

Compensation

This section of the annual report is designed to give a clear and transparent account of how the Compensation Committee of the Board of Directors decides on compensation for the Board of Directors and the Executive Board, how this is accounted for and what the members of the Board and Executive Board receive as compensation.

The market place for financial services professionals is very competitive and the Compensation Committee strives to ensure that Credit Suisse is on a level playing field with respect to compensation at all levels of the organization. The Compensation Committee takes advice from independent external experts to ensure that decisions are made in the context of proper knowledge of the market environment. At the same time, the Committee strives to ensure that the interests of employees, management and shareholders are aligned.

The Compensation Committee is satisfied that this report reflects the manner in which it has reviewed the compensation payable to the Board of Directors and Executive Board. This review has been conducted in the context of the overall approach to compensation which is described below and consistent with the responsibilities as outlined in the Compensation Committee charter. The Committee has also reviewed the disclosures contained in this report and is satisfied that they comply with the various requirements of the Swiss Code of Obligations, US GAAP, the SEC and the SWX.

Compensation approach, principles and objectives

In addition to the following, for further information on the funding and expensing of share-based compensation, refer to Note 27 – Employee share-based compensation and other benefits in V – Consolidated financial statements – Credit Suisse Group. For information on compensation for the Board of Directors and the Executive Board, refer to Note 3 – Compensation and loans to members of the Board of Directors and the Executive Board in VI – Parent company financial statements – Credit Suisse Group.

Our approach to compensation

Our approach to compensation is designed to recognize excellence, encourage personal contribution and professional development and align the interests of employees and shareholders. This is a key part of our plan to develop our human capital as we implement our strategy. Compensation is strongly linked

to our guiding principles of client focus, teamwork and protecting our reputation as well as to our Code of Conduct.

Principles and objectives

Our approach has been developed according to the principles that compensation should be:

- based on performance;
- an incentive for employees to create value; and
- aligned with the marketplace in which Credit Suisse operates.

These principles help ensure that our approach to compensation achieves our objectives to:

- support a performance culture that is based on merit and differentiates and rewards excellent performance;
- reward and recognize individual employee contributions that benefit the entire company;
- attract and retain employees and motivate them to achieve results with integrity and fairness; and
- ensure employees create sustainable value for our shareholders.

Share-based awards are a key feature of our compensation program and are designed to closely align the interests of employees and shareholders.

We aim to compensate employees in line with the market, assuming our performance goals are met. We measure ourselves against a peer group of European and US banks (Citigroup, Inc., Deutsche Bank AG, Goldman, Sachs & Co., JPMorgan Chase & Co., Merrill Lynch & Co., Inc., Morgan Stanley and UBS AG) and other financial service companies, given the different types of businesses within the Group. The criteria used to define our peer companies for the Group as well as the Divisions include the following: (i) comparable scope and complexity of the business platform; (ii) comparable business focus and mix; (iii) common geographic footprint; and (iv) companies with which we compete daily for business and talent. This peer group is reviewed annually by management and the Compensation Committee. We derive our market position by looking at fixed and variable elements of compensation, assuming that business and individual goals are met. In practice, the market will guide the mix between fixed or variable compensation and the balance between cash and share-based compensation.

The Compensation Committee

The Compensation Committee of the Board of Directors is the supervisory and governing body for compensation policy and practices within the Group and has responsibility for determining, reviewing and proposing compensation for approval by the Board. The Committee consists of not less than three members of the Board of Directors and the Committee's charter states that all members must be independent.

The current members of the Compensation Committee are Aziz R.D. Syriani (Chairman), Thomas W. Bechtler, Robert H. Benmosche and Anton van Rossum. The Compensation Committee has its own charter, which has been approved by the Board. Pursuant to its charter, the Compensation Committee holds at least four meetings per year. Additional meetings may be scheduled if required to discuss urgent matters. The length

of the meetings varies and depends on the agenda. In 2007, the Compensation Committee held seven meetings. The main meeting is held in January with the primary purpose of reviewing the performance of the businesses and the respective management teams, and determining and/or recommending to the Board for approval the overall compensation pools and the compensation payable to the members of the Board, the Executive Board, the head of Internal Audit and certain other members of senior management. Other duties and responsibilities of the Compensation Committee include reviewing and assessing newly established compensation plans or amendments to existing plans and recommending them for approval to the Board. The Chairman of the Compensation Committee decides on the attendance of management at the committee meetings.

Approval grid

Authority

Establishment or amendment of compensation plans	Board of Directors upon recommendation by the Compensation Committee
Setting bonus pools for the Executive Board and specific businesses	Board of Directors upon recommendation by the Compensation Committee
Board compensation (including the Chairman's compensation) ¹	Board of Directors upon recommendation by the Compensation Committee
Compensation of the Chief Executive Officer	Board of Directors upon recommendation by the Compensation Committee
Compensation for the other Executive Board members	Compensation Committee with information to the Board of Directors
Compensation for the Head of Internal Audit	Compensation Committee upon consultation with the Chairman of the Audit Committee
Compensation for other selected members of management	Compensation Committee

¹ Board members with functional duties (including the Chairman): The Board member concerned does not participate in the decision about his own compensation. Other Board members: Compensation comprises a base fee plus a fee for committee activity which may differ from committee to committee. These fees are subject to a decision by the full Board.

The Compensation Committee is assisted in its work by external legal counsel and Johnson Associates, Inc., a global compensation consulting firm, to ensure that the compensation programs, in the judgment of the Compensation Committee, remain competitive, correspond to market practice and are in line with our compensation approach. Johnson Associates, Inc. is independent from our management and in particular does not provide any other services to us besides supporting the Compensation Committee.

