414.0	68.2	61.9	0.0	0.0	0.0
Forwards	28.3	1.7	2.0	0.0	0.0	0.0
Swaps	142.6	17.4	17.8	0.0	0.0	0.0
Options bought and sold (OTC)	66.7	3.5	3.5	0.0	0.0	0.0
Futures	313.6	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	147.5	3.0	2.7	0.0	0.0	0.0
Other products³	698.7	25.6	26.0	0.0	0.0	0.0
Total derivative instruments	43,836.6	711.0	709.8	78.0	2.0	1.1

The notional amount for derivative instruments (trading and hedging) was CHF 43,914.6 billion as of December 31, 2009.

¹ Relates to derivative contracts that qualify for hedge accounting under US GAAP. ² Primarily credit default swaps. ³ Primarily commodity, energy and emission products.

Fair value of derivative instruments (continued)

	Trading			Hedging ¹		
	Notional amount	Positive replacement value	Negative replacement value	Notional amount	Positive replacement value	Negative replacement value
end of 2008						
Derivative instruments (CHF billion)						
Forwards and forward rate agreements	6,314.5	16.2	17.8	0.0	0.0	0.0
Swaps	20,174.9	638.6	628.2	178.7	1.5	0.9
Options bought and sold (OTC)	2,564.2	59.5	62.7	0.0	0.0	0.0
Futures	1,984.3	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	1,320.7	0.3	0.3	0.0	0.0	0.0
Interest rate products	32,358.6	714.6	709.0	178.7	1.5	0.9
Forwards	1,418.2	46.1	50.1	24.7	1.9	0.1
Swaps	816.0	45.6	46.5	0.0	0.0	0.0
Options bought and sold (OTC)	872.5	28.6	29.6	0.0	0.0	0.0
Futures	22.6	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	7.6	0.4	0.6	0.0	0.0	0.0
Foreign exchange products	3,136.9	120.7	126.8	24.7	1.9	0.1
Forwards	9.5	0.9	1.1	0.0	0.0	0.0
Swaps	0.1	0.0	0.0	0.0	0.0	0.0
Options bought and sold (OTC)	21.7	1.2	0.9	0.0	0.0	0.0
Futures	2.0	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	0.2	0.0	0.0	0.0	0.0	0.0
Precious metals products	33.5	2.1	2.0	0.0	0.0	0.0
Forwards	11.3	2.3	0.0	0.0	0.0	0.0
Swaps	246.3	17.0	13.3	0.0	0.0	0.0
Options bought and sold (OTC)	333.0	29.4	29.9	0.0	0.0	0.0
Futures	42.8	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	489.3	2.4	1.9	0.0	0.0	0.0
Equity/index-related products	1,122.7	51.1	45.1	0.0	0.0	0.0
Credit derivatives²	3,244.6	197.1	176.0	0.0	0.0	0.0
Forwards	40.9	5.0	4.9	0.0	0.0	0.0
Swaps	205.5	25.1	25.1	0.0	0.0	0.0
Options bought and sold (OTC)	78.9	7.5	7.6	0.0	0.0	0.0
Futures	156.0	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	49.2	4.5	4.4	0.0	0.0	0.0
Other products³	530.5	42.1	42.0	0.0	0.0	0.0
Total derivative instruments	40,426.8	1,127.7	1,100.9	203.4	3.4	1.0

The notional amount for derivative instruments (trading and hedging) was CHF 40,630.2 billion as of December 31, 2008.

¹ Relates to derivative contracts that qualify for hedge accounting under US GAAP. ² Primarily credit default swaps. ³ Primarily commodity, energy and emission products.

Fair value of derivative instruments (continued)

	2009		2008	
	Positive replacement value (PRV)	Negative replacement value (NRV)	Positive replacement value (PRV)	Negative replacement value (NRV)
end of				
Derivative instruments (CHF billion)				
Replacement values (trading and hedging) before netting agreements	713.0	710.9	1,131.1	1,101.9
Replacement values (trading and hedging) after netting agreements ¹	57.3	58.4	108.2	94.1
of which recorded in trading assets (PRV) and trading liabilities (NRV)	55.3	57.3	104.9	93.8
of which recorded in other assets (PRV) and other liabilities (NRV) ¹	2.0	1.1	3.3	0.3

¹ Taking into account legally enforceable netting agreements.

Derivatives in fair value hedging relationships

	Gains/ (losses) recognized in income on derivatives ¹	Gains/ (losses) recognized in income on hedged items ¹
in 2009		
Derivatives in fair value hedging relationships (CHF million)		
Interest rate products		(628) 609
Foreign exchange products		3 (3)
Total		(625) 606

¹ Included in trading revenues.

Details of fair value hedges

in	2009	2008	2007
Fair value hedges (CHF million)			
Net gains/(losses) on the ineffective portion	(19)	68	14

Derivatives in cash flow hedging relationships

	Gains/ (losses) recognized in AOCI on derivatives ¹	Gains/ (losses) reclassified from AOCI into income ¹
in 2009		
Derivatives in cash flow hedging relationships (CHF million)		
Foreign exchange products		30 13 ²

¹ Effective portion. ² Included in total operating expenses.

Details of cash flow hedges

in	2009	2008	2007
Cash flow hedges (CHF million)			
Net gains/(losses) on the ineffective portion	0	(1)	0
Expected reclassification of net gains/(losses) from AOCI into earnings during the next 12 months	0	(7)	7

Derivatives in net investment hedging relationships

in 2009	Gains/ (losses) recognized in AOCI on derivatives ¹	Gains/ (losses) reclassified from AOCI into income ¹
Derivatives in net investment hedging relationships (CHF million)		
Interest rate products	12	0
Foreign exchange products	(1,401)	(21) ²
Total	(1,389)	(21)

¹ Effective portion. ² Primarily included in discontinued operations.

Details of net investment hedges

in	2009	2008	2007
Net investment hedges (CHF million)			
Net gains/(losses) on hedges included in AOCI	(1,389)	3,029	121

The Bank includes all derivative instruments not included in hedge accounting relationships in its trading activities. The information below relates to all trading activities and not just those relating to derivative instruments.

Trading revenues

in	2009
Trading revenues (CHF million)	
Interest rate products	10,067
Foreign exchange products	196
Equity/index-related products	4,349
Credit products	(3,960)
Commodity, emission and energy products	542
Other products	970
Total	12,164

Disclosures relating to contingent credit risk

Certain of the Bank's derivative instruments contain provisions that require it to maintain a specified credit rating from each of the major credit rating agencies. If the ratings fall below that specified in the contract, the counterparties to the agreements could request payment of additional collateral on those derivative instruments that are in a net liability position. Certain of the derivative contracts also provide for termination of the contract, generally upon a downgrade of either the Bank or the counterparty, at the existing mark-to-market of the derivative contract.

Bilateral counterparties

The aggregate fair value of derivative instruments with credit-risk-related contingent features that were in a net liability position as of December 31, 2009 was CHF 10.5 billion, for which the Bank posted collateral of CHF 9.0 billion. If the credit-risk-related contingent features underlying these agreements were triggered as of December 31, 2009, the Bank would have been required to post additional collateral of CHF

0.2 billion in the event of a one-notch downgrade. A two-notch downgrade would have required additional aggregate collateral posting of CHF 0.5 billion.

Special purpose entities

The current exposure, which by contract may include amounts other than or in addition to the negative replacement value, of derivative instruments with credit-risk-related contingent features as of December 31, 2009 was CHF 3.3 billion, for which the Bank posted collateral of CHF 3.4 billion. If the credit-risk-related contingent features underlying these agreements were triggered as of December 31, 2009, the Bank would have been required to post additional collateral of CHF 2.4 billion in the event of a one-notch downgrade. A two-notch downgrade would have required additional aggregate collateral posting of CHF 4.4 billion.

