

# IX

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# Statistical information

## Selected information – Group

in / end of	2008	2007	2006	2005	2004
<b>Condensed consolidated statements of operations (CHF million)</b>					
<b>Net revenues</b>	<b>9,268</b>	<b>39,321</b>	<b>38,143</b>	<b>30,043</b>	<b>26,590</b>
<b>Provision for credit losses</b>	<b>813</b>	<b>240</b>	<b>(111)</b>	<b>(144)</b>	<b>83</b>
<b>Total operating expenses</b>	<b>23,357</b>	<b>25,341</b>	<b>23,935</b>	<b>22,845</b>	<b>19,176</b>
<b>Income/(loss) from continuing operations before taxes, minority interests and extraordinary income</b>	<b>(14,902)</b>	<b>13,740</b>	<b>14,319</b>	<b>7,342</b>	<b>7,331</b>
Income tax expense/(benefit)	(4,596)	1,248	2,394	912	1,283
Minority interests	(2,619)	4,738	3,630	1,948	1,080
<b>Income/(loss) from continuing operations before extraordinary items</b>	<b>(7,687)</b>	<b>7,754</b>	<b>8,295</b>	<b>4,482</b>	<b>4,968</b>
Income/(loss) from discontinued operations, net of tax	(531)	6	3,056	1,354	667
Extraordinary items, net of tax	0	0	(24)	0	0
Cumulative effect of accounting changes, net of tax	–	–	–	14	(7)
<b>Net income/(loss)</b>	<b>(8,218)</b>	<b>7,760</b>	<b>11,327</b>	<b>5,850</b>	<b>5,628</b>
<b>Earnings per share (CHF)</b>					
Basic earnings/(loss) per share from continuing operations	(7.33)	7.42	7.54	3.95	4.22
Basic earnings/(loss) per share	(7.83)	7.43	10.30	5.17	4.80
Diluted earnings/(loss) per share from continuing operations	(7.33)	6.95	7.20	3.87	4.21
Diluted earnings/(loss) per share	(7.83)	6.96	9.83	5.02	4.75
<b>Consolidated balance sheet (CHF million)</b>					
Total assets	1,170,350	1,360,680	1,255,956	1,339,052	1,089,485
Share capital	47	46	607	624	607
Shareholders' equity	32,302	43,199	43,586	42,118	36,273
<b>Number of shares outstanding (million)</b>					
Number of shares outstanding	1,163.9	1,020.6	1,062.5	1,125.4	1,110.8
<b>Dividend/repayment of capital (CHF)</b>					
Dividend/repayment of capital	0.10 <sup>1</sup>	2.50	2.70	2.00	1.50
<b>Ratios (%)</b>					
Return on assets	(0.6)	0.6	0.9	0.5	0.5
Return on equity	(21.1)	18.0	27.5	15.4	15.9
Dividend payout ratio	(1.3)	33.6	26.2	38.7	31.3
Equity to asset ratio	2.8	3.2	3.5	3.1	3.3

<sup>1</sup> Proposal of the Board of Directors to the Annual General Meeting on April 24, 2009.

## Selected information – Bank

in / end of	2008	2007	2006	2005	2004 <sup>1</sup>
<b>Condensed consolidated statements of operations (CHF million)</b>					
Net revenues	7,305	36,890	36,152	28,685	25,327
Provision for credit losses	797	227	(97)	(134)	70
Total operating expenses	22,347	24,498	23,429	22,592	18,922
Income/(loss) from continuing operations before taxes, minority interests and extraordinary income	(15,839)	12,165	12,820	6,227	6,335
Income tax expense	(4,922)	844	2,141	644	1,096
Minority interests	(3,379)	5,013	3,620	2,064	1,113
Income/(loss) from continuing operations before extraordinary items	(7,538)	6,308	7,059	3,519	4,126
Income/(loss) from discontinued operations, net of tax	(531)	6	(15)	44	28
Extraordinary items, net of tax	0	0	(24)	0	0
Cumulative effect of accounting changes, net of tax	–	–	–	12	(16)
Net income/(loss)	(8,069)	6,314	7,020	3,575	4,138
<b>Consolidated balance sheet (CHF million)</b>					
Total assets	1,151,669	1,333,742	1,226,764	1,130,756	898,586
Share capital	4,400	4,400	4,400	4,400	4,400
Shareholders' equity	26,868	31,334	26,045	25,788	22,068
<b>Number of shares outstanding (million)</b>					
Number of shares outstanding	44.0	44.0	44.0	44.0	44.0

<sup>1</sup> Based on the combined statements of operations of Credit Suisse, which represent the combined statements of operations of the former Credit Suisse First Boston and Credit Suisse, which were merged in May 2005, with Credit Suisse First Boston as the surviving entity (the name of which was changed to Credit Suisse).

## Statistical information – Group

Set forth below is statistical information for the Group required under the SEC's specialized industry guide for bank holding companies – Industry Guide 3. The tables are based on information in V – Consolidated financial statements – Credit Suisse Group.

### Average balances and interest rates

in	2008			2007			2006		
	Average balance	Interest income	Average rate	Average balance	Interest income	Average rate	Average balance	Interest income	Average rate
<b>Assets (CHF million, except where indicated)</b>									
Cash and due from banks									
Switzerland	947	42	4.44%	1,104	38	3.44%	1,756	42	2.39%
Foreign	33,580	1,345	4.01%	21,288	929	4.36%	20,125	674	3.35%
Interest-bearing deposits with banks									
Switzerland	16	1	6.25%	25	2	8.00%	161	5	3.11%
Foreign	3,342	153	4.58%	4,039	187	4.63%	6,874	235	3.42%
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions <sup>1</sup>									
Switzerland	3,522	147	4.17%	4,060	196	4.83%	4,389	181	4.12%
Foreign	358,961	13,386	3.73%	385,035	22,275	5.79%	378,974	18,960	5.00%
Trading assets									
Switzerland	4,883	180	3.69%	5,016	166	3.31%	5,070	151	2.98%
Foreign	370,137	18,033	4.87%	470,912	22,808	4.84%	388,090	17,504	4.51%
Investment securities									
Switzerland	1,827	53	2.90%	1,581	55	3.48%	1,706	41	2.40%
Foreign	12,511	586	4.68%	16,367	688	4.20%	20,495	655	3.20%
Loans									
Switzerland	134,373	4,926	3.67%	130,741	4,852	3.71%	125,628	4,113	3.27%
Foreign	105,430	4,063	3.85%	92,801	4,155	4.48%	74,242	3,396	4.57%
Other interest-earning assets									
Switzerland	4,960	49	0.99%	1,927	28	1.45%	327	45	13.76%
Foreign	125,158	4,975	3.97%	124,541	6,171	4.95%	84,057	4,262	5.07%
<b>Interest-earning assets</b>	<b>1,159,647</b>	<b>47,939</b>	4.13%	<b>1,259,437</b>	<b>62,550</b>	4.97%	<b>1,111,894</b>	<b>50,264</b>	4.52%
Specific allowance for losses	(3,707)			(2,400)			(2,750)		
Non-interest-earning assets	286,223			231,526			209,668		
<b>Total assets</b>	<b>1,442,163</b>			<b>1,488,563</b>			<b>1,318,812</b>		
Percentage of assets attributable to foreign activities	87.37%			87.15%			85.08%		

Average balances and interest rates exclude discontinued operations.