Overview of the components of compensation at Credit Suisse

The pay of most employees is linked to performance, which is measured on several levels:

- Financial performance on a Group and divisional level (compared with strategic business plans, prior periods and peer performance) and on a team and individual level; and
- Success in meeting certain non-financial performance objectives, such as safeguarding our reputation.

There are two types of compensation, fixed and variable. The mix varies according to the employee's seniority, business and location. Most of the compensation awarded to the majority of employees is fixed.

Fixed compensation

Base salaries for employees reflect seniority, experience, skill sets and individual performance. We seek to pay all employees competitive base salaries in order to attract, motivate and retain highly qualified professionals. Our base salary structure is generally aimed at the median compensation level within the industry in the relevant markets (investment banking, private banking, Swiss corporate and retail banking and asset management). The review period is generally annual and set according to local practice. We also seek to provide competitive pension and other benefits in accordance with local market requirements and practice in each jurisdiction in which we operate.

Variable compensation (annual incentive performance bonus)

Payment of variable compensation is determined by the nature of the business, role, location and performance of the employee. Unless there is a contractual obligation, an incentive performance bonus is solely at the discretion of the Group.

- The **cash** bonus component is aimed at rewarding and driving performance above and beyond the requirements of the job function and providing greater earning potential for employees who exceed predetermined targets. In addition, we may pay commissions to employees operating in specific areas of the business where such compensation practices are warranted. The value of commissions paid is determined by formulae, which are reviewed regularly to ensure that they remain competitive.
- The **share-based** bonus component is designed to promote employee retention and align employee and shareholder interests. Share-based compensation programs are typically based on a mandatory deferral rate. The mandatory deferral means only part of the bonus is received in cash, with the remainder in share-based compensation awards.
- We also have employed other long-term incentive bonus plans or programs to assist in hiring at competitive levels and to support the retention of talent.

Share-based compensation plans

Share-based compensation

Our share-based compensation is an important part of the overall compensation package for select employees and senior executives. Share-based compensation is designed to promote employee retention and align the interests of employees and shareholders. The majority of share-based compensation is granted as part of the annual incentive performance bonus subsequent to the fiscal year to which the incentive performance bonus relates. Share-based compensation is generally subject to restrictive features such as vesting, forfeiture and blocking rules.

Compensation expense

Compensation expense in any year includes a variable compensation expense for that year's discretionary cash performance bonus and fixed expenses for share-based awards granted in prior years. Recognition in the consolidated statements of income of expense relating to awards granted in prior years is dependent primarily upon the vesting period, which is

determined by the plan, retirement eligibility of employees, moratorium periods and certain other terms.

Total compensation expense for share-based compensation recognized in the consolidated statements of income in compensation and benefits was CHF 2,669 million, CHF 1,646 million and CHF 2,181 million for 2007, 2006 and 2005, respectively. As of December 31, 2007, the total estimated unrecognized compensation expense of CHF 2,365 million related to non-vested share-based compensation will be recognized over the remaining weighted-average requisite service period of 1.3 years.

We generally repurchase our own shares in the open market to satisfy obligations in connection with share-based compensation but can also issue new shares out of available conditional capital. For the year ended December 31, 2007, we delivered approximately 22.1 million shares to employees.

Fair value assumptions for share-based compensation

In estimating the fair value for share-based compensation, where an observable independent quoted market price is not available, the fair value is calculated on the grant date based on valuation techniques and/or option-pricing models that most accurately reflect the substantive characteristics of the instrument being valued. The underlying assumptions used in the models are determined based on management's assessment of the current market and historical information available at the date of grant that marketplace participants would likely use in determining an exchange price for the instruments.

The inputs for expected volatility and dividend yield used in estimating fair values are based upon the implied market volatility and dividend yield of traded options on Credit Suisse Group shares, the historical volatility and dividend yield of the Group's stock and other relevant factors that indicate how the future is expected to differ from the past. The expected risk-free interest rate is based on the current LIBOR rate at the date of grant that corresponds with the expected term of the award. LIBOR rates are used as a proxy for risk-free interest rates because zero-coupon government issues do not exist in Switzerland. The expected term represents the period of time that the awards are expected to be outstanding and is based on the contractual term of each instrument, taking into account employees' historical exercise and termination behavior.

The following table illustrates the significant assumptions used to estimate the fair value of share options, Performance Incentive Plan (PIP) and Incentive Share Units (ISU) based on the annual incentive performance bonus process.

Significant fair value assumptions

	2007	2006	2005
Significant assumptions			
Expected volatility, in % ¹	22.95	24.80	29.00
Expected dividend yield, in % ¹	2.41	3.24	3.03
Expected risk-free interest rate, in %	2.63	2.36	1.86
Expected term, in years	3	5	5

¹ Due to current and changing market conditions, the Group refined its methodology in 2005 for estimating the expected volatility and expected dividend yield to include management's assessment of how future implied market yields impact the overall expected assumptions.

Credit Suisse Incentive Share Unit

Following the integration of Credit Suisse's banking business in 2005 and the launch of the integrated bank in 2006, we aligned our share-based compensation plans and introduced the ISU. This replaced compensation programs that existed in specific businesses and countries with a new Group-wide approach to compensation for all award grants for 2006 and 2007. ISUs, which represent the majority of awards granted subsequent to 2005, ensure a unified approach to share-based compensation as it applies to all employees who receive a bonus above a certain threshold. Previously granted awards will continue to settle under their original terms and are not affected by the ISU.

An ISU is a unit that is similar to shares, but offers additional upside depending on the development of the Credit Suisse Group share price.