For further information, refer to Note 29 – Derivatives and hedging activities in V – Consolidated financial statements – Credit Suisse Group.

Credit derivatives

Credit derivative maximum potential payout by maturity

end of	Maturity less than 1 year	Maturity between 1 to 5 years	Maturity greater than 5 years	Total
2009 (CHF million)				
Single-name instruments	100,387	592,552	137,849	830,788
Multi-name instruments	31,154	256,008	63,297	350,459
Total	131,541	848,560	201,146	1,181,247
2008 (CHF million)				
Single-name instruments	97,483	675,455	164,925	937,863
Multi-name instruments	11,578	477,487	151,306	640,371
Total	109,061	1,152,942	316,231	1,578,234

Credit derivative exposure on sold protection

end of	2009			2008		
	Maximum potential payout	Fair value	Recoveries	Maximum potential payout	Fair value	Recoveries
Single-name instruments (CHF million)						
Investment grade ¹	608,386	8,712	598,895	706,014	(47,541)	688,352
Non-investment grade	222,402	(12,790)	215,675	231,849	(48,822)	225,008
Total single-name instruments	830,788	(4,078)	814,570	937,863	(96,363)	913,360
of which sovereigns	128,760	(782)	128,141	123,702	(13,274)	121,276
of which non-sovereigns	702,028	(3,296)	686,429	814,161	(83,089)	792,084
Multi-name instruments (CHF million)						
Investment grade ¹	291,880	(9,271)	285,683	527,971	(49,471)	519,432
Non-investment grade	58,579	494	56,144	112,400	(19,225)	109,399
Total multi-name instruments	350,459	(8,777)	341,827	640,371	(68,696)	628,831
of which sovereigns	347	(58)	111	299	(139)	89
of which non-sovereigns	350,112	(8,719)	341,716	640,072	(68,557)	628,742

¹ Based on internal ratings BBB and above.

The above maximum potential payout relates only to sold protection. The Bank also purchases protection, which reduces total credit derivative exposure. As of December 31, 2009 and 2008, 93% and 87%, respectively, of the notional amount of credit protection purchased by counterparty was comprised of

For further information, refer to Note 29 – Derivatives and hedging activities in V – Consolidated financial statements – Credit Suisse Group.

banks and broker-dealers, 6% and 13%, respectively, was comprised of other financial institutions, primarily hedge funds, and 1% and 0%, respectively, was comprised of other counterparties.

29 Guarantees and commitments

Guarantees

end of	Maturity less than 1 year	Maturity between 1 to 3 years	Maturity between 3 to 5 years	Maturity greater than 5 years	Total gross amount	Total net amount ¹	Carrying value	Collateral received
2009 (CHF million)								
Credit guarantees and similar instruments	3,197	1,591	1,533	1,660	7,981	7,223	543	4,364
Performance guarantees and similar instruments	6,176	3,926	990	799	11,891	10,438	93	3,896
Securities lending indemnifications	22,644	0	0	0	22,644	22,644	0	22,644
Derivatives	128,204	49,769	18,853	15,225	212,051	212,051	6,294	- ²
Other guarantees	3,490	509	168	262	4,429	4,361	10	1,851
Total guarantees	163,711	55,795	21,544	17,946	258,996	256,717	6,940	32,755
2008 (CHF million)								
Credit guarantees and similar instruments	3,151	1,599	1,285	1,190	7,225	6,043	464	4,013
Performance guarantees and similar instruments	5,859	4,005	1,302	1,043	12,209	10,466	95	3,716
Securities lending indemnifications	28,541	0	0	0	28,541	28,541	0	28,541
Derivatives	141,438	47,240	13,988	10,696	213,362	213,362	15,993	- ²
Other guarantees	3,559	413	209	221	4,402	4,322	7	1,888
Total guarantees	182,548	53,257	16,784	13,150	265,739	262,734	16,559	38,158

¹ Total net amount is computed as the gross amount less any participations. ² Collateral for derivatives accounted for as guarantees is not considered significant.

Lease commitments

Lease commitments (CHF million)

2010	569
2011	509
2012	433
2013	393
2014	345
Thereafter	2,109
Future operating lease commitments	4,358
Less minimum non-cancellable sublease rentals	477
Total net future minimum lease commitments	3,881

Rental expense for operating leases

in	2009	2008	2007
Rental expense for operating leases (CHF million)			
Minimum rental expense	577	459	680
Sublease rental income	(125)	(118)	(142)
Total net expenses for operating leases	452	341	538

Other commitments

end of	Maturity less than 1 year	Maturity between 1 to 3 years	Maturity between 3 to 5 years	Maturity greater than 5 years	Total gross amount	Total net amount ¹	Collateral received
2009 (CHF million)							
Irrevocable commitments under documentary credits	4,520	15	25	0	4,560	4,160	2,020
Loan commitments	165,542	33,841	10,021	8,827	218,231	211,876	149,720
Forward reverse repurchase agreements	43,481	0	0	0	43,481	43,481	43,481
Other commitments	6,350	1,529	682	302	8,863	8,863	6
Total other commitments	219,893	35,385	10,728	9,129	275,135	268,380	195,227
2008 (CHF million)							
Irrevocable commitments under documentary credits	4,130	21	1	54	4,206	3,515	1,706
Loan commitments	175,075	19,911	23,889	7,502	226,377	220,243	149,121
Forward reverse repurchase agreements	28,139	0	0	0	28,139	28,139	28,139
Other commitments	4,625	516	921	714	6,776	6,776	184
Total other commitments	211,969	20,448	24,811	8,270	265,498	258,673	179,150

¹ Total net amount is computed as the gross amount less any participations.

For further information, refer to Note 30 – Guarantees and commitments in V – Consolidated financial statements – Credit Suisse Group.

30 Transfers of financial assets and variable interest entities

Transfers of financial assets

Securitizations

For further information, refer to Note 31 – Transfers of financial assets and variable interest entities in V – Consolidated financial statements – Credit Suisse Group.

The following table provides the gains or losses and proceeds from the transfer of assets relating to 2009 and 2008 securitizations of financial assets treated as sales, along with the cash flows between the Bank and the qualified special purpose entities (QSPEs) or special purpose entities (SPEs) used in any securitizations in which the Bank still has continuing involvement, regardless of when the securitization

occurred. Only those transactions that qualify for sales accounting and subsequent derecognition of the transferred assets and in which the Bank has continuing involvement with the entity as of December 31, 2009 and 2008 are included in the table.

In December 2008, the FASB issued guidance that changed and expanded the disclosure requirements for the Bank's involvement with transfers of financial assets for December 31, 2008, but did not require retrospective application of the new disclosure. The disclosures for 2007 have not been restated for the new disclosure requirements and are therefore not comparable to the 2009 and 2008 disclosures.

Securitizations

in	2009		2008	
	QSPE	SPE	QSPE	SPE
Gains/(losses) and cash flows (CHF million)				
CMBS				
Net gain/(loss) ¹	0	0	(4)	36
Proceeds from transfer of assets	144	0	674	463
Purchases of previously transferred financial assets or its underlying collateral	0	0	(173)	0
Servicing fees	1	0	2	0
Cash received on interests that continue to be held	239	5	273	0
RMBS				
Net gain ¹	194	0	56	0
Proceeds from transfer of assets	34,246	0	20,998	0
Purchases of previously transferred financial assets or its underlying collateral	(46)	0	(3)	0
Servicing fees	6	0	4	0
Cash received on interests that continue to be held	329	0	230	1
ABS ²				
Net gain ¹	0	19	0	0
Proceeds from transfer of assets	0	104	0	0
Purchases of previously transferred financial assets or its underlying collateral	0	(18)	0	0
Cash received on interests that continue to be held	6	12	3	19
CDO				
Net gain ¹	73	34	7	56
Proceeds from transfer of assets	380	1,994	929	683
Purchases of previously transferred financial assets or its underlying collateral	(392)	(1,458)	0	0
Cash received on interests that continue to be held	0	13	0	44

¹ Includes underwriting revenues, deferred origination fees, gains or losses on the sale of collateral to the QSPE and gains or losses on the sale of newly issued securities to third parties, but excludes net interest income on assets prior to the securitization. The gains or losses on the sale of the collateral is the difference between the fair value on the day prior to the securitization pricing date and the sale price of the loans. ² Primarily home equity loans.