<sup>1</sup> Average balances of central bank funds sold, securities purchased under resale agreements and securities borrowing transactions are reported net in accordance with FIN No. 41, "Offsetting of Amounts Related to Certain Repurchase and Reverse Repurchase Agreements – an interpretation of APB Opinion No. 10 and a modification of FASB Interpretation No. 39" (FIN 41), while interest income excludes the impact of FIN 41.

## Average balances and interest rates

in	2008			2007			2006		
	Average balance	Interest expense	Average rate	Average balance	Interest expense	Average rate	Average balance	Interest expense	Average rate
<b>Liabilities (CHF million, except where indicated)</b>									
Deposits of banks									
Switzerland	3,062	106	3.46%	4,294	172	4.01%	4,324	138	3.19%
Foreign	68,248	1,819	2.67%	108,183	4,029	3.72%	96,879	3,502	3.61%
Deposits of non-banks									
Switzerland	109,096	1,746	1.60%	108,574	1,612	1.48%	113,197	1,354	1.20%
Foreign	199,042	6,694	3.36%	207,771	10,118	4.87%	165,066	7,402	4.48%
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions <sup>1</sup>									
Switzerland	15,826	596	3.77%	11,514	503	4.37%	11,291	394	3.49%
Foreign	337,905	11,925	3.53%	353,042	20,629	5.84%	333,940	17,484	5.24%
Trading liabilities									
Switzerland	4,014	208	5.18%	2,416	113	4.68%	440	12	2.73%
Foreign	119,418	8,307	6.96%	172,673	8,552	4.95%	154,491	6,592	4.27%
Short-term borrowings									
Switzerland	64	1	1.56%	28	1	3.57%	9	0	0.00%
Foreign	13,861	497	3.59%	27,537	970	3.52%	21,659	630	2.91%
Long-term debt									
Switzerland	10,893	349	3.20%	10,245	336	3.28%	12,338	388	3.14%
Foreign	156,737	4,571	2.92%	157,382	4,400	2.80%	128,925	4,083	3.17%
Other interest-bearing liabilities									
Switzerland	2,914	12	0.41%	0	0	-	0	0	-
Foreign	115,151	2,572	2.23%	53,344	2,673	5.01%	30,876	1,720	5.57%
<b>Interest-bearing liabilities</b>	<b>1,156,231</b>	<b>39,403</b>	<b>3.41%</b>	<b>1,217,003</b>	<b>54,108</b>	<b>4.45%</b>	<b>1,073,435</b>	<b>43,699</b>	<b>4.07%</b>
Non-interest-bearing liabilities	247,053			228,428			203,998		
<b>Total liabilities</b>	<b>1,403,284</b>			<b>1,445,431</b>			<b>1,277,433</b>		
Shareholders' equity	38,879			43,132			41,379		
<b>Total liabilities and shareholders' equity</b>	<b>1,442,163</b>			<b>1,488,563</b>			<b>1,318,812</b>		
Percentage of liabilities attributable to foreign activities	87.85%			89.37%			87.74%		

Average balances and interest rates exclude discontinued operations.

<sup>1</sup> Average balances of central bank funds purchased, securities sold under repurchase agreements and securities lending transactions are reported net in accordance with FIN 41, while interest expense excludes the impact of FIN 41.

## Net interest income and interest rate spread

in	2008		2007		2006	
	Net interest income in CHF m	Interest rate spread in %	Net interest income in CHF m	Interest rate spread in %	Net interest income in CHF m	Interest rate spread in %
<b>Net interest income and interest rate spread</b>						
Switzerland	2,380	1.50	2,600	1.70	2,292	1.70
Foreign	6,156	0.60	5,842	0.30	4,273	0.30
<b>Total net</b>	<b>8,536</b>	<b>0.70</b>	<b>8,442</b>	<b>0.60</b>	<b>6,565</b>	<b>0.40</b>

The average rates earned and paid on related assets and liabilities can fluctuate within wide ranges and are influenced by several key factors. The most significant factor is changes in global interest rates. Additional factors include changes in the

geographic and product mix of the Group's business and foreign exchange rate movements between the Swiss franc and the currency of the underlying individual assets and liabilities.

## Selected margin information

in	2008	2007	2006
<b>Selected margin information (average rate in %)</b>			
Switzerland	1.58	1.80	1.65
Foreign	0.61	0.52	0.44
<b>Net interest margin</b>	<b>0.74</b>	<b>0.67</b>	<b>0.59</b>

The Fed sets the federal funds rate, which began 2008 at the rate of 4.25%. This was lowered 125 basis points in January, 75 basis points in March and 25 basis points in April. It remained at 2.00% for five months until October, when it was reduced 100 basis points to 1.00%. In December, the Fed reduced the rate by 75 to 100 basis points to create a target band of 0.00% to 0.25%, which was an all-time low.

The SNB sets a target range for three-month Swiss franc LIBOR. This benchmark was 2.25% to 3.25% at the beginning of 2008 and remained at this level until October, when it was lowered 25 basis points to 2.00% to 3.00%. It was lowered a further 150 basis points in November and 50 basis points in December, reaching a target range of 0.00% to 1.00%, which held to the end of 2008.

The ECB raised its variable rate tender level from 4.00% at the beginning of 2008 to 4.25% in July. Starting in October, the basis for its main refinancing operations was changed to fixed rate tenders and the opening rate was set at 3.75%. This decreased 50 basis points in November and a further 75 basis points in December to 2.50%, where it remained until the end of 2008.

The BoE benchmark bank rate was 5.50% at the beginning of 2008 and was lowered 25 basis points in February and April, to reach 5.00%. It remained at this rate until October, when it was lowered 50 basis points. It was lowered a further 150 basis points in November and 100 basis points in December to reach 2.00%, where it remained until the end of 2008.

## Analysis of changes in net interest income

in	2008 vs. 2007			2007 vs. 2006		
	Increase/(decrease) due to changes in			Increase/(decrease) due to changes in		
	Average volume	Average rate	Net change	Average volume	Average rate	Net change
<b>Assets (CHF million)</b>						
Cash and due from banks						
Switzerland	(5)	9	4	(16)	12	(4)
Foreign	536	(120)	416	39	216	255
Interest-bearing deposits with banks						
Switzerland	(1)	0	(1)	(4)	1	(3)
Foreign	(32)	(2)	(34)	(97)	49	(48)
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions						
Switzerland	(26)	(23)	(49)	(14)	29	15
Foreign	(1,510)	(7,379)	(8,889)	303	3,012	3,315
Trading assets						
Switzerland	(4)	18	14	(2)	17	15
Foreign	(4,878)	103	(4,775)	3,735	1,569	5,304
Investment securities						
Switzerland	9	(11)	(2)	(3)	17	14
Foreign	(162)	60	(102)	(132)	165	33
Loans						
Switzerland	135	(61)	74	167	572	739
Foreign	566	(658)	(92)	848	(89)	759
Other interest-earning assets						
Switzerland	44	(23)	21	220	(237)	(17)
Foreign	31	(1,227)	(1,196)	2,053	(144)	1,909
<b>Interest-earning assets</b>						
<b>Switzerland</b>	<b>152</b>	<b>(91)</b>	<b>61</b>	<b>348</b>	<b>411</b>	<b>759</b>
<b>Foreign</b>	<b>(5,449)</b>	<b>(9,223)</b>	<b>(14,672)</b>	<b>6,749</b>	<b>4,778</b>	<b>11,527</b>
<b>Change in interest income</b>	<b>(5,297)</b>	<b>(9,314)</b>	<b>(14,611)</b>	<b>7,097</b>	<b>5,189</b>	<b>12,286</b>

Average balances and interest rates exclude discontinued operations.