The ISUs granted in January 2008 and 2007 were based on 2007 and 2006 performance, respectively, and approximately 9,800 employees with an annual incentive bonus of at least CHF 125,000 were awarded ISUs each year with a mandatory deferral rate that ranged from 16% to 65% of the annual incentive performance bonus. In 2007, we increased the percentage of share-based annual incentive performance bonus, and any incentive performance bonus in excess of CHF 4 million was subject to 100% mandatory deferral.

For each ISU granted, the employee will receive at least one Credit Suisse Group share ("ISU Base Unit") and could receive additional shares ("ISU Leverage Unit") if the monthly average Credit Suisse Group share price increases during the three-year contractual term of the award as compared to the baseline Credit Suisse Group share price determined on the grant date. The final value of each ISU is paid in registered shares of Credit Suisse Group. The total number of shares received for each ISU will equal the final value divided by the share price at maturity (i.e., three years), however, holders will always receive at least one Credit Suisse Group share per ISU.

The total payout for each ISU granted in January 2007 is subject to a cap of three times the value of a Credit Suisse

Group share at grant date (CHF 86.24 per share), which is reached at an average share price of CHF 132 for 2007 awards. For the ISUs granted in January 2008, there is no cap on the total payout of additional shares, however, the number of additional shares per ISU Base Unit is limited to a maximum of ten shares.

The ability to deliver the leverage component is achieved by spending 25% of the value of a share in respect of each ISU on a derivative instrument comprising a number of options. Any gains on these options will be paid to us in the form of Credit Suisse Group shares which will be used to settle the upside component of the ISU.

For the ISUs granted in January 2008 for 2007 performance and in January 2007 for 2006 performance, employees participating in the program received a number of ISUs equal to the amount of their deferred bonus divided by CHF 58.45 and CHF 86.24, respectively, which represents the daily volume weighted-average price for Credit Suisse Group registered shares for the five consecutive trading days on the SWX that ended on the grant date of January 22, 2008 and January 23, 2007, respectively.

Each ISU will vest at a rate of one third of a share per year over three years, with the potential additional shares vesting on the third anniversary of the grant date, depending on the development of the leverage component. Shares will be delivered for vested ISUs within 120 days of each vesting date. Settlement of ISUs is subject to continued employment at the Group and certain retirement arrangements.

The ISU programs for 2006 and 2007 performance include a provision that does not permit early retirement eligibility for employees that would otherwise qualify until two years from grant (the "two-year moratorium period").

On January 23, 2007, we granted ISUs of 26.7 million. The fair value of the ISU Base Unit was CHF 87.30 and the fair value of the 2007 ISU Leverage Unit was CHF 20.85. The compensation expense recognized in 2007 for these awards was CHF 1,159 million. The estimated unrecognized compensation expense related to these awards as of December 31,

2007, was CHF 1,530 million and will be recognized over a period of two years. None of the ISUs were vested as of December 31, 2007.

On January 22, 2008, we granted 46.4 million ISUs. The fair value of the ISU Base Unit was CHF 54.90, and the fair value of the ISU Leverage Unit was CHF 10.69. The fair value of the ISU Leverage Unit was based on a valuation using an expected volatility of 32.04%, an expected dividend yield of

5.46%, an expected risk-free rate of 2.45% and an expected term of three years. The recognition of accounting expense for the ISUs granted on January 22, 2008 began in 2008 and, thus, had no impact on the 2007 financial statements. The expected unrecognized compensation expense of CHF 2,839 million will be recognized over a period of three years, subject to early retirement rules.

Incentive Share Unit activities

2007	ISU Base
Number of awards (million)	
Balance at beginning of period	0.0
Granted	27.2
Settled	(0.4)
Forfeited	(1.4)
Balance at end of period	25.4

Performance Incentive Plan

The PIP is a share-based long-term retention incentive program that was used in compensation for 2004 and 2005 performance, granted in early 2005 and early 2006, respectively.

The PIP was designed to compensate, incentivize and retain senior management and executives during 2004 and 2005, a period of fundamental change for Credit Suisse. Rebuilding the business, particularly in Investment Banking, during 2003 and 2004, restructuring our banking business and creating the integrated bank in 2005 were critical steps that demanded special management effort. Management was incentivized and rewarded with PIP units. This period was also characterized by intense international competition for employees in some of our businesses. Hence, PIP was also used as a tool to retain key senior management. PIP closely links senior management with the delivery of our strategy. PIP requires continued employment with the Group during a five-year vesting period and contain strict rules for participants leaving to join a competitor.

All or a portion of the mandatory deferral of the annual performance incentive bonus was converted into PIP units using the Group's share price of CHF 47.45 for the 2004 PIP (PIP I) and CHF 72.00 for the 2005 PIP (PIP II). PIP units vest over a five-year period. If all financial targets over the five-year vesting period of a PIP are achieved, and if the share price in absolute and relative terms meets the performance criteria, PIP units could convert into up to nine Group shares in PIP I and up to six Group shares in PIP II. It is also possible that PIP

units could become worthless should we fail to meet all performance targets or share price targets.

PIP units initially granted turn into final gain for participants by accruing value from three sources: (i) Performance Multiplier – based on achieving sustainable (i.e., over five years) earnings targets; (ii) Share Price Multiplier – based on creating sustainable shareholder value; and (iii) Share Price Appreciation – like any other shareholder owning an equal number of shares, the participant can, given the share price performance, benefit from a capital gain at settlement of the plan.