Securizations (continued)

in	2007
Gains/(losses) and proceeds from transfer of assets (CHF million)	
CMBS	
Net gain ¹	527
Proceeds from transfer of assets	24,735
RMBS	
Net gain ¹	79
Proceeds from transfer of assets	37,562
ABS ²	
Net gain ¹	11
Proceeds from transfer of assets	3,844
CDO	
Net gain ¹	60
Proceeds from transfer of assets	3,758

¹ Includes underwriting revenues, deferred origination fees, gains or losses on the sale of collateral to the QSPE and gains or losses on the sale of newly issued securities to third parties, but excludes net interest income on assets prior to the securitization. The gains or losses on the sale of the collateral is the difference between the fair value on the day prior to the securitization pricing date and the sale price of the loans. ² Primarily home equity loans.

Other asset-backed financing activities

The following table provides the gains or losses relating to the 2009 and 2008 transfers of financial assets treated as sales which were not securitizations, along with the cash flows

between the Bank and the SPEs used in such transfers in which the Bank had continuing involvement as of December 31, 2009 and 2008, regardless of when the transfer of assets occurred.

Other asset-backed financing activities

	2009	2008
in	SPE	SPE
Gains/(losses) and cash flows (CHF million)		
Net gain ¹	12	22
Proceeds from transfer of assets	3,494	6,063
Purchases of previously transferred financial assets or its underlying collateral	(219)	0
Cash received on interests that continue to be held	1,422	1,315

¹ Includes underwriting revenues, deferred origination fees, gains or losses on the sale of collateral to the QSPE and gains or losses on the sale of newly issued securities to third parties, but excludes net interest income on assets prior to the other asset-backed financing activity. The gains or losses on the sale of the collateral is the difference between the fair value on the day prior to the other asset-backed financing activity pricing date and the sale price of the loans.

Continuing involvement in transferred financial assets

The following table provides the outstanding principal balance of assets to which the Bank continues to be exposed after the

transfer of the financial assets to any QSPE or SPE and the total assets of the QSPE or SPE as of December 31, 2009 and 2008, regardless of when the transfer of assets occurred.

Principal amounts outstanding and total assets of QSPEs or SPEs resulting from continuing involvement

end of	2009		2008	
	QSPE	SPE	QSPE	SPE
CHF million				
CMBS				
Principal amount outstanding	47,884 ¹	970 ¹	57,606 ¹	2,247
Total assets of QSPE/SPE	63,088	8,389	70,769	2,247
RMBS				
Principal amount outstanding	90,930 ¹	1,153	102,515	1,515
Total assets of QSPE/SPE	97,966	1,153	102,515	1,515
ABS				
Principal amount outstanding	6,316	928	6,282	1,614
Total assets of QSPE/SPE	6,316	928	6,282	1,614
CDO				
Principal amount outstanding	1,179	36,295 ¹	1,624	36,807 ¹
Total assets of QSPE/SPE	1,179	36,773	1,624	37,404
Other asset-backed financing activities				
Principal amount outstanding	1,379	10,882 ¹	1,456	22,412 ¹
Total assets of QSPE/SPE	1,379	12,483	1,456	24,278

¹ Does not include principal amounts for assets transferred from third parties.

Sensitivity analysis

The following tables provide the sensitivity analysis of key economic assumptions used in measuring the fair value of beneficial interests held in SPEs as of December 31, 2009 and 2008.

Sensitivity analysis of key economic assumptions used in measuring fair value of beneficial interests held in SPEs

end of 2009	CMBS ¹	RMBS	ABS	CDO ²	Other asset-backed financing activities
CHF million, except where indicated					
Fair value of beneficial interests	1,216	1,831	93	1,230	2,636
of which non-investment grade	403	673	86	956	1,527
Weighted-average life, in years	2.7	5.0	4.3	3.7	3.9
Prepayment speed assumption (rate per annum), in % ³	–	0.0-32.4	1.7-4.5	–	–
Impact on fair value from 10% adverse change	–	(31.9)	(0.3)	–	–
Impact on fair value from 20% adverse change	–	(66.0)	(0.5)	–	–
Cash flow discount rate (rate per annum), in % ⁴	5.6-51.6	2.2-53.5	5.1-48.2	0.5-41.3	0.2-7.8
Impact on fair value from 10% adverse change	(24.2)	(48.3)	(0.8)	(2.1)	(6.1)
Impact on fair value from 20% adverse change	(46.6)	(91.6)	(1.5)	(4.0)	(11.7)
Expected credit losses (rate per annum), in %	3.3-48.1	3.3-49.5	3.4-47.5	1.0-39.3	0.5-9.7
Impact on fair value from 10% adverse change	(17.9)	(27.4)	(0.6)	(1.3)	(5.0)
Impact on fair value from 20% adverse change	(34.7)	(51.4)	(1.2)	(2.5)	(8.8)

end of 2008	CMBS ¹	RMBS	ABS	CDO ²	Other asset-backed financing activities
CHF million, except where indicated					
Fair value of beneficial interests	1,581	810	32	548	5,311
of which non-investment grade	44	65	2	40	4,230
Weighted-average life, in years	2.2	3.5	3.0	9.0	3.3
Prepayment speed assumption (rate per annum), in % ³	–	0.1-60.4	8.0	5.0-20.0	–
Impact on fair value from 10% adverse change	–	(14.3)	(3.8)	(0.4)	–
Impact on fair value from 20% adverse change	–	(28.5)	(4.4)	(0.7)	–
Cash flow discount rate (rate per annum), in % ⁴	5.1-55.2	2.2-51.8	21.6-50.5	2.7-59.3	0.8-10.4
Impact on fair value from 10% adverse change	(27.7)	(19.5)	(4.3)	(3.3)	(14.1)
Impact on fair value from 20% adverse change	(54.8)	(38.9)	(5.2)	(6.6)	(27.7)
Expected credit losses (rate per annum), in %	2.8-52.3	2.9-46.1	4.5	4.6-56.7	4.6-15.8
Impact on fair value from 10% adverse change	(25.3)	(15.5)	(4.0)	(2.2)	(17.1)
Impact on fair value from 20% adverse change	(50.0)	(30.9)	(4.2)	(4.2)	(26.9)

¹ To deter prepayment, commercial mortgage loans typically have prepayment protection in the form of prepayment lockouts and yield maintenances. ² CDOs are generally structured to be protected from prepayment risk. ³ Prepayment speed assumption (PSA) is an industry standard prepayment speed metric used for projecting prepayments over the life of a residential mortgage loan. PSA utilizes the constant prepayment rate (CPR) assumptions. A 100% prepayment assumption assumes a prepayment rate of 0.2% per annum of the outstanding principal balance of mortgage loans in the first month. This increases by 0.2% thereafter during the term of the mortgage loan, leveling off to a CPR of 6% per annum beginning in the 30th month and each month thereafter during the term of the mortgage loan. 100 PSA equals 6 CPR. ⁴ The rate is based on the weighted-average yield on the beneficial interests.