## Analysis of changes in net interest income

in	2008 vs. 2007			2007 vs. 2006		
	Average volume	Average rate	Net change	Average volume	Average rate	Net change
<b>Liabilities (CHF million)</b>						
Deposits of banks						
Switzerland	(49)	(17)	(66)	(1)	35	34
Foreign	(1,486)	(724)	(2,210)	408	119	527
Deposits of non-banks						
Switzerland	8	126	134	(55)	313	258
Foreign	(425)	(2,999)	(3,424)	1,913	803	2,716
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions						
Switzerland	188	(95)	93	8	101	109
Foreign	(884)	(7,820)	(8,704)	1,001	2,144	3,145
Trading liabilities						
Switzerland	75	20	95	54	47	101
Foreign	(2,636)	2,391	(245)	776	1,184	1,960
Short-term borrowings						
Switzerland	1	(1)	0	0	1	1
Foreign	(481)	8	(473)	171	169	340
Long-term debt						
Switzerland	21	(8)	13	(66)	14	(52)
Foreign	(18)	189	171	902	(585)	317
Other interest-bearing liabilities						
Switzerland	0	12	12	0	0	0
Foreign	3,097	(3,198)	(101)	1,251	(298)	953
<b>Interest-bearing liabilities</b>						
<b>Switzerland</b>	<b>244</b>	<b>37</b>	<b>281</b>	<b>(60)</b>	<b>511</b>	<b>451</b>
<b>Foreign</b>	<b>(2,833)</b>	<b>(12,153)</b>	<b>(14,986)</b>	<b>6,422</b>	<b>3,536</b>	<b>9,958</b>
<b>Change in interest expense</b>	<b>(2,589)</b>	<b>(12,116)</b>	<b>(14,705)</b>	<b>6,362</b>	<b>4,047</b>	<b>10,409</b>
Change in interest income						
Switzerland	(92)	(128)	(220)	408	(100)	308
Foreign	(2,616)	2,930	314	327	1,242	1,569
<b>Total change in net interest income</b>	<b>(2,708)</b>	<b>2,802</b>	<b>94</b>	<b>735</b>	<b>1,142</b>	<b>1,877</b>

Average balances and interest rates exclude discontinued operations.

## Carrying value of financial investments

end of	2008	2007	2006
<b>Carrying value of financial investments (CHF million)</b>			
Debt securities issued by the Swiss federal, cantonal or local governmental entities	344	331	320
Debt securities issued by foreign governments	11,677	14,044	19,121
Corporate debt securities	1,375	848	984
Other	326	289	706
<b>Total debt securities</b>	<b>13,722</b>	<b>15,512</b>	<b>21,131</b>

As of December 31, 2008, no aggregate investment in debt securities of a specific counterparty was in excess of 10% of consolidated shareholders' equity.

## Maturities and weighted-average yields of debt securities included in financial investments

	Within 1 year		1 to 5 years		5 to 10 years		Over 10 years		Total	
	Amount in CHF million	Yield in %	Amount in CHF million	Yield in %	Amount in CHF million	Yield in %	Amount in CHF million	Yield in %	Amount in CHF million	Yield in %
<b>end of 2008</b>										
<b>Debt securities</b>										
Debt securities issued by the Swiss federal, cantonal or local governmental entities	61	3.44	168	2.92	75	3.04	27	3.31	331	3.08
Debt securities issued by foreign governments	2,435	2.96	7,069	3.38	2,080	3.50	30	3.25	11,614	3.31
Corporate debt securities	770	2.02	304	2.97	304	2.94	20	2.98	1,398	2.44
Other	36	1.90	193	3.05	88	3.19	0	–	317	2.96
<b>Total debt securities</b>	<b>3,302</b>	<b>2.74</b>	<b>7,734</b>	<b>3.34</b>	<b>2,547</b>	<b>3.41</b>	<b>77</b>	<b>3.19</b>	<b>13,660</b>	<b>3.21</b>

Since substantially all investment securities are taxable securities, the yields presented above are on a tax-equivalent basis.

The values above are based upon amortized cost, whereas certain financial investments are carried at fair value in the consolidated balance sheets.

## Details of the loan portfolio

end of	2008	2007	2006	2005	2004
<b>Loan portfolio (CHF million, except where indicated)</b>					
Banks	1	1	24	1,801	1,558
Commercial	45,813	45,351	43,618	43,466	42,599
Consumer	86,911	86,220	82,768	81,894	76,411
Public authorities	1,092	1,283	1,263	3,481	3,894
Lease financings	3,548	3,263	3,360	2,979	2,696
<b>Switzerland</b>	<b>137,365</b>	<b>136,118</b>	<b>131,033</b>	<b>133,621</b>	<b>127,158</b>
Banks	8,440	9,638	8,940	8,555	7,233
Commercial	68,941	71,846	50,935	41,834	30,241
Consumer	20,116	21,508	17,562	22,674	21,880
Public authorities	2,319	2,563	905	1,026	679
Lease financings	282	115	228	138	130
<b>Foreign</b>	<b>100,098</b>	<b>105,670</b>	<b>78,570</b>	<b>74,227</b>	<b>60,163</b>
<b>Total loans, gross</b>	<b>237,463</b>	<b>241,788</b>	<b>209,603</b>	<b>207,848</b>	<b>187,321</b>
Deferred expenses, net	(27)	(20)	8	64	116
Allowance for loan losses	(1,639)	(1,234)	(1,484)	(2,241)	(3,038)
<b>Total loans, net</b>	<b>235,797</b>	<b>240,534</b>	<b>208,127</b>	<b>205,671</b>	<b>184,399</b>
Percentage of allowance for loan losses	0.7%	0.5%	0.7%	1.1%	1.6%

end of	2008	2007
<b>Loan portfolio by industry (CHF million)</b>		
Financial services	25,104	20,799
Real estate companies	23,177	23,079
Other services	19,449	26,678
Manufacturing	11,834	11,603
Wholesale and retail trade	7,193	7,973
Construction	2,709	1,793
Transportation	7,304	6,286
Health and social services	1,476	1,519
Hotels and restaurants	1,139	1,126
Agriculture and mining	12,417	13,950
Telecommunications	2,611	2,021
Non-profit and international organizations	341	370
<b>Commercial</b>	<b>114,754</b>	<b>117,197</b>
Car leasing	846	847
Real estate leasing	528	480
Leasing of capital goods	2,456	2,051
<b>Lease financings</b>	<b>3,830</b>	<b>3,378</b>
Banks	8,441	9,639
Consumers	107,027	107,728
Public authorities	3,411	3,846
<b>Total loans, gross</b>	<b>237,463</b>	<b>241,788</b>
Deferred expenses, net	(27)	(20)
Allowance for loan losses	(1,639)	(1,234)
<b>Total loans, net</b>	<b>235,797</b>	<b>240,534</b>