Each PIP unit will settle for a specified number of Credit Suisse Group registered shares subsequent to the fifth anniversary of the grant date based on the achievement of: (i) earnings per share performance compared to predefined targets ("performance conditions"); and (ii) share price performance compared to predefined targets and share price performance relative to peers ("market conditions"). The performance conditions may be adjusted by the Compensation Committee if appropriate to exclude effects that do not relate to the normal banking business (including, for example, gains triggered by accounting changes or the gain on the sale of Group companies). The performance conditions will determine the multiplier, ranging between zero and three, for the final number of PIP units. The market conditions will determine the number of shares that each PIP unit will convert into at settlement. This will be in a range of between zero and three shares for PIP I and zero and two shares for PIP II. The PIP I units granted in 2005 will ultimately settle for between zero and nine shares

and the PIP II units granted in 2006 will ultimately settle for between zero and six shares.

The achievement of the share price targets and relative share price performance for PIP I is measured based on the Group's average share price over a three-month period prior to settlement and can result in the delivery of a minimum of zero shares at a share price below CHF 30 and a maximum of three shares at a share price of CHF 90 or higher. The achievement of the share price targets and relative share price performance for PIP II is measured based on the Group's average share price over a three-month period prior to settlement and can result in the delivery of a minimum of zero shares at a share price below CHF 47 and a maximum of two shares at a share price of CHF 160 or higher.

PIP II includes the two-year moratorium period for early retirement eligibility.

Compensation expense for employees who are eligible for retirement at the grant date, or who become eligible for retirement during the scheduled vesting period, is determined by taking the number of PIP units expected to vest multiplied by their grant date fair value. The fair values of the PIP I and PIP II units granted to these employees were CHF 83.75 and CHF 145.36, respectively. These fair values were determined taking into account the estimated outcome of both the performance and market conditions, are fixed at the grant date, and are not remeasured or adjusted subsequent to the grant date unless the terms and conditions of the award are modified.

Compensation expense for employees who do not become eligible for retirement during the scheduled vesting period is determined by taking the number of PIP units expected to vest multiplied by both their grant date fair value and estimated outcome of the performance condition. The grant date fair values of the PIP I and PIP II units granted to these employees were CHF 51.70 and CHF 79.87, respectively. These fair values consider an estimated outcome for the market conditions, are fixed at the grant date and are not remeasured or adjusted subsequent to the grant date unless the terms and conditions of the award are modified. Management reassesses its estimate of the outcome of the performance conditions annually and adjusts compensation expense accordingly. Based on the estimated outcome of the performance condition as of December 31, 2007, the compensation expense reflects a conversion of each initial PIP I and PIP II award into 3.0 PIP units at the end of the vesting period. However, these estimates depend upon the market environment and our financial performance over the remainder of the vesting periods and, therefore, management cannot predict whether the number of PIP units will be the maximum of three or a lesser amount.

The compensation expense recognized during 2007 related to PIP I and PIP II was CHF 451 million. The estimated unrecognized compensation expense related to PIP I and PIP II as of December 31, 2007, was CHF 269 million and will be recognized over a period of three years. None of the PIP units were due for settlement as of December 31, 2007.

Performance Incentive Plan activities

	2007		2006		2005	
	PIP II	PIP I	PIP II	PIP I	PIP II	PIP I
Number of awards (million)						
Balance at beginning of period	6.3	12.4	0.0	12.8	–	–
Granted	0.4	0.0	6.5	0.0	–	14.1
Settled	0.0	0.0	0.0	(0.1)	–	0.0
Forfeited	(0.2)	(0.1)	(0.2)	(0.3)	–	(1.3)
Balance at end of period	6.5	12.3	6.3	12.4	–	12.8
of which vested	1.7	5.6	0.0	2.6	–	–
of which unvested	4.8	6.7	6.3	9.8	–	12.8

Shares

In addition to the PIP, our share-based compensation in prior years has included three different types of share awards: phantom shares; longevity premium awards (LPA); and special awards. These share awards entitle the holder to receive one Credit Suisse Group registered share subject to continued

employment with the Group, restrictive covenants and cancellation provisions, and generally vest between zero and three years. In 2006, we introduced the ISU share-based plan described above to replace the phantom share and LPA awards granted in prior years.

Phantom shares vest in three equal installments on each of the first, second and third anniversaries of the grant date and convert to registered Credit Suisse Group shares within 120 days of vesting or are blocked for a period of one year after the shares vest depending on the location of the grant recipient.

LPA's vest in full on the third anniversary of the grant date and either convert to Credit Suisse Group shares within 120 days of vesting or are blocked for a period of one year after the shares vest depending on the location of the grant recipient.

Special awards are generally shares granted to new employees and are in addition to the annual bonus grants. These special awards may contain vesting conditions depending on the terms of employment.

The compensation expense recognized in 2007 related to shares awarded under phantom share, LPA and special awards was CHF 1,059 million. The estimated unrecognized compensation expense related to these awards as of December 31, 2007, was CHF 566 million and will be recognized over a period of four years.

Share award activities

	2007		2006		2005	
	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	50.9	60.65	47.2	47.89	76.5	47.44
Granted	4.8	81.00	26.3	72.42	23.4	49.42
Settled	(24.6)	56.81	(19.4)	46.42	(47.0)	48.40
Forfeited	(2.3)	62.32	(3.2)	55.58	(5.7)	43.89
Balance at end of period	28.8	67.20	50.9	60.65	47.2	47.89
of which vested	0.3	–	2.8	–	4.0	–
of which unvested	28.5	–	48.1	–	43.2	–

Share options

Options were a substantial component of our share-based program prior to 2004. We discontinued the practice of issuing options and the majority of the original grants have since vested. Share options were granted with an exercise price equal to the market price of Credit Suisse Group's shares on the date of grant and expire after ten years.