Secured borrowings

The following table provides the carrying amounts of transferred financial assets and the related liabilities where sale treatment was not achieved as of December 31, 2009 and 2008.

Carrying amounts of transferred financial assets and liabilities where sale treatment was not achieved

in	2009	2008
CHF million		
CMBS		
Other assets	940	0
Liability to SPE, included in Other liabilities	(940)	0
RMBS		
Other assets	296	768
Liability to SPE, included in Other liabilities	(296)	(768)
ABS		
Trading assets	116	19
Other assets	1,137	520
Liability to SPE, included in Other liabilities	(1,253)	(539)
CDO		
Trading assets	193	139
Other assets	195	1,868
Liability to SPE, included in Other liabilities	(388)	(2,007)
Other asset-backed financing activities		
Trading assets	1,575	430
Other assets	15	50
Liability to SPE, included in Other liabilities	(1,590)	(480)

Variable interest entities

For further information, refer to Note 31 – Transfers of financial assets and variable interest entities in V – Consolidated financial statements – Credit Suisse Group.

Consolidated VIEs

The Bank has significant involvement with variable interest entities (VIEs) in its role as a financial intermediation on behalf of clients. The Bank consolidated all VIEs related to financial intermediation for which it was the primary beneficiary.

Consolidated VIEs in which the Bank was the primary beneficiary

end of	2009			2008		
	CDO	Financial inter-mediation	Total	CDO	Financial inter-mediation	Total
Assets of consolidated VIEs (CHF million)						
Cash and due from banks	9	515	524	413	631	1,044
Trading assets	473	2,750	3,223	1,255	10,538	11,793
Investment securities	0	0	0	0	114	114
Other investments	0	3,287	3,287	0	2,467	2,467
Net loans	0	157	157	649	939	1,588
Other assets	1	1,598	1,599	1,114	2,310	3,424
Total assets	483	8,307	8,790	3,431	16,999	20,430
of which structured investment products	–	1,580	1,580	–	9,422	9,422
Liabilities of consolidated VIEs (CHF million)						
Trading liabilities	0	466	466	202	1,148	1,350
Short-term borrowings	15	0	15	0	0	0
Long-term debt	193	1,717	1,910	1,211	4,063	5,274
Other liabilities	6	520	526	1,603	6,627	8,230
Total liabilities	214	2,703	2,917	3,016	11,838	14,854

Consolidated VIE assets and liabilities are shown net of intercompany eliminations.

Non-consolidated VIEs

Total assets of the non-consolidated VIEs are related to the non-consolidated VIEs with whom the Bank has variable inter-

ests. These amounts are typically unrelated to the exposures the Bank has with the entity and are not amounts that are considered for risk management purposes.

Further provided in the footnotes to the following table is information about QSPEs, which are not included in the tabular amounts as they are not VIEs under current US GAAP, as well as other entities that the Bank has sponsored but for which it has negligible continuing involvement or that continu-

ing involvement takes the form of derivative assets, guarantees and revocable lines of credit maintained for fund vehicles that do not meet the definition of a variable interest under US GAAP.

Non-consolidated VIEs

end of 2009	Financial intermediation						Total
	CDO	CP Conduit	Securizations	Funds	Loans	Other	
Variable interest assets (CHF million)							
Trading assets	789	659	1,132	2,400	1,168	715	6,863
Net loans	694	12,255	3,651	1,710	4,401	537	23,248
Other assets	0	4	0	190	0	1	195
Total variable interests assets	1,483	12,918	4,783	4,300	5,569	1,253	30,306
Maximum exposure to loss (CHF million)							
Maximum exposure to loss¹	1,678	13,138	8,925	4,301	6,394	1,517	35,953
Non-consolidated VIE assets (CHF million)							
Non-consolidated VIE assets^{2,3}	20,150	5,098	37,015	41,191	24,638	6,519	134,611

¹ Derivative assets and guarantees of CHF 82.5 billion and revocable lines of credit of CHF 18.1 billion that do not meet the definition of a variable interest are not included. ² Assets of CHF 377.4 billion relating to entities that the Bank sponsored but in which it does not have a variable interest are not included (CDO: CHF 71.9 billion; securitizations: CHF 111.0 billion; funds: CHF 174.6 billion; loans: CHF 16.1 billion; and other: CHF 3.8 billion). ³ Assets of CHF 211.0 billion relating to QSPEs are not included as they are not VIEs (CDO: CHF 0.4 billion; securitizations: CHF 210.4 billion; and loans: CHF 0.2 billion).

end of 2008	Financial intermediation						Total
	CDO	CP Conduit	Securizations	Funds	Loans	Other	
Variable interest assets (CHF million)							
Trading assets	821	0	1,243	3,603	498	3,565	9,730
Net loans	605	1,162	1,956	2,600	5,930	330	12,583
Other assets	0	6	1	51	0	1	59
Total variable interests assets	1,426	1,168	3,200	6,254	6,428	3,896	22,372
Variable interest liabilities (CHF million)							
Other liabilities	0	118	0	0	0	0	118
Total variable interest liabilities	0	118	0	0	0	0	118
Maximum exposure to loss (CHF million)							
Maximum exposure to loss¹	2,157	11,696	3,421	6,781	7,062	4,173	35,290
Non-consolidated VIE assets (CHF million)							
Non-consolidated VIE assets^{2,3}	36,762	9,099	41,464	81,339	24,307	7,878	200,849

¹ Derivative assets and guarantees of CHF 90.8 billion and revocable lines of credit of CHF 20.7 billion that do not meet the definition of a variable interest are not included. ² Assets of CHF 430.5 billion relating to entities that the Bank sponsored but in which it does not have a variable interest are not included (CDO: CHF 90.9 billion; securitizations: CHF 205.3 billion; funds: CHF 118.6 billion; loans: CHF 11.4 billion; and other: CHF 4.3 billion). ³ Assets of CHF 286.7 billion relating to QSPEs are not included as they are not VIEs (securitizations: CHF 285.7 billion; loans: CHF 0.2 billion; and other: CHF 0.8 billion).

31 Financial instruments

For further information, refer to Note 32 – Financial instruments in V – Consolidated financial statements – Credit Suisse Group.

Assets and liabilities measured at fair value on a recurring basis

end of 2009	Level 1	Level 2	Level 3	Netting impact ¹	Total
Assets (CHF million)					
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	0	126,789	1,514	0	128,303
Debt	3,824	713	0	0	4,537
of which corporates	3,368	681	0	0	4,049
Equity	32,834	0	0	0	32,834
Securities received as collateral	36,658	713	0	0	37,371
Debt	92,651	54,651	11,975	0	159,277
of which foreign governments	60,437	10,721	39	0	71,197
of which corporates	3,181	32,440	4,811	0	40,432
of which RMBS	27,496	7,449	3,626	0	38,571
of which CMBS	0	1,119	2,461	0	3,580
Equity	86,039	13,505	487	0	100,031
Derivatives	6,457	693,206	11,192	(655,532)	55,323
of which credit derivatives	0	63,862	4,339	–	–
Other	5,852	8,514	2,310	0	16,676
Trading assets	190,999	769,876	25,964	(655,532)	331,307
Debt	8,511	487	86	0	9,084
of which foreign governments	8,508	119	19	0	8,646
Equity	4	102	0	0	106
Investment securities	8,515	589	86	0	9,190
Private equity	0	35	4,538	0	4,573
of which equity funds	0	35	3,547	0	3,582
Hedge funds	0	1,179	475	0	1,654
of which debt funds	0	624	209	0	833
Other equity investments	1,538	4,121	6,931	0	12,590
of which private	0	3,902	6,929	0	10,831
Life finance instruments	0	0	2,048	0	2,048
Other investments	1,538	5,335	13,992	0	20,865
Loans	0	25,167	11,079	0	36,246
Other intangible assets (mortgage servicing rights)	0	0	30	0	30
Other assets	5,772	16,605	6,744	(24)	29,097
Total assets at fair value	243,482	945,074	59,409	(655,556)	592,409
Less other investments – equity at fair value attributable to noncontrolling interests	(1,297)	(331)	(7,728)	0	(9,356)
Assets at fair value attributable to shareholder	242,185	944,743	51,681	(655,556)	583,053

¹ Derivative contracts are reported on a gross basis by level. The impact of netting represents an adjustment related to counterparty netting.