## Details of the loan portfolio by time remaining until contractual maturity by category

end of 2008	1 year or less	1 year to 5 years	After 5 years	Loans with no stated maturity <sup>1</sup>	Self- amortizing loans <sup>2</sup>	Total
<b>Loan portfolio (CHF million)</b>						
Banks	0	0	1	0	0	1
Commercial	20,182	11,397	4,195	7,582	2,457	45,813
Consumer	24,970	38,916	9,205	13,820	0	86,911
Public authorities	319	474	230	69	0	1,092
Lease financings	192	460	1	0	2,895	3,548
<b>Switzerland</b>	<b>45,663</b>	<b>51,247</b>	<b>13,632</b>	<b>21,471</b>	<b>5,352</b>	<b>137,365</b>
Banks	681	3,032	4,714	13	0	8,440
Commercial	43,922	11,592	5,921	2,957	4,549	68,941
Consumer	8,763	9,227	461	1,665	0	20,116
Public authorities	377	1,330	458	0	154	2,319
Lease financings	1	2	20	175	84	282
<b>Foreign</b>	<b>53,744</b>	<b>25,183</b>	<b>11,574</b>	<b>4,810</b>	<b>4,787</b>	<b>100,098</b>
<b>Total loans, gross</b>	<b>99,407</b>	<b>76,430</b>	<b>25,206</b>	<b>26,281</b>	<b>10,139</b>	<b>237,463</b>
of which fixed rate	58,611	57,172	20,096	0	5,952	141,831
of which variable rate	40,796	19,258	5,110	26,281	4,187	95,632
Deferred expenses, net						(27)
Allowance for loan losses						(1,639)
<b>Total loans, net</b>						<b>235,797</b>

<sup>1</sup> Loans with no stated maturity include primarily certain loan products within Switzerland without a stated maturity within the original loan agreement. <sup>2</sup> Self-amortizing loans includes loans with monthly interest and principal payments, primarily in lease financings.

## Non-performing loans

in / end of						Interest income which would have been recognized		Interest income which was recognized	
	2008	2007	2006	2005	2004	2008	2007	2008	2007
<b>Non-performing loans (CHF million)</b>									
Switzerland	630	681	814	1,031	1,423	30	35	5	24
Foreign	1,006	292	233	292	348	27	10	6	4
<b>Non-performing loans <sup>1</sup></b>	<b>1,636</b>	<b>973</b>	<b>1,047</b>	<b>1,323</b>	<b>1,771</b>	<b>57</b>	<b>45</b>	<b>11</b>	<b>28</b>
Switzerland	242	343	522	760	1,237	20	34	0	0
Foreign	34	34	23	85	44	7	3	0	0
<b>Non-interest-earning loans <sup>1</sup></b>	<b>276</b>	<b>377</b>	<b>545</b>	<b>845</b>	<b>1,281</b>	<b>27</b>	<b>37</b>	<b>0</b>	<b>0</b>
<b>Total non-performing and non-interest-earning loans</b>	<b>1,912</b>	<b>1,350</b>	<b>1,592</b>	<b>2,168</b>	<b>3,052</b>	<b>84</b>	<b>82</b>	<b>11</b>	<b>28</b>

<sup>1</sup> For a definition of these terms, refer to Note 1 – Summary of significant accounting policies in V – Consolidated financial statements – Credit Suisse Group.

end of	2008	2007	2006	2005	2004
<b>Potential problem loans (CHF million)</b>					
Switzerland	265	309	372	700	1,012
Foreign	538	238	145	374	491
<b>Total potential problem loans</b>	<b>803</b>	<b>547</b>	<b>517</b>	<b>1,074</b>	<b>1,503</b>

in / end of						Interest income which would have been recognized		Interest income which was recognized	
	2008	2007	2006	2005	2004	2008	2007	2008	2007
<b>Restructured loans (CHF million)</b>									
Switzerland	2	7	22	21	95	0	1	0	1
Foreign	8	42	0	56	22	0	0	1	0
<b>Total restructured loans</b>	<b>10</b>	<b>49</b>	<b>22</b>	<b>77</b>	<b>117</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>

## Cross-border outstandings

end of	Banks	Private	Public	Subtotal	Net local country assets over liabilities	Commit- ments	Total
<b>2008 (CHF million)</b>							
United States	12,072	85,488	6,614	104,174	27,846	62,859	194,879
Luxembourg	1,906	12,096	355	14,357	27,847	967	43,171
France	14,893	10,775	4,724	30,392	0	8,609	39,001
Germany	12,764	11,664	9,545	33,973	745	3,958	38,676
Cayman Islands	1,717	28,507	32	30,256	533	2,657	33,446
United Kingdom	7,411	4,729	88	12,228	0	18,868	31,096
The Netherlands	5,985	12,089	8,969	27,043	0	2,162	29,205
Japan	5,465	3,369	1,355	10,189	3,287	5,097	18,573
Spain	5,186	3,412	2,624	11,222	0	2,047	13,269
Ireland	3,686	8,466	48	12,200	0	231	12,431
Italy	2,037	2,717	6,679	11,433	486	427	12,346
South Korea	1,007	2,683	167	3,857	5,220	177	9,254
<b>2007 (CHF million)</b>							
United States	24,794	61,718	5,302	91,814	53,498	104,634	249,946
Germany	26,995	17,108	12,372	56,475	555	5,288	62,318
France	21,816	14,241	10,668	46,725	0	13,449	60,174
Cayman Islands	1,225	38,335	0	39,560	0	1,639	41,199
United Kingdom	11,695	8,297	10	20,002	0	19,924	39,926
The Netherlands	9,778	14,634	4,303	28,715	85	1,181	29,981
Japan	4,570	6,757	4,106	15,433	0	9,346	24,779
Italy	5,520	7,543	9,115	22,178	0	807	22,985
Luxembourg	4,269	10,494	468	15,231	0	4,012	19,243
Ireland	3,515	13,258	157	16,930	0	822	17,752
Russia	2,860	12,729	96	15,685	24	307	16,016
Spain	3,918	6,979	3,869	14,766	202	962	15,930
Belgium	8,910	1,328	3,123	13,361	0	473	13,834
South Korea	2,473	4,540	37	7,050	4,502	188	11,740
<b>2006 (CHF million)</b>							
United States	19,385	43,679	7,673	70,737	96,922	88,524	256,183
France	17,805	12,740	11,560	42,105	0	7,604	49,709
Germany	14,263	16,292	12,016	42,571	495	5,801	48,867
United Kingdom	6,439	6,628	19	13,086	0	21,414	34,500
Cayman Islands	561	26,568	32	27,161	0	3,658	30,819
The Netherlands	6,946	9,538	3,880	20,364	6	1,032	21,402
Japan	3,843	9,325	1,596	14,764	2,923	1,051	18,738
Italy	3,007	3,647	9,448	16,102	0	782	16,884
Luxembourg	3,160	6,495	426	10,081	1,288	1,042	12,411
Ireland	2,377	9,068	28	11,473	0	562	12,035
Russia	2,833	6,356	1,212	10,401	0	1,254	11,655
South Korea	906	3,885	28	4,819	5,419	714	10,952
Spain	1,430	4,015	4,067	9,512	182	670	10,364

Cross-border outstandings represent net claims against non-local country counterparties for countries where the aggregate amount outstanding to borrowers exceeds 0.75% of total assets. Monetary assets are loans (including accrued interest), acceptances, interest-bearing deposits with other banks, other interest-bearing investments and any other monetary asset with a fixed exchange value for cash. To the extent local currency outstandings are hedged or funded by local currency borrowings, such amounts are excluded from cross-border outstandings.