Share options granted to employees entitle the holder to purchase one Credit Suisse Group share at a stated exercise price subject to continued employment with the Group through the vesting period, restrictive covenants and cancellation provisions.

Share options granted as compensation awards generally vest on the grant date, whereas share options granted as retention incentive awards generally vest between one and five years.

The weighted-average fair value of options granted during 2006 and 2005 was CHF 12.12 and CHF 9.50, respectively.

There were no options granted during 2007. As of December 31, 2007, the aggregate intrinsic value of options outstanding and exercisable was CHF 454 million and the weighted-average remaining contractual term was 3.5 years. As of the exercise date, the total intrinsic value of options exercised during 2007, 2006 and 2005 was CHF 318 million, CHF 235 million and CHF 141 million, respectively. Cash received from option exercises during 2007, 2006 and 2005 was CHF 350 million, CHF 330 million and CHF 196 million, respectively.

As of December 31, 2007, there were 2.5 million fully vested and exercisable options outstanding containing a cash settlement feature. These options had a weighted-average exercise price of CHF 69.68 and a weighted-average remaining contractual term of 1.9 years. During 2007, there were 0.3 million exercises of options with a cash settlement feature, no forfeitures and 0.7 million of these options were settled for CHF 23.7 million in cash.

Share option activities

	2007		2006		2005	
	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 options						
Balance at beginning of period	49.0	59.64	57.7	57.48	64.8	55.01
Granted	–	–	0.1	71.60	0.1	48.05
Exercised	(7.8)	47.50	(7.5)	44.44	(6.2)	31.93
Settled	(0.7)	60.19	(0.6)	59.34	(0.1)	65.88
Forfeited	(0.7)	75.31	(0.6)	51.55	(0.6)	50.03
Expired	(0.2)	35.52	(0.1)	17.65	(0.3)	57.09
Balance at end of period	39.6	61.86	49.0	59.64	57.7	57.48
Exercisable at end of period	38.2	61.12	44.1	60.24	53.9	58.60

Hedging of awards

We economically hedge our estimated obligation to deliver shares under our employee share-based compensation programs through a combination of purchasing treasury shares in the market and entering into third party hedge instruments. Additionally, in very limited circumstances we may use our approved conditional capital to obtain shares for delivery of our share-based awards. We periodically revise our estimate of the expected number of shares to be delivered and adjust our hedging positions accordingly.

Compensation and loans to members of the Board of Directors and the Executive Board

As required by applicable Swiss law (Article 663b bis and Article 663c, par 3 Swiss Code of Obligations), the following disclosure describes compensation paid to and equity holdings of the members of the Board of Directors and the members of the Executive Board as well as loans granted to this group of people and companies related to them.

Compensation and loans to members of the Board of Directors

Overview

Compensation to members of the Board of Directors is set in accordance with the AoA and the Compensation Committee Charter. The annual compensation paid to members of the Board is fixed and set by the Board of Directors based on the recommendation of the Compensation Committee. Compensation for members of the Board of Directors with no functional duties (nine individuals) is in the form of cash (35%) and Credit Suisse Group registered shares (65%), which are blocked for a period of four years.

Members of the Board of Directors with functional, non-executive duties (four individuals) receive fixed and variable compensation for their services set by the Board of Directors. With the exception of the Chairman of the Board of Directors, the variable compensation for the other three individuals is not directly dependent on the performance of the Group but on personal performance and time commitment. Such compensation is paid in the form of cash and Credit Suisse Group registered shares, blocked for a period of four years.

Compensation for the members of the Board of Directors

	Cash	% of total remuneration	Value of share-based awards	% of total remuneration	Pension and similar benefits	Other compensation categories ¹	Total remuneration	Number of shares ²
2007/2008 (in CHF) ³								
Walter B. Kielholz, Chairman ⁴	8,500,000	58%	6,100,000	42%	–	24,000	14,624,000	104,363
Hans-Ulrich Doerig, Vice-Chairman and Chairman of the Risk Committee ⁴	2,875,000	57%	2,125,000	42%	–	27,381	5,027,381	36,356
Thomas W. Bechtler	122,500	35%	227,500	65%	–	–	350,000	2,400
Robert H. Benmosche	122,500	35%	227,500	65%	–	–	350,000	2,400
Peter Brabeck-Letmathe	87,500	35%	162,500	65%	–	–	250,000	1,715
Noreen Doyle	140,000	35%	260,000	65%	–	–	400,000	2,743
Jean Lanier	140,000	35%	260,000	65%	–	–	400,000	2,743
Anton van Rossum	122,500	35%	227,500	65%	–	–	350,000	2,400
Aziz R.D. Syriani, Chairman of the Compensation Committee ⁴	522,500	70%	227,500	30%	–	–	750,000	3,892
David W. Syz	140,000	35%	260,000	65%	–	–	400,000	2,743
Ernst Tanner	122,500	35%	227,500	65%	–	–	350,000	2,400
Richard E. Thornburgh	122,500	35%	227,500	65%	–	–	350,000	2,400
Peter F. Weibel, Chairman of the Audit Committee ⁴	1,195,000	66%	600,000	33%	–	10,000	1,805,000	10,266
Total	14,212,500	56%	11,132,500	44%	–	61,381	25,406,381	176,821
2006/2007 (in CHF)								
Total	14,617,500		12,227,500		–	63,136	26,908,136	146,532
of which highest paid:								
Walter B. Kielholz, Chairman	9,000,000		7,000,000		–	24,000	16,024,000	81,169

¹ Other compensation includes lump sum expenses, child allowance and health care allowance. ² Value of shares included in total remuneration. ³ Fees for members of the Board of Directors without functional, non-executive duties are paid in advance for the period from one AGM to the other, i.e. from May 4, 2007 to April 25, 2008. The applicable share price was CHF 94.80. ⁴ Variable compensation elements for members of the Board of Directors with functional duties are determined by the Board of Directors in the course of the regular management compensation process. The applicable share price was CHF 58.45.