Assets and liabilities measured at fair value on a recurring basis (continued)

end of 2009	Level 1	Level 2	Level 3	Netting impact ¹	Total
Liabilities (CHF million)					
Due to banks	0	4,914	0	0	4,914
Customer deposits	0	2,038	0	0	2,038
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	0	121,930	206	0	122,136
Debt	3,824	713	0	0	4,537
of which corporates	3,368	681	0	0	4,049
Equity	32,834	0	0	0	32,834
Obligation to return securities received as collateral	36,658	713	0	0	37,371
Debt	48,707	9,687	92	0	58,486
of which foreign governments	48,665	2,534	0	0	51,199
of which corporates	7	7,007	92	0	7,106
Equity	18,587	501	31	0	19,119
Derivatives	5,986	691,927	11,828	(652,471)	57,270
of which credit derivatives	0	59,867	1,996	-	-
Trading liabilities	73,280	702,115	11,951	(652,471)	134,875
Short-term borrowings	0	3,219	164	0	3,383
Long-term debt	0	54,255	16,645	0	70,900
Other liabilities	246	26,136	3,994	(105)	30,271
Total liabilities at fair value	110,184	915,320	32,960	(652,576)	405,888

¹ Derivative contracts are reported on a gross basis by level. The impact of netting represents an adjustment related to counterparty netting.

Assets and liabilities measured at fair value on a recurring basis (continued)

end of 2008	Level 1	Level 2	Level 3	Netting impact ¹	Total
Assets (CHF million)					
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	0	164,743	0	0	164,743
Securities received as collateral	28,476	1,279	0	0	29,755
Trading assets	151,801	1,161,348	51,093	(1,022,861)	341,381
Investment securities	10,526	931	0	0	11,457
Other investments	1,181	4,808	18,831	0	24,820
Loans	0	18,005	14,309	0	32,314
Other intangible assets	0	0	113	0	113
Other assets	4,017	16,504	13,645	(100)	34,066
Total assets at fair value	196,001	1,367,618	97,991	(1,022,961)	638,649
Less other investments – equity at fair value attributable to noncontrolling interests	(313)	(718)	(13,597)	0	(14,628)
Assets at fair value attributable to shareholder	195,688	1,366,900	84,394	(1,022,961)	624,021
Liabilities (CHF million)					
Due to banks	0	3,573	3	0	3,576
Customer deposits	0	1,975	0	0	1,975
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	0	174,975	0	0	174,975
Obligation to return securities received as collateral	28,476	1,279	0	0	29,755
Trading liabilities	61,039	1,076,261	23,593	(1,007,175)	153,718
Short-term borrowings	0	2,195	350	0	2,545
Long-term debt	0	52,216	23,853	0	76,069
Other liabilities	0	21,673	3,249	(647)	24,275
Total liabilities at fair value	89,515	1,334,147	51,048	(1,007,822)	466,888

¹ Derivative contracts are reported on a gross basis by level. The impact of netting represents an adjustment related to counterparty netting.

Assets and liabilities measured at fair value on a recurring basis for level 3

2009	Balance at beginning of period	Transfers in	Transfers out	Purchases, sales, issuances, settlements
Assets (CHF million)				
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	0	1,570	0	0
Debt	19,861	2,185	(3,693)	(7,006)
of which corporates	13,194	673	(2,332)	(7,547)
of which RMBS	2,512	754	(863)	819
of which CMBS	2,306	195	(154)	363
Equity	2,183	1,829	(1,510)	(1,907)
Derivatives	24,795	5,051	(8,994)	(10,134)
of which credit derivatives	12,107	3,939	(4,649)	(5,955)
Other	4,254	276	(1,971)	(1,017)
Trading assets	51,093	9,341	(16,168)	(20,064)
Investment securities	0	0	0	47
Equity	16,889	1,981	(1,600)	(3,492)
Life finance instruments	1,942	9	0	314
Other investments	18,831	1,990	(1,600)	(3,178)
Loans	14,309	1,006	(1,424)	(3,686)
Other intangible assets	113	0	0	(48)
Other assets	13,645	1,068	(3,132)	(5,293)
Total assets at fair value	97,991	14,975	(22,324)	(32,222)
Liabilities (CHF million)				
Due to banks	3	0	0	(3)
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	0	205	0	0
Trading liabilities	23,593	4,996	(8,686)	(7,925)
of which derivatives	23,468	4,706	(8,470)	(7,823)
Short-term borrowings	350	381	(5)	(795)
Long-term debt	23,853	1,864	(2,932)	(6,155)
Other liabilities	3,249	679	(1,603)	595
Total liabilities at fair value	51,048	8,125	(13,226)	(14,283)
Net assets/liabilities at fair value	46,943	6,850	(9,098)	(17,939)

	Trading revenues			Other revenues			Foreign currency translation impact	Balance at end of period
	On transfers in	On transfers out	On all other	On transfers in	On transfers out	On all other		
	(58)	0	0	0	0	0	2	1,514
	61	663	110	0	0	0	(206)	11,975
	(9)	618	232	0	0	0	(18)	4,811
	(33)	19	540	0	0	0	(122)	3,626
	24	9	(210)	0	0	0	(72)	2,461
	(133)	(41)	(26)	0	0	0	92	487
	(1,389)	472	1,488	0	0	0	(97)	11,192
	(1,230)	440	(378)	0	0	0	65	4,339
	17	103	726	0	0	1	(79)	2,310
	(1,444)	1,197	2,298	0	0	1	(290)	25,964
	0	0	35	0	0	0	4	86
	0	0	10	(103)	(3)	(1,590)	(148)	11,944
	1	0	(164)	0	0	0	(54)	2,048
	1	0	(154)	(103)	(3)	(1,590)	(202)	13,992
	57	(328)	1,202	0	0	0	(57)	11,079
	0	0	0	0	0	(36)	1	30
	(61)	528	58	0	0	0	(69)	6,744
	(1,505)	1,397	3,439	(103)	(3)	(1,625)	(611)	59,409
	0	0	0	0	0	0	0	0
	2	0	0	0	0	0	(1)	206
	(857)	882	115	0	0	0	(167)	11,951
	(835)	892	50	0	0	0	(160)	11,828
	(3)	(1)	216	0	0	0	21	164
	168	343	(268)	0	0	0	(228)	16,645
	3	187	264	21	0	737	(138)	3,994
	(687)	1,411	327	21	0	737	(513)	32,960
	(818)	(14)	3,112	(124)	(3)	(2,362)	(98)	26,449

Assets and liabilities measured at fair value on a recurring basis for level 3 (continued)

2008	Derivatives, net	Private equity and other investments	Other	Total
Assets (CHF million)				
Balance at beginning of period	5,633	17,622	49,556	72,811
Net realized/unrealized gains/(losses) included in net revenues	5,920	(2,147)	(20,580)	(16,807)
Purchases, sales, issuances and settlements	(6,638)	3,662	152	(2,824)
Transfers in and/or out of level 3	(3,302)	813	27,675	25,186
Foreign currency translation impact included in net revenues	(277)	(1,119)	(2,436)	(3,832)
Balance at end of period	1,336	18,831¹	54,367²	74,534
Liabilities (CHF million)				
Balance at beginning of period	–	–	32,379	32,379
Net realized/unrealized gains/(losses) included in net revenues	–	–	(5,795)	(5,795)
Purchases, sales, issuances and settlements	–	–	(4,123)	(4,123)
Transfers in and/or out of level 3	–	–	7,029	7,029
Foreign currency translation impact included in net revenues	–	–	(1,899)	(1,899)
Balance at end of period	–	–	27,591³	27,591
Net	1,336	18,831	26,776	46,943
Total realized/unrealized gains/(losses) included in net revenues	5,920	(2,147)	(14,785)	(11,012)

¹ Primarily private equity investments, includes also life finance instruments. ² Includes primarily RMBS, CMBS, CDO and certain corporate, syndicated and leveraged lending. ³ Includes primarily structured notes.