## Movements in the allowance for loan losses

	2008	2007	2006	2005	2004
<b>Allowance for loan losses (CHF million, except where indicated)</b>					
<b>Balance at beginning of period</b>	<b>1,234</b>	<b>1,484</b>	<b>2,241</b>	<b>3,038</b>	<b>4,646</b>
Change in accounting	0	(61)	0	0	0
Discontinued operations	0	0	(51)	0	0
Allowances acquired/(deconsolidated)	0	0	0	0	(24)
<b>Discontinued operations/change in scope of consolidation</b>	<b>0</b>	<b>(61)</b>	<b>(51)</b>	<b>0</b>	<b>(24)</b>
Switzerland	23	(35)	(46)	(104)	65
Foreign	562	75	(82)	(30)	14
<b>Net movements recognized in the consolidated statements of operations</b>	<b>585</b>	<b>40</b>	<b>(128)</b>	<b>(134)</b>	<b>79</b>
Commercial	(108)	(155)	(256)	(515)	(663)
Consumer	(64)	(87)	(140)	(140)	(197)
Public authorities	0	0	(1)	(3)	(88)
Lease financings	(6)	(7)	(9)	(10)	6
Switzerland	(178)	(249)	(406)	(668)	(942)
Banks	0	0	0	0	(1)
Commercial	(48)	(42)	(318)	(269)	(811)
Consumer	(4)	(4)	(7)	(8)	(13)
Public authorities	0	0	0	0	(5)
Lease financings	0	0	0	(22)	(9)
Foreign	(52)	(46)	(325)	(299)	(839)
<b>Gross write-offs</b>	<b>(230)</b>	<b>(295)</b>	<b>(731)</b>	<b>(967)</b>	<b>(1,781)</b>
Commercial	31	18	24	27	22
Consumer	20	20	7	2	2
Lease financings	1	1	0	0	0
Switzerland	52	39	31	29	24
Banks	0	0	0	2	2
Commercial	33	36	110	102	32
Consumer	4	15	0	3	0
Lease financings	0	3	0	0	0
Foreign	37	54	110	107	34
<b>Recoveries</b>	<b>89</b>	<b>93</b>	<b>141</b>	<b>136</b>	<b>58</b>
<b>Net write-offs</b>	<b>(141)</b>	<b>(202)</b>	<b>(590)</b>	<b>(831)</b>	<b>(1,723)</b>
Provisions for interest	19	1	48	67	92
Foreign currency translation impact and other adjustments, net	(58)	(28)	(36)	101	(32)
<b>Balance at end of period</b>	<b>1,639</b>	<b>1,234</b>	<b>1,484</b>	<b>2,241</b>	<b>3,038</b>
Average loan balance	239,803	223,542	199,870	196,593	184,787
Ratio of net write-offs to average loans	0.06%	0.09%	0.30%	0.42%	0.93%

Prior years not adjusted for discontinued operations.

### Analysis of the allowance for loan losses by Switzerland, foreign and category

	2008		2007		2006		2005		2004	
	in CHF m	% of allowance in each category to total loans	in CHF m	% of allowance in each category to total loans	in CHF m	% of allowance in each category to total loans	in CHF m	% of allowance in each category to total loans	in CHF m	% of allowance in each category to total loans
<b>Analysis of the allowance for loan losses</b>										
Banks	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Commercial	489	0.2%	597	0.2%	806	0.4%	1,091	0.5%	1,704	0.9%
Consumer	219	0.1%	235	0.1%	287	0.1%	418	0.2%	537	0.3%
Public authorities	0	0.0%	0	0.0%	1	0.0%	4	0.0%	11	0.0%
Lease financings	38	0.0%	30	0.0%	34	0.0%	45	0.0%	60	0.0%
<b>Switzerland</b>	<b>746</b>	<b>0.3%</b>	<b>862</b>	<b>0.4%</b>	<b>1,128</b>	<b>0.5%</b>	<b>1,558</b>	<b>0.8%</b>	<b>2,312</b>	<b>1.2%</b>
Banks	7	0.0%	7	0.0%	7	0.0%	10	0.0%	8	0.0%
Commercial	814	0.3%	347	0.1%	329	0.2%	628	0.3%	655	0.4%
Consumer	69	0.0%	12	0.0%	13	0.0%	39	0.0%	49	0.0%
Public authorities	3	0.0%	6	0.0%	7	0.0%	6	0.0%	5	0.0%
Lease financings	0	0.0%	0	0.0%	0	0.0%	0	0.0%	9	0.0%
<b>Foreign</b>	<b>893</b>	<b>0.4%</b>	<b>372</b>	<b>0.2%</b>	<b>356</b>	<b>0.2%</b>	<b>683</b>	<b>0.3%</b>	<b>726</b>	<b>0.4%</b>
<b>Total allowance for loan losses</b>	<b>1,639</b>	<b>0.7%</b>	<b>1,234</b>	<b>0.5%</b>	<b>1,484</b>	<b>0.7%</b>	<b>2,241</b>	<b>1.1%</b>	<b>3,038</b>	<b>1.6%</b>
of which on principal	1,483	0.6%	1,082	0.4%	1,272	0.6%	1,917	0.9%	2,526	1.4%
of which on interest	156	0.1%	152	0.1%	212	0.1%	324	0.2%	512	0.3%

### Gross write-offs of loans by industry

in	2008	2007	2006	2005	2004
<b>Allowance for loan losses (CHF million, except where indicated)</b>					
Financial services	30	15	2	80	34
Real estate companies	9	32	34	91	144
Other services	16	29	145	82	131
Manufacturing	33	61	137	150	298
Wholesale and retail trade	39	18	41	208	492
Construction	9	7	31	21	58
Transportation	3	5	113	42	89
Health and social services	7	12	3	9	3
Hotels and restaurants	5	7	13	39	41
Agriculture and mining	0	3	49	7	13
Telecommunications	5	6	2	55	169
Non-profit and international organizations	0	2	4	0	2
<b>Commercial</b>	<b>156</b>	<b>197</b>	<b>574</b>	<b>784</b>	<b>1,474</b>
Banks	0	0	0	0	1
Consumer	68	91	147	148	210
Public authorities	0	0	1	3	93
Lease financings	6	7	9	32	3
<b>Total gross write-offs</b>	<b>230</b>	<b>295</b>	<b>731</b>	<b>967</b>	<b>1,781</b>