2007 total compensation of the Chairman of the Board of Directors

Our executive compensation policies guided the compensation recommendations made by the Compensation Committee and approved by the Board of Directors with respect to the 2007 compensation for Mr. Kielholz as Chairman of the Board of Directors.

For 2007, the Compensation Committee based its total compensation recommendation on its review of: (i) the Group's core operating financial performance relative to its 2007 plan and 2006 results, as well as the relative performance of Credit Suisse to that of its competitors; (ii) Mr. Kielholz's leadership and contribution in several areas, namely: (a) the planned succession and orderly transition of the CEO position to Mr. Dougan; (b) the continued emphasis on risk management and corporate governance procedures across the Group; and (c) a focused discipline on leadership development, succession planning and performance management practices across the

Group; and (iii) the complexity and breadth of the role that Mr. Kielholz performs as Chairman.

Additional fees and remuneration

Two former members of the Board of Directors are eligible to receive office infrastructure and secretarial support. These services are based on existing resources and are not used on a regular basis.

No additional fees, severance payments or forms of remuneration were paid to current or former members of the Board of Directors or related parties during 2007.

Share, PIP unit and option holdings of members of the Board of Directors

The holdings as disclosed below include the holdings of the respective member of the Board of Directors, their close family members and companies where they have a controlling interest.

Share holdings by individual

	Number of shares ¹
December 31, 2007	
Walter B. Kielholz	347,279
Hans-Ulrich Doerig	137,341
Thomas W. Bechtler	32,517
Robert H. Benmosche	24,614
Peter Brabeck-Letmathe	51,657
Noreen Doyle	15,203
Jean Lanier	11,292
Anton van Rossum	19,376
Aziz R.D. Syriani	44,490
David W. Syz	62,845
Ernst Tanner	38,333
Richard E. Thornburgh ²	88,444
Peter F. Weibel	18,949
Total	892,340
December 31, 2006	
Total	782,736

¹ Includes shares that are subject to a blocking period of up to four years. ² Richard E. Thornburgh was also granted 98,935 PIP I units in his former position as a member of the Executive Board.

Option holdings by individual

December 31, 2007	Richard E. Thornburgh	Hans-Ulrich Doerig	Expiry date	Exercise price in CHF
Year of grant				
2002	–	75,000	03.12.12	34.10
2001	215,116	97,792	25.01.11	84.75
2000	100,000	100,000	01.03.10	74.00
Total	315,116	272,792	–	–

Credit Suisse policy is to compensate members of the Board with Credit Suisse Group shares. Option holdings were acquired by the named individuals in their previous capacities as members of senior management. As of December 31, 2007, none of the members of the Board of Directors holds options purchased from personal funds.

Aggregate option holdings as of December 31, 2006

December 31, 2006	Number of options	Expiry date	Exercise price in CHF
Year of grant			
2002	75,000	03.12.12	34.10
2001	312,908	25.01.11	84.75
2000	200,000	01.03.10	74.00
1999	10,000	18.02.09	57.75
Total	597,908	-	-

Loans to members of the Board of Directors

	Balance	Whereof loans to related parties ¹
December 31, 2007 (in CHF)		
Walter B. Kielholz	2,000,000	-
Hans-Ulrich Doerig	3,000,000	-
Thomas W. Bechtler	8,450,000	3,950,000
Robert H. Benmosche	73,863	-
Peter Brabeck-Letmathe	4,561,700	-
David W. Syz	1,500,000	1,500,000
Ernst Tanner	5,050,000	-
Richard E. Thornburgh	70,750	-
Total	24,706,313	5,450,000
December 31, 2006 (in CHF)		
Total ²	32,117,961	-

¹ Related parties mean loans to close family members and loans to companies where the respective member of the Board of Directors has 50% or more equity ownership or voting rights. ² The number of individuals with outstanding loans at the beginning and at the end of the year was eight and seven, respectively.

A large majority of loans outstanding to members of the Board of Directors are mortgages or loans against securities. Such loans are made on the same terms available to third-party customers. As of December 31, 2007, 2006 and 2005, outstanding loans to the members of the Board amounted to CHF 25 million, CHF 32 million and CHF 27 million, respectively.

Members of the Board of Directors are not granted employee conditions on any loans extended to them, but such loans are subject to conditions applied to customers with a comparable credit standing. In addition to loans listed above, banking subsidiaries of Credit Suisse have entered into financing and other banking agreements with companies in which current members of the Board of Directors have a significant influence as defined by the SEC. As of December 31, 2007, the total exposure to such related parties amounted to CHF 8

million, including all advances and contingent liabilities, and was in the ordinary course of business and granted at arm's-length. The respective amount as of December 31, 2006, was CHF 3.6 million. The highest exposure to such related parties for any of the years in the three-year period ended December 31, 2007, did not exceed in aggregate CHF 47.4 million.

We, together with our subsidiaries, are a global financial services provider and, in particular, have major corporate banking operations in Switzerland. We, therefore, typically have relationships with many large companies including those in which our Board members assume management functions or board member responsibilities. All relationships between us or our banking subsidiaries and members of the Board of Directors and their affiliated companies are in the ordinary course of business and at arm's-length.