Gains and losses on assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (level 3)

in	2009			2008		
	Trading revenues	Other revenues	Total revenues	Trading revenues	Other revenues	Total revenues
Gains and losses on assets and liabilities (CHF million)						
Net realized/unrealized gains/(losses) included in net revenues	2,280	(2,489)	(209) ¹	(8,767)	(2,245)	(11,012) ¹
Whereof:						
Unrealized gains/(losses) relating to assets and liabilities still held as of the reporting date	(2,505)	(2,016)	(4,521)	(2,729)	(2,982)	(5,711)

¹ Excludes net realized/unrealized gains/(losses) attributable to foreign currency translation impact.

Non-recurring fair value changes

Certain assets and liabilities are measured at fair value on a non-recurring basis; that is, they are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances (for example, when there is evidence of impairment). As of December 31, 2009 and

2008, CHF 1.1 billion and CHF 3.0 billion, respectively, of loans were recorded at fair value, of which CHF 0.1 billion and CHF 0.3 billion, respectively, were classified as level 2 and CHF 1.0 billion and CHF 2.6 billion, respectively, were classified as level 3.

Difference between the aggregate fair value and the aggregate unpaid principal balances of loans and financial instruments

end of	2009			2008		
	Aggregate fair value	Aggregate unpaid principal	Difference	Aggregate fair value	Aggregate unpaid principal	Difference
Loans (CHF million)						
Non-performing loans	168	273	(105)	131	229	(98)
Non-interest-earning loans	1,519	3,763	(2,244)	843	2,017	(1,174)
Financial instruments (CHF million)						
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	128,303	127,575	728	164,743	163,683	1,060
Loans	36,246	33,672	2,574	32,314	37,327	(5,013)
Other assets	11,991	23,441	(11,450)	16,644	27,557	(10,913)
Due to banks and customer deposits	(1,815)	(1,817)	2	(1,351)	(1,397)	46
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(122,136)	(122,053)	(83)	(174,975)	(174,631)	(344)
Short-term borrowings	(3,383)	(3,439)	56	(2,545)	(3,146)	601
Long-term debt	(70,900)	(72,133)	1,233	(76,069)	(85,872)	9,803
Other liabilities	(6,197)	(8,531)	2,334	(2,637)	(5,184)	2,547

Gains and losses on financial instruments

	2009	2008
in	Net gains/ (losses)	Net gains/ (losses)
Financial instruments (CHF million)		
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	1,363 ¹	11,399 ¹
Other trading assets	262 ²	108 ²
of which related to credit risk	0	40
Other investments	998 ³	(404) ³
Loans	7,976 ²	(4,028) ²
of which related to credit risk	5,255	(5,146)
Other assets	1,458 ¹	(6,509) ²
of which related to credit risk	549	(8,914)
Due to banks and customer deposits	(9) ¹	(49) ¹
of which related to credit risk	2	57
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(1,421) ¹	(8,537) ¹
Short-term borrowings	(778) ²	93 ²
of which related to credit risk ⁴	6	9
Long-term debt	(9,729) ²	10,674 ²
of which related to credit risk ⁴	(3,705)	4,655
Other liabilities	1,299 ²	(1,542) ²
of which related to credit risk	1,125	(631)

¹ Primarily recognized in net interest income. ² Primarily recognized in trading revenues. ³ Primarily recognized in other revenues. ⁴ Changes in fair value related to credit risk is due to the change in the Bank's own credit spreads. Other changes in fair value are attributable to changes in foreign currency exchange rates and interest rates, as well as movements in the reference price or index for structured notes.

Fair value, unfunded commitments and term of redemption conditions

end of 2009	Non-redeemable	Redeemable	Total fair value	Unfunded commit- ments
Fair value and unfunded commitments (CHF million)				
Debt funds	29	65	94	0
Equity funds	120	8,002 ¹	8,122	0
Equity funds sold short	0	(45)	(45)	0
Total funds held in trading assets and liabilities	149	8,022	8,171	0
Debt funds	189	650	839	0
Equity funds	0	205	205	0
Real estate funds	0	129	129	0
Others	1	486	487	0
Hedge funds	190	1,470 ²	1,660	0
Debt funds	18	0	18	22
Equity funds	3,547	35	3,582	1,648
Real estate funds	251	0	251	85
Others	722	0	722	222
Private equity	4,538	35	4,573	1,977
Equity method investments	1,526	16	1,542	0
Total funds held in other investments	6,254	1,521	7,775	1,977
Total fair value	6,403 ³	9,543	15,946	1,977 ⁴

¹ 40% of the redeemable fair value amount of equity funds is redeemable on demand with a notice period of less than 30 days, 38% is redeemable on a monthly basis with a notice period primarily of more than 30 days and 13% is redeemable on an annual basis with a notice period of more than 60 days. ² 61% of the redeemable fair value amount of hedge funds is redeemable on a quarterly basis with a notice period of more than 60 days, 23% is redeemable on an annual basis with a notice period of more than 60 days and 9% is redeemable on demand with a notice period of less than 30 days. ³ Includes CHF 2,631 million attributable to noncontrolling interests. ⁴ Includes CHF 803 million attributable to noncontrolling interests.

Carrying value and estimated fair values of financial instruments

end of	2009		2008	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets (CHF million)				
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	208,378	208,378	269,013	269,013
Securities received as collateral	37,371	37,371	29,755	29,755
Trading assets	331,307	331,307	341,381	341,381
Investment securities	9,190	9,190	11,681	11,680
Loans	221,452	223,586	220,392	222,072
Other financial assets ¹	178,810	178,866	253,073	253,020
Financial liabilities (CHF million)				
Due to banks and deposits	308,778	308,767	341,958	341,623
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	191,587	191,587	243,970	243,936
Obligation to return securities received as collateral	37,371	37,371	29,755	29,755
Trading liabilities	134,875	134,875	153,718	153,718
Short-term borrowings	6,058	6,058	10,182	10,151
Long-term debt	156,676	156,257	148,550	144,116
Other financial liabilities ²	129,199	129,199	175,931	175,923

¹ Primarily includes cash and due from banks, interest-bearing deposits with banks, brokerage receivables, loans held-for-sale, cash collateral on derivative instruments, interest and fee receivables and non-marketable equity securities. ² Primarily includes brokerage payables, cash collateral on derivative instruments and interest and fee payables.

32 Assets pledged or assigned

end of	2009	2008
Assets pledged or assigned (CHF million)		
Book value of assets pledged or assigned as collateral	216,651	161,624
of which assets provided with the right to sell or repledge	141,489	90,215
Fair value of collateral received with the right to sell or repledge	335,764	515,031
of which sold or repledged	300,807	454,152
Other information (CHF million)		
Cash and securities restricted under foreign banking regulations	13,501	40,870
Swiss National Bank required minimum liquidity reserves	1,617	1,819

For further information, refer to Note 33 – Assets pledged or assigned in V – Consolidated financial statements – Credit Suisse Group.