## Deposits in Switzerland and foreign offices

in	2008			2007			2006		
	Average balance	Interest expense	Average rate	Average balance	Interest expense	Average rate	Average balance	Interest expense	Average rate
<b>Deposits (CHF million, except where indicated)</b>									
Non-interest-bearing demand	9,881	–	–	10,985	–	–	13,650	–	–
Interest-bearing demand	48,861	499	1.0%	47,820	516	1.1%	48,099	321	0.7%
Savings deposits	38,814	381	1.0%	40,073	289	0.7%	43,489	254	0.6%
Time deposits	65,693	1,849	2.8%	65,555	2,224	3.4%	50,275	1,343	2.7%
<b>Switzerland</b>	<b>163,249</b>	<b>2,729</b>	<b>1.7%</b>	<b>164,433</b>	<b>3,029</b>	<b>1.8%</b>	<b>155,513</b>	<b>1,918</b>	<b>1.2%</b>
Non-interest-bearing demand	2,541	–	–	2,051	–	–	1,484	–	–
Interest-bearing demand	24,685	522	2.1%	25,935	784	3.0%	16,001	480	3.0%
Savings deposits	39	0	–	38	0	–	29	0	–
Time deposits	201,356	7,114	3.5%	249,401	12,118	4.9%	221,573	9,998	4.5%
<b>Foreign</b>	<b>228,621</b>	<b>7,636</b>	<b>3.3%</b>	<b>277,425</b>	<b>12,902</b>	<b>4.7%</b>	<b>239,087</b>	<b>10,478</b>	<b>4.4%</b>
<b>Total deposits</b>	<b>391,870</b>	<b>10,365</b>	<b>2.6%</b>	<b>441,858</b>	<b>15,931</b>	<b>3.6%</b>	<b>394,600</b>	<b>12,396</b>	<b>3.1%</b>

Deposits by foreign depositors in Swiss offices amounted to CHF 39.3 billion, CHF 47.8 billion and CHF 44.6 billion as of December 31, 2008, 2007 and 2006, respectively.

## Aggregate of individual time deposits in Switzerland and foreign offices

in 2008	Switzerland	Foreign	Total
<b>Time deposits (CHF million)</b>			
3 months or less	–	24,106	24,106
Over 3 through 6 months	–	4,193	4,193
Over 6 through 12 months	–	2,448	2,448
Over 12 months	–	1,054	1,054
<b>Certificates of deposit</b>	<b>–</b>	<b>31,801</b>	<b>31,801</b>
3 months or less	39,013	124,351	163,364
Over 3 through 6 months	3,463	11,625	15,088
Over 6 through 12 months	2,276	3,985	6,261
Over 12 months	387	7,275	7,662
<b>Other time deposits</b>	<b>45,139</b>	<b>147,236</b>	<b>192,375</b>
<b>Total time deposits</b>	<b>45,139</b>	<b>179,037</b>	<b>224,176</b>

Balances shown are the CHF equivalent of amounts greater than USD 100,000 together with their remaining maturities.

## Selected information on short-term borrowings

in	2008	2007	2006
<b>Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions (CHF million)</b>			
Outstanding as of December 31	243,370	300,381	288,444
Maximum amount outstanding at any month-end during the year	458,360	432,877	390,626
Approximate average amount outstanding during the year	353,731	364,557	345,231
Interest expense for the year ended December 31	12,521	21,132	17,878
Approximate weighted-average interest rate during the year	3.5%	5.8%	5.2%
Approximate weighted-average interest rate at year-end	2.5%	4.9%	4.6%
<b>Commercial paper (CHF million)</b>			
Outstanding as of December 31	4,805	14,788	15,019
Maximum amount outstanding at any month-end during the year	10,534	21,334	17,429
Approximate average amount outstanding during the year	9,743	19,172	14,591
Interest expense for the year ended December 31	286	550	406
Approximate weighted-average interest rate during the year	2.9%	2.9%	2.8%
Approximate weighted-average interest rate at year-end	3.6%	3.7%	2.9%
<b>Other short-term borrowings (CHF million)</b>			
Outstanding as of December 31	6,159	4,602	6,537
Maximum amount outstanding at any month-end during the year	6,160	14,065	9,846
Approximate average amount outstanding during the year	4,182	8,393	7,077
Interest expense for the year ended December 31	212	421	224
Approximate weighted-average interest rate during the year	5.1%	5.0%	3.2%
Approximate weighted-average interest rate at year-end	0.7%	3.6%	4.4%

The short-term borrowings of the Group's operations consist of central bank funds purchased, securities sold under repurchase agreements, commercial paper and other short-term borrowings. Generally, original maturities of securities sold under repurchase agreements are less than six months, commercial paper are less than nine months and other short-term borrowings are one year or less.

## Statistical information – Bank

Statistical information for the Group is required under the SEC's specialized industry guide for bank holding companies – Industry Guide 3. Certain statistical information is also included in VII – Consolidated financial statements – Credit Suisse (Bank), including Notes 6 – Net interest income, 14 – Investment securities, 16 – Loans, 22 – Deposits, 23 – Long-term debt, 29 – Derivatives and hedging activities, 30 – Guarantees and commitments and 32 – Financial instruments. Except to the extent described below, such statistical information for the Bank is not materially different, either in absolute amount or in terms of trends, from such statistical information for the Group. The principal differences described below relate to the banking businesses of the Group that are not included in the Bank's consolidated financial statements and intercompany eliminations.

The short-term borrowings of the Bank and the Group may differ from period to period. As of December 31, 2008, 2007 and 2006, the Bank had short-term borrowings of CHF 10.2 billion, CHF 14.4 billion and CHF 16.3 billion compared to short-term borrowings of CHF 11.0 billion, CHF 19.4 billion and CHF 21.6 billion at the Group. The lower level of short-term borrowings at the Bank compared to the Group at year-end 2008, 2007 and 2006 primarily related to CP issued by Clariden Leu in Switzerland.

In addition, certain elements of the Group's and the Bank's investment portfolio may differ from period to period. As of December 31, 2008, the carrying value of the Group's debt securities was CHF 13.7 billion compared to CHF 11.6 billion for the Bank. The higher value of debt securities at the Group compared to the Bank primarily related to debt securities issued by Swiss federal, cantonal or local government entities as well as by corporates held by Neue Aargauer Bank, principally for liquidity management purposes.

The Bank's loan portfolio constitutes substantially all of the Group's consolidated loan portfolio. As of December 31, 2008, 2007 and 2006, the Bank's total loans were CHF 220.4 billion, CHF 221.6 billion and CHF 190.9 billion or 93.5%, 92.1% and 91.7% of the Group's total loans of CHF 235.8 billion, CHF 240.5 billion and CHF 208.1 billion, respectively. Differences between the Bank and the Group in the composition and maturity profile of the loan portfolio, allowance for loan losses, write-offs and impaired loans as of year-end 2008 primarily related to Neue Aargauer Bank and Clariden Leu, primarily in the Swiss commercial and consumer segments, and as of year-end 2007 and year-end 2006 primarily related to loans of Neue Aargauer Bank and BANKnow. For additional information on the Bank's loan portfolio and related allowances, refer to Note 16 – Loans in VII – Consolidated financial statements – Credit Suisse (Bank).