Executive compensation

Credit Suisse's approach to executive compensation

In line with our overall approach to compensation, our executive compensation policies are designed to attract executives of the highest quality, to retain them by rewarding them for superior performance and to motivate them for outstanding performance in the future. In addition, compensation should encourage strong teamwork and a meaningful alignment with the integrated bank strategy and the interests of shareholders.

Furthermore, and in support of the above objectives, the Compensation Committee established a bonus pool framework linked directly to our performance for the Executive Board, including the CEO. The bonus pool was used to define the total amount available for bonus payments, which were then delivered in cash and deferred share-based compensation. At the beginning of the year, a target bonus pool for this executive population was set assuming specific, pre-defined Credit Suisse financial and non-financial performance goals would be achieved in 2007. At the conclusion of the year, the Compensation Committee performed an assessment versus those goals and then modified the size of the available bonus pool based on actual results. The final bonus pool was then distributed to the members of the Executive Board and the CEO based on business performance, individual contributions and competitive compensation levels.

The performance criteria used in this framework of determining the size of the total bonus pool for the Executive Board and the CEO included the following:

- the financial performance of the Group adjusted for extraordinary items compared to the strategic business plan;
- assessment of delivery of defined non-financial targets in relation to our strategy;
- consideration of the Group's performance against the performance of its peer companies;
- measurement against market information of companies with similar scope and complexity; and
- measurement of shareholder satisfaction, assessed by reviewing objective data regarding the Group's financial

performance, with a focus on revenue growth, pre-tax margin growth, return on equity and earnings per share.

This approach is designed to assess performance in relation to the delivery of the strategic plan and satisfaction of the expectations of shareholders.

Executive compensation components

In line with our overall approach, executive compensation consists of a fixed salary and a variable performance bonus. Salaries for members of the Executive Board are reviewed annually. The annual performance bonus usually represents the most significant part of an executive's total compensation package and varies from year to year depending on the executive's performance. Part of the bonus is awarded in cash and a part in share-based awards. As a matter of policy, share-based awards are usually a material portion of each executive's compensation and are subject to vesting, holding and future performance requirements.

Credit Suisse's executive compensation in 2007

Executive compensation for 2007 was based on the general approach set out above. In 2007, the members of the Executive Board (13 individuals) received on average, as a percentage of their total compensation, 7% salary, 19% cash bonus, 71% share-based awards and 3% other compensation.

The mandatory deferral amount of the total bonus for the CEO and the other members of the Executive Board was based on the approved share plan deferral schedule, materially reduced to reflect the revision of 2007 earnings as a result of the revaluing of certain ABS positions in our CDO trading business.

As in previous years, members of the Executive Board participated in the bank-wide share-based compensation plan and received ISUs or, to a limited extent, other share-based awards for performance in 2007. This participation is designed to ensure that executive compensation is in line with our overall approach to compensation.

Compensation for the members of the Executive Board

	Cash ¹	% of total remuneration	Value of share-based awards ²	% of total remuneration	Pension and similar benefits	Other compensation categories ³	Total remuneration	Number of share-based awards ⁴
2007 (in CHF million, except where indicated)								
13 individuals ⁵	42.0	26%	115.2	71%	1.5	3.4	162.1	1,659,896
of which highest paid:								
Brady W. Dougan	3.4	16%	17.9	80%	0.01	0.98	22.3	272,866
2006 (in CHF million, except where indicated)								
8 individuals	83.7	55%	67.7	44%	1.4	0.2	153.0	660,956

¹ Includes base salary for each Executive Board member ranging between CHF 0.65 million and CHF 1.25 million per year. The balance is variable cash compensation. ² Share-based awards include 1,427,682 ISUs granted in 2008, each of which has a base component and a leverage component. The fair value of the base component of each ISU is CHF 54.90 and the fair value of the leverage component of each ISU is CHF 10.69. The total fair value of each ISU is CHF 65.59. The remainder refers to other share-based awards. ³ Other compensation includes lump sum expenses, child allowance, health care allowance and dividend and par value reduction equivalents. ⁴ All such share-based awards are included in the total remuneration. ⁵ Includes Oswald J. Grübel through May 4, 2007. Mr. Grübel is no longer an employee of the Group following his decision to retire as of May 5, 2007. Includes also Robert Shafir, who joined the Group as of August 1, 2007.

The per capita change in the total compensation value of the 2007 Executive Board members versus that of the 2006 values can be attributed to the following reasons: (i) the composition of the Executive Board in 2007 has changed; (ii) the impact of the Group's financial performance relative to its 2007 plan and the share price development during the year; and (iii) differentiated adjustments in personal compensation based on division performance.

2007 total compensation of the highest paid member of the Executive Board

Our executive compensation policies guided the compensation recommendations made by the Compensation Committee and approved by the Board of Directors with respect to the 2007 compensation for Brady W. Dougan.

For 2007, the Compensation Committee based its total compensation recommendation on its review of: (i) the Group's core operating financial performance relative to its 2007 plan and 2006 results, as well as the relative performance of Credit Suisse to that of its competitors; (ii) the share price development of Credit Suisse in 2007; (iii) the delivery of key integrated bank business objectives, specifically: (a) establishing Centers of Excellence that leverage the global talent pool and worldwide resources in order to supply high-quality internal services at competitive costs; (b) leveraging resources across Private Banking, Investment Banking and Asset Management to deliver the integrated bank, maximizing opportunities to innovate and offer products and services to our clients that drive growth and profitability; and (c) building the capability and mindset of continuous improvement, supporting the

Group's strategy to consistently deliver measurable efficiencies by systemically improving the cost structure and business processes of Credit Suisse; and (iv) the complexity and scope of the role that Mr. Dougan performs as CEO.