33 Capital adequacy

The Bank is subject to regulation by Swiss Financial Market Supervisory Authority (FINMA). Since January 1, 2008, the Bank has operated under the international capital adequacy standards set forth by the Basel Committee on Banking Supervision, known as Basel II, as implemented by FINMA. These standards affect the measurement of both risk-weighted assets and eligible capital. The Bank has based its capital adequacy calculations on US GAAP, as permitted by the FINMA Circular 2008/34. FINMA has advised the Bank that it may continue to include as tier 1 capital CHF 4.4 billion

of equity from SPEs which are deconsolidated under US GAAP as of December 31, 2009.

As of December 31, 2009 and 2008, the Bank was adequately capitalized under the regulatory provisions outlined under both FINMA and Bank for International Settlements (BIS) guidelines.

For further information, refer to Note 34 – Capital adequacy in V – Consolidated financial statements – Credit Suisse Group.

BIS data (risk-weighted assets, eligible capital and ratios)

end of	2009	2008
Risk-weighted assets (CHF million)		
Credit risk	154,982	169,561
Non-counterparty risk	6,547	6,370
Market risk	17,011	39,108
Operational risk	32,013	30,137
Risk-weighted assets	210,553	245,176
Eligible capital (CHF million)		
Tier 1 capital	34,695	34,192
Tier 2 capital	11,625	13,647
Total eligible capital	46,320	47,839
Capital ratios (%)		
Tier 1 ratio	16.5	13.9
Total capital ratio	22.0	19.5

Broker-dealer operations

Certain Bank broker-dealer subsidiaries are also subject to capital adequacy requirements. As of December 31, 2009, the Bank and its subsidiaries complied with all applicable regulatory capital adequacy requirements.

Dividend restrictions

Certain of the Bank's subsidiaries are subject to legal restrictions governing the amount of dividends they can pay (for example, pursuant to corporate law as defined by the Swiss Code of Obligations). As of December 31, 2009, the Bank was not subject to restrictions on its ability to pay dividends.

34 Litigation

For further information, refer to Note 36 – Litigation in V – Consolidated financial statements – Credit Suisse Group.

35 Significant subsidiaries and equity method investments

Significant subsidiaries

Equity interest in %	Company name	Domicile	Currency	Nominal capital in million
as of December 31, 2009				
100	AJP Cayman Ltd.	George Town, Cayman Islands	JPY	8,025.6
100	Banco Credit Suisse (Brasil) S.A.	São Paulo, Brazil	BRL	53.6
100	Banco Credit Suisse (México), S.A.	Mexico City, Mexico	MXN	1,016.7
100	Banco de Investimentos Credit Suisse (Brasil) S.A.	São Paulo, Brazil	BRL	164.8
100	Boston Re Ltd.	Hamilton, Bermuda	USD	2.0
100	Casa de Bolsa Credit Suisse (México), S.A. de C.V.	Mexico City, Mexico	MXN	274.1
100	CJSC Bank Credit Suisse (Moscow)	Moscow, Russia	USD	37.8
100	Column Financial, Inc.	Salt Lake City, United States	USD	0.0
100	Credit Suisse (Australia) Limited	Sydney, Australia	AUD	34.1
100	Credit Suisse (Brasil) Distribuidora de Títulos e Valores Mobiliários S.A.	São Paulo, Brazil	BRL	5.0
100	Credit Suisse (Brasil) S.A. Corretora de Títulos e Valores Mobiliários	São Paulo, Brazil	BRL	98.4
100	Credit Suisse (Deutschland) Aktiengesellschaft	Frankfurt, Germany	EUR	130.0
100	Credit Suisse (France)	Paris, France	EUR	52.9
100	Credit Suisse (Gibraltar) Limited	Gibraltar, Gibraltar	GBP	5.0
100	Credit Suisse (Guernsey) Limited	St. Peter Port, Guernsey	USD	6.1
100	Credit Suisse (Hong Kong) Limited	Hong Kong, China	HKD	3,809.9
100	Credit Suisse (International) Holding AG	Zug, Switzerland	CHF	42.1
100	Credit Suisse (Italy) S.p.A.	Milan, Italy	EUR	74.6
100	Credit Suisse (Monaco) S.A.M.	Monte Carlo, Monaco	EUR	12.0
100	Credit Suisse (Singapore) Limited	Singapore, Singapore	SGD	621.3
100	Credit Suisse (UK) Limited	London, United Kingdom	GBP	102.3
100 ¹	Credit Suisse (USA), Inc.	Wilmington, United States	USD	0.0
100	Credit Suisse Asset Finance Limited	George Town, Cayman Islands	CHF	0.0
100	Credit Suisse Asset Management (UK) Holding Limited	London, United Kingdom	GBP	144.2
100	Credit Suisse Asset Management Fund Holding (Luxembourg) S.A.	Luxembourg, Luxembourg	CHF	29.6
100	Credit Suisse Asset Management Fund Service (Luxembourg) S.A.	Luxembourg, Luxembourg	CHF	1.5
100	Credit Suisse Asset Management Funds AG	Zurich, Switzerland	CHF	7.0
100	Credit Suisse Asset Management Funds S.p.A. S.G.R.	Milan, Italy	EUR	5.0
100	Credit Suisse Asset Management Funds (UK) Limited	London, United Kingdom	GBP	15.5
100	Credit Suisse Asset Management Holding Europe (Luxembourg) S.A.	Luxembourg, Luxembourg	CHF	32.6
100	Credit Suisse Asset Management Immobilien Kapitalanlagegesellschaft mbH	Frankfurt, Germany	EUR	6.1
100	Credit Suisse Asset Management International Holding Ltd	Zurich, Switzerland	CHF	20.0
100	Credit Suisse Asset Management Investments Ltd	Zurich, Switzerland	CHF	0.1
100	Credit Suisse Asset Management Ltd	London, United Kingdom	GBP	45.0
100	Credit Suisse Asset Management, LLC	Wilmington, United States	USD	925.5
100	Credit Suisse Bond Fund Management Company	Luxembourg, Luxembourg	CHF	0.3
100	Credit Suisse Capital (Guernsey) I Limited	St. Peter Port, Guernsey	CHF	0.0
100	Credit Suisse Capital Funding, Inc.	Wilmington, United States	USD	0.0
100	Credit Suisse Capital LLC	Wilmington, United States	USD	737.6
100	Credit Suisse Energy LLC	Wilmington, United States	USD	0.0
100	Credit Suisse Equities (Australia) Limited	Sydney, Australia	AUD	62.5
100	Credit Suisse Equity Fund Management Company	Luxembourg, Luxembourg	CHF	0.3

Significant subsidiaries (continued)