## Ratio of earnings to fixed charges – Group

in	2008	2007	2006	2005	2004
<b>Ratio of earnings to fixed charges (CHF million)</b>					
Income/(loss) from continuing operations before taxes, minority interests, extraordinary items and cumulative effect of accounting changes	(14,902)	13,740	14,319	7,342	7,331
Income from equity method investments	82	(196)	(124)	(286)	(169)
<b>Pre-tax earnings/(loss) from continuing operations</b>	<b>(14,820)</b>	<b>13,544</b>	<b>14,195</b>	<b>7,056</b>	<b>7,162</b>
Fixed charges:					
Interest expense	39,403	54,108	43,699	29,195	18,791
Interest portion of rentals <sup>1</sup>	574	584	569	535	535
Preferred dividend requirements	60	0	0	0	0
<b>Total fixed charges</b>	<b>40,037</b>	<b>54,692</b>	<b>44,268</b>	<b>29,730</b>	<b>19,326</b>
<b>Pre-tax earnings before fixed charges</b>	<b>25,217</b>	<b>68,236</b>	<b>58,463</b>	<b>36,786</b>	<b>26,488</b>
Minority interests	(2,619)	4,738	3,630	1,948	1,080
<b>Earnings before fixed charges and provision for income taxes</b>	<b>27,836</b>	<b>63,498</b>	<b>54,833</b>	<b>34,838</b>	<b>25,408</b>
<b>Ratio of earnings to fixed charges</b>	<b>0.70 <sup>2</sup></b>	<b>1.16</b>	<b>1.24</b>	<b>1.17</b>	<b>1.31</b>

<sup>1</sup> Amounts reflect a portion of premises and real estate expenses deemed representative of the interest factor. <sup>2</sup> The deficiency in the coverage of fixed charges by earnings before fixed charges was CHF 12,201 million for the year ended December 31, 2008.

## Ratio of earnings to fixed charges – Bank

in	2008	2007	2006	2005	2004 <sup>1</sup>
<b>Ratio of earnings to fixed charges (CHF million)</b>					
Income/(loss) from continuing operations before taxes, minority interests, extraordinary items and cumulative effect of accounting changes	(15,839)	12,165	12,820	6,227	6,335
Income from equity method investments	98	(200)	(114)	(271)	(130)
<b>Pre-tax earnings/(loss) from continuing operations</b>	<b>(15,741)</b>	<b>11,965</b>	<b>12,706</b>	<b>5,956</b>	<b>6,205</b>
Fixed charges:					
Interest expense	39,189	53,994	43,421	28,818	18,358
Interest portion of rentals <sup>2</sup>	543	551	551	520	519
Preferred dividend requirements	60	0	0	0	0
<b>Total fixed charges</b>	<b>39,792</b>	<b>54,545</b>	<b>43,972</b>	<b>29,338</b>	<b>18,877</b>
<b>Pre-tax earnings before fixed charges</b>	<b>24,051</b>	<b>66,510</b>	<b>56,678</b>	<b>35,294</b>	<b>25,082</b>
Minority interests	(3,379)	5,013	3,620	2,064	1,113
<b>Earnings before fixed charges and provision for income taxes</b>	<b>27,430</b>	<b>61,497</b>	<b>53,058</b>	<b>33,230</b>	<b>23,969</b>
<b>Ratio of earnings to fixed charges</b>	<b>0.69 <sup>3</sup></b>	<b>1.13</b>	<b>1.21</b>	<b>1.13</b>	<b>1.27</b>

<sup>1</sup> Based on the combined statements of operations of Credit Suisse, which represent the combined statements of operations of the former Credit Suisse First Boston and Credit Suisse, which were merged in May 2005, with Credit Suisse First Boston as the surviving entity (the name of which was changed to Credit Suisse). <sup>2</sup> Amounts reflect a portion of premises and real estate expenses deemed representative of the interest factor. <sup>3</sup> The deficiency in the coverage of fixed charges by earnings before fixed charges was CHF 12,362 million for the year ended December 31, 2008.

# Legal proceedings

The Group is involved in a number of judicial, regulatory and arbitration proceedings concerning matters arising in connection with the conduct of its businesses. Some of these actions have been brought on behalf of various classes of claimants and seek damages of material and/or indeterminate amounts. The Group believes, based on currently available information and advice of counsel, that the results of such proceedings, in the aggregate, will not have a material adverse effect on its financial condition but might be material to operating results for any particular period, depending, in part, upon the operating results for such period. In respect of each of the matters described below, each of which consists of a number of claims, it is the Group's belief that the reasonably possible losses relating to such claims in excess of its provisions are either not material or not estimable.

It is inherently difficult to predict the outcome of many of these matters. In presenting the consolidated financial statements, management makes estimates regarding the outcome of these matters, records a reserve and takes a charge to income when losses with respect to such matters are probable and can be reasonably estimated. Estimates, by their nature, are based on judgment and currently available information and involve a variety of factors, including, but not limited to, the type and nature of the litigation, claim or proceeding, the progress of the matter, the advice of legal counsel, the Group's defenses and its experience in similar cases or proceedings, as well as its assessment of matters, including settlements, involving other defendants in similar or related cases or proceedings.

## South Africa litigation

The lawsuits filed in the US in 2002 alleging that the Group (and, in some cases, other Group entities) and numerous other defendants are liable under international and US law by virtue of having conducted business in South Africa during the apartheid era prior to 1995 appear to have been terminated insofar as the Group (and Group entities) are concerned. After the US Court of Appeals for the Second Circuit (Second Circuit) remanded the cases back to the US District Court for the Southern District of New York (SDNY), the plaintiffs in all of the active cases amended their complaints and in doing so did not name the Group (or Group entities) as a defendant. In one inactive case, the plaintiffs have not reappeared in court and

the case appears to have been terminated, although no formal order to that effect has been entered.

## Litigation relating to IPO allocation

Since January 2001, Credit Suisse Securities (USA) LLC (CSS LLC), one of its affiliates and several other investment banks have been named as defendants in a large number of putative class action complaints filed in the SDNY concerning IPO allocation practices. In April 2002, the plaintiffs filed consolidated amended complaints alleging various violations of the federal securities laws resulting from alleged material omissions and misstatements in registration statements and prospectuses for the IPOs and, in some cases, follow-on offerings, and with respect to transactions in the aftermarket for those offerings. The complaints contain allegations that the registration statements and prospectuses either omitted or misrepresented material information about commissions paid to investment banks and aftermarket transactions by certain customers that received allocations of shares in the IPOs. The complaints also allege that misleading analyst reports were issued to support the issuers' allegedly manipulated stock price and that such reports failed to disclose the alleged allocation practices or that analysts were allegedly subject to conflicts of interest. In October 2004, the SDNY granted in substantial part plaintiffs' motion for class certification in each of six "focus" cases. The SDNY stated that the order "is intended to provide strong guidance, if not dispositive effect, to all parties when considering class certification in the remaining actions." In June 2005, the Second Circuit granted the underwriter defendants permission to appeal the class certification order. In June 2006, the Second Circuit heard oral argument on the underwriter defendants' appeal. In December 2006, the Second Circuit vacated the SDNY's decision and ruled that the cases pending on appeal "may not be certified as class actions." In January 2007, the plaintiffs in the six focus cases filed a petition for rehearing with the Second Circuit. On April 6, 2007, the Second Circuit denied the petition for rehearing and, on May 30, 2007, issued the mandate remanding the case to the SDNY for further proceedings. On August 14, 2007, the plaintiffs filed amended complaints in this matter, and, on September 27, 2007, filed new motions for class certification in the six focus cases. On November 14, 2007, the underwriter defendants filed a motion to dismiss the amended

complaints, and, on December 21, 2007, filed their opposition to plaintiffs' new motions for class certification.

Separately, in February 2005, the SDNY preliminarily approved a settlement between plaintiffs and the issuer defendants and the issuers' officers and directors. On June 28, 2007, in light of the Second Circuit's decision vacating class certification, the SDNY so ordered and approved a stipulation between plaintiffs and the issuer defendants terminating that settlement agreement. Following a mediation in 2008, a settlement in principle was reached between the plaintiffs and the underwriter and issuer defendants. The settlement in principle is subject to the negotiation of final documentation and court approval.

### Research-related litigation

Putative class action lawsuits were filed against CSS LLC in the wake of publicity surrounding the 2002 industry-wide governmental and regulatory investigations into research analyst practices. Currently, one federal class action is pending. That case, pending in the US District Court for the District of Massachusetts, is brought on behalf of purchasers of shares of AOL Time Warner Inc. A motion for class certification was filed in this action in March 2007. In September 2008, the district court granted class certification; the US Court of Appeals for the First Circuit has declined to hear CSS LLC's appeal of that decision. CSS LLC filed a motion for summary judgment in November 2008.

### Enron-related litigation and inquiries

Numerous actions have been filed against CSS LLC and certain affiliates relating to Enron Corp. or its affiliates (Enron). In April 2002, CSS LLC and certain of its affiliates and certain other investment banks were named as defendants along with, among others, Enron, Enron executives and directors and external law and accounting firms in a putative class action complaint filed in the US District Court for the Southern District of Texas (Newby, et al. v. Enron, et al.)(Newby). The Newby action was filed by purchasers of Enron securities and alleges violations of the federal securities laws. In May 2003, the lead plaintiff in Newby filed an amended complaint that, among other things, named as defendants additional Credit Suisse entities, expanded the putative class to include purchasers of certain Enron-related securities and alleged additional violations of the federal securities laws. In June 2006, the Credit Suisse entities filed a motion for summary judgment to dismiss the action. In July 2006, the court certified a class

in the action. The Credit Suisse entities and other defendants appealed this class certification decision to the US Court of Appeals for the Fifth Circuit (Fifth Circuit), and oral argument was held in February 2007. In a decision on March 19, 2007, the Fifth Circuit reversed the class certification decision, rejected plaintiffs' scheme liability theory and remanded the matter back to the district court "for further proceedings as appropriate." In light of this decision, the district court stayed all proceedings in this matter while the plaintiffs pursued a petition for writ of certiorari in the US Supreme Court.

In January 2008, the US Supreme Court denied plaintiffs' certiorari petition, and thus left standing the Fifth Circuit's ruling and remanded the case to the district court. In February 2008, the district court ordered the parties to file supplemental briefs on the pending summary judgment motions, addressing the impact of the Fifth Circuit's ruling and of a recent decision by the US Supreme Court in a similar but unrelated case in which the US Supreme Court also rejected plaintiffs' scheme liability theory. The last of these supplemental briefs was submitted on June 24, 2008. On March 5, 2009, the district court granted summary judgment in favor of all Credit Suisse entities, dismissing all pending claims and denying plaintiffs' motion to amend the putative class action complaint. On January 23, 2009, two plaintiffs in the Newby action moved for leave to amend the Newby complaint to add Texas state law claims on behalf of only those two plaintiffs against affiliates of CSS LLC and other defendants. All defendants have opposed that motion.

In April 2005, the bank defendants in the Newby action, including CSS LLC and its affiliates, filed a cross-claim against Arthur Andersen LLP and cross-claims or third-party claims against certain former Enron executives for contribution in the event that the bank defendants are found liable on any of the plaintiffs' claims.

Three actions filed against CSS LLC and/or certain of its affiliates and other parties that were consolidated or coordinated with the Newby action remain pending; all other coordinated and consolidated cases in which CSS LLC and/or certain of its affiliates were named as defendants have been dismissed and/or settled. The proceedings in all three of these pending cases have been stayed by the district court pending resolution of the summary judgment motions in the Newby action. In two of these remaining cases, CSS LLC and its affiliates have moved to dismiss the complaints. Those motions are fully briefed and await decision. In the third remaining case, an amended complaint was filed in September 2006, but no motion to dismiss has yet been filed due to the stay.

CSS LLC and certain of its affiliates have received periodic requests for information and/or subpoenas from certain governmental and regulatory agencies, including the Enron Task

Force (a joint task force of the US Department of Justice and the SEC), regarding Enron and its affiliates. CSS LLC and its affiliates have cooperated with such inquiries and requests.

### **NCFE-related litigation**

Since February 2003, lawsuits have been filed against CSS LLC with respect to services that it provided to National Century Financial Enterprises, Inc. and its affiliates (NCFE). From January 1996 to May 2002, CSS LLC acted as a placement agent for bonds issued by NCFE that were to be collateralized by health-care receivables and, in July 2002, as a placement agent for a sale of NCFE preferred stock. NCFE filed for bankruptcy protection in November 2002. In these lawsuits, which have since been consolidated in the US District Court for the Southern District of Ohio and are known as the MDL cases, investors in NCFE's bonds and preferred stock have sued numerous defendants, including the founders and directors of NCFE, the trustees for the bond issuances, NCFE's auditors and law firm, the rating agencies that rated NCFE's bonds and NCFE's placement agents, including CSS LLC. The allegations include claims for breach of contract, negligence, fraud and violation of federal and state securities laws. CSS LLC filed motions to dismiss these cases. On December 19, 2007, the district court denied, in large part, CSS LLC's motions to dismiss, allowing most of the investor claims to proceed. On February 20, 2009, CSS LLC filed motions for summary judgment seeking to dismiss the bond investors' remaining claims.

In addition, in November 2004, the trust created through NCFE's confirmed bankruptcy plan commenced two actions against CSS LLC and certain affiliates. The trust filed an action in the US District Court for the Southern District of Ohio asserting common law claims similar to those asserted in the MDL cases against several of the same defendants and it also alleged statutory claims under the Ohio Corrupt Practices Act, claims for professional negligence and claims under the US Bankruptcy Code. CSS LLC and its affiliates have filed a motion to dismiss that action. The trust also filed an action in the US Bankruptcy