Mr. Dougan's annual total compensation was CHF 22.3 million for 2007. The percentage composition of his total compensation was: 6% salary, 10% cash bonus, 80% ISUs and 4% other compensation.

Additional fees and remuneration

Three former members of our most senior executive body are eligible to receive office infrastructure and secretarial support. These services are based on existing resources and are not used on a regular basis. In addition, we have concluded an agreement with Oswald J. Grübel for the period of one year to act as a Senior Advisor to the Chairman of the Board. For his services, Mr. Grübel received a flat fee of CHF 150,000. During this period, Mr. Grübel received office infrastructure and secretarial support for which he compensated us in the amount of CHF 75,000.

No additional fees, severance payments or forms of remuneration were paid to current or former members of the most senior executive body or related parties during 2007.

Share, PIP unit, ISU and option holdings of members of the Executive Board

The holdings disclosed include the holdings of the respective members of the Executive Board, their close family members and companies where they have a controlling interest.

Units by individual

	Number of vested shares	Number of unvested shares	Number of ISUs	Number of options	Number of PIP I units	Number of PIP II units
December 31, 2007						
Brady W. Dougan	191,016	156,673	202,928	408,400	271,898	78,102
Walter Berchtold	181,668	26,042	92,765	–	130,401	104,167
David J. Blumer	36,027	17,362	66,675	–	71,497	69,445
Paul Calello	335,190	95,481	126,830	241,184	142,937	57,063
D. Wilson Ervin	29,158	11,957	43,485	–	44,210	66,671
Renato Fassbind	–	10,417	43,484	–	20,746	41,667
Tobias Guldimann	59,810	5,209	23,192	31,640	17,782	20,834
Ulrich Körner	89,669	16,494	66,675	59,668	77,055	65,973
Michael G. Philipp	38,786	44,035	77,910	–	99,627	44,507
Urs Rohner	–	13,889	57,978	–	35,564	55,556
Thomas J. Sanzone	61,488	17,793	47,109	–	–	44,507
Robert Shafir	–	45,042	115,959	–	–	71,213
Total	1,022,812	460,394	964,990	740,892	911,717	719,705
December 31, 2006						
Total	1,125,755 ¹	–	–	1,756,464	842,936	524,723

¹ Includes all shares whether or not vested.

Option holding by individual

	Brady W. Dougan	Paul Calello	Tobias Guldimann	Ulrich Körner	Expiry date	Exercise price in CHF
Year of grant (December 31, 2007)						
2002	–	–	–	15,000	31.01.12	65.75
2001	368,400	241,184	15,640	24,668	25.01.11	84.75
2000	40,000	–	16,000	20,000	01.03.10	74.00
Total	408,400	241,184	31,640	59,668	–	–

All options on shares were granted as part of the previous years' compensation. As of December 31, 2007, none of the members of the Executive Board holds options purchased from personal funds.

Aggregate option holdings as of December 31, 2006

	Number of options	Expiry date	Exercise price in CHF
Year of grant (December 31, 2006)			
2004	169,924	30.04.14	45.70
2003	1,011,250	22.01.13	30.60
2002	11,250	03.12.12	34.10
2001	384,040	25.01.11	84.75
2000	156,000	01.03.10	74.00
1999	24,000	18.02.09	57.75
Total	1,756,464	-	-

Loans to members of the Executive Board

A large majority of loans outstanding to members of the Executive Board are mortgages or loans against securities. Such loans are made on the same terms available to third-party customers or pursuant to widely available employee benefit plans. As of December 31, 2007, 2006 and 2005, outstanding loans to the members of the Executive Board amounted to CHF 22 million, CHF 17 million and CHF 13 million, respectively. The number of individuals with outstanding loans at the beginning and at the end of the year was six and eight, respectively, and the highest loan outstanding was CHF 4.7 million to David J. Blumer.

All mortgage loans to members of the Executive Board are granted either with variable interest rates or with fixed interest rates over a certain period. Typically, fixed rate mortgages are granted for periods of up to five years, in some cases up to ten years. Interest rates applied are based on refinancing costs plus a margin and interest rates and other terms are consistent with those applicable to other employees. Loans against securities are granted at interest rates and on terms applicable to such loans granted to other employees. Interest rates applied are based on refinancing costs plus a margin. When granting a loan to these individuals, the same credit

approval and risk assessment procedures apply as for loans to other employees.

Advisory Board

The Group's Advisory Board was discontinued during 2007. For their services, the former members of the Advisory Board received an annual fee in the amount of CHF 30,000 (Swiss-based members) and CHF 40,000 (non-Swiss-based members). The former Chairman of the Advisory Board, Flavio Cotti, received CHF 60,000.

The members of the Advisory Board during 2007 were: Flavio Cotti, Andreas N. Koopman, Franz Albers, Lino Benassi, Susy Brüsweiler, Martin Candrian, Brigitta M. Gadiant, Felix Gutzwiller, Michael Hilti, Norbert Hochreutener, Andreas W. Keller, Klaus-Michael Kuehne, Andreas Schmid, Manfred Schneider and Marco Solari.

In addition to the above, Mr. Cotti received CHF 225,000 in return for other services provided to us, which included, among other things, representation of the Group at various forums and organizations, coverage at client events and chairman mandates at certain foundations. Mr. Gutzwiller received CHF 225,000 for his Board mandate at Clariden Leu and Mr. Benassi received EUR 70,000 for his Chairman mandate at Credit Suisse Italy.