Equity interest in %	Company name	Domicile	Currency	Nominal capital in million
100	Credit Suisse Finance (Guernsey) Limited	St. Peter Port, Guernsey	USD	0.2
100	Credit Suisse Finance (India) Private Limited	Mumbai, India	INR	903.5
100	Credit Suisse First Boston (Latam Holdings) LLC	George Town, Cayman Islands	USD	23.8
100	Credit Suisse First Boston Finance B.V.	Amsterdam, The Netherlands	EUR	0.0
100	Credit Suisse First Boston Mortgage Capital LLC	Wilmington, United States	USD	356.6
100	Credit Suisse Fund Management S.A.	Luxembourg, Luxembourg	CHF	0.3
100	Credit Suisse Holdings (Australia) Limited	Sydney, Australia	AUD	3.0
100	Credit Suisse Holdings (USA), Inc.	Wilmington, United States	USD	4,184.7
100	Credit Suisse Investment Products (Asia Pacific) Limited	George Town, Cayman Islands	USD	0.0
100	Credit Suisse Leasing 92A, L.P.	New York, United States	USD	85.3
100	Credit Suisse Life & Pensions AG	Vaduz, Liechtenstein	CHF	15.0
100	Credit Suisse Life (Bermuda) Ltd.	Hamilton, Bermuda	USD	1.0
100	Credit Suisse Loan Funding LLC	Wilmington, United States	USD	0.0
100	Credit Suisse Management LLC	Wilmington, United States	USD	896.1
100	Credit Suisse Portfolio Fund Management Company	Luxembourg, Luxembourg	CHF	0.3
100	Credit Suisse Principal Investments Limited	George Town, Cayman Islands	JPY	3,324.0
100	Credit Suisse Private Equity, Inc.	Wilmington, United States	USD	0.0
100	Credit Suisse PSL GmbH	Zurich, Switzerland	CHF	0.0
100	Credit Suisse Securities (Canada), Inc.	Toronto, Canada	CAD	3.4
100	Credit Suisse Securities (Europe) Limited	London, United Kingdom	USD	3,527.3
100	Credit Suisse Securities (Hong Kong) Limited	Hong Kong, China	HKD	530.9
100	Credit Suisse Securities (India) Private Limited	Mumbai, India	INR	2,214.7
100	Credit Suisse Securities (Japan) Limited	Tokyo, Japan	JPY	78,100.0
100	Credit Suisse Securities (Malaysia) Sdn. Bhd.	Kuala Lumpur, Malaysia	MYR	100.0
100	Credit Suisse Securities (Singapore) Pte Limited	Singapore, Singapore	SGD	30.0
100	Credit Suisse Securities (Thailand) Limited	Bangkok, Thailand	THB	331.0
100	Credit Suisse Securities (USA) LLC	Wilmington, United States	USD	3,107.8
100	CS Non-Traditional Products Ltd.	Nassau, Bahamas	USD	0.1
100	DLJ Capital Corporation	Wilmington, United States	USD	4.0
100	DLJ Mortgage Capital, Inc.	Wilmington, United States	USD	0.0
100	Glenstreet Corporation N.V.	Curaçao, Netherlands Antilles	GBP	20.0
100	J O Hambro Investment Management Limited	London, United Kingdom	GBP	22.6
100	Pearl Investment Management Limited	Nassau, Bahamas	USD	0.1
100	SPS Holding Corporation	Wilmington, United States	USD	0.1
100	Stanton Equity Trading Delaware LLC	Wilmington, United States	USD	0.8
94 ²	Credit Suisse International	London, United Kingdom	USD	3,889.6
83	Asset Management Finance LLC	Wilmington, United States	USD	341.8
60	Credit Suisse (Qatar) LLC	Doha, Qatar	USD	10.0
58 ³	Credit Suisse (Luxembourg) S.A.	Luxembourg, Luxembourg	CHF	43.0
55	Credit Suisse Saudi Arabia	Riyadh, Saudi Arabia	SAR	210.0
50 ⁴	Credit Suisse Hedging-Griffo Investimentos S.A.	São Paulo, Brazil	BRL	49.2

¹ 43% of voting rights held by Credit Suisse Group AG, Guernsey Branch. ² Remaining 6% held directly by Credit Suisse Group AG. 80% of voting rights and 94% of equity interest held by Credit Suisse AG. ³ 42% of voting rights held directly by Credit Suisse Group AG. ⁴ Controlling interest.

Significant equity method investments

Equity interest in %	Company name	Domicile
as of December 31, 2009		
15 ¹	Absolute Invest Ltd.	Zug, Switzerland
25	E.L. & C. Baillieu Stockbroking (Holdings) Pty Ltd	Melbourne, Australia
33	Credit Suisse Founder Securities Limited	Beijing, China
25	ICBC Credit Suisse Asset Management Co., Ltd.	Beijing, China
24	Aberdeen Asset Management PLC	Aberdeen, United Kingdom

¹ The Bank retains significant influence through Board of Directors representation.

36 Significant valuation and income recognition differences between US GAAP and Swiss GAAP (true and fair view)

For further information, refer to Note 40 – Significant valuation and income recognition differences between US GAAP and Swiss GAAP (true and fair view) in V – Consolidated financial statements – Credit Suisse Group.

37 Risk assessment

During the reporting period the Board and its Risk Committee performed risk assessments in accordance with established policies and procedures.

The governance of the Bank and the Group, including risk governance, are fully aligned. Each of the Board and the Executive Board are comprised of the same individuals.

For information in accordance with the Swiss Code of Obligations on the risk assessment process followed by the Board, refer to Note 41 – Risk assessment in V – Consolidated financial statements – Credit Suisse Group.

Controls and procedures

Evaluation of disclosure controls and procedures

The Bank has evaluated the effectiveness of the design and operation of its disclosure controls and procedures as of the end of the period covered by this report under the supervision and with the participation of management, including the Bank CEO and CFO, pursuant to Rule 13(a)-15(a) under the Securities Exchange Act of 1934 (the Exchange Act). There are inherent limitations to the effectiveness of any system of controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective controls and procedures can only provide reasonable assurance of achieving their control objectives.

The CEO and CFO concluded that, as of December 31, 2009, the design and operation of the Bank's disclosure controls and procedures were effective, in all material respects, to ensure that information required to be disclosed in reports filed and submitted under the Exchange Act is recorded, processed, summarized and reported as and when required.

Management report on internal control over financial reporting

The management of the Bank is responsible for establishing and maintaining adequate internal control over financial reporting. The Bank's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of

financial statements for external purposes in accordance with US GAAP. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

Management has made an evaluation and assessment of the Bank's internal control over financial reporting as of December 31, 2009 using the criteria issued by the COSO in "Internal Control – Integrated Framework".

Based upon its review and evaluation, management, including the Bank CEO and CFO, has concluded that the Bank's internal control over financial reporting is effective as of December 31, 2009.

KPMG AG, the Bank's independent auditors, have issued an unqualified opinion on the effectiveness of the Bank's internal control over financial reporting as of December 31, 2009, as stated in their report, which follows.

Changes in internal control over financial reporting

There were no changes in the Bank's internal control over financial reporting during the period covered by this report that have materially affected, or are reasonably likely to materially affect the Bank's internal control over financial reporting.



KPMG AG
Audit Financial Services
 Badenerstrasse 172
 CH-8004 Zurich

P.O. Box
 CH-8026 Zurich

Telephone +41 44 249 31 31
 Fax +41 44 249 23 19
 Internet www.kpmg.ch

Report of the Independent Registered Public Accounting Firm to the General Meeting of
Credit Suisse AG, Zurich

We have audited Credit Suisse AG and subsidiaries' (the "Bank") internal control over financial reporting as of December 31, 2009, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Bank's board of directors and management are responsible for maintaining effective internal control over financial reporting and the Bank's management is responsible for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Bank's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Bank maintained, in all material respects, effective internal control over financial reporting as of December 31, 2009, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) and Swiss Auditing Standards, the consolidated balance sheets of the Bank as of December 31, 2009 and 2008, and the related consolidated statements of operations, changes in equity, comprehensive income, and cash flows, and notes thereto, for each of the years in the three-year period ended December 31, 2009, and our report dated March 25, 2010 expressed an unqualified opinion on those consolidated financial statements.

KPMG AG

David L. Jahnke
 Licensed Audit Expert

Marc Ufer
 Licensed Audit Expert

Zurich, Switzerland
 March 25, 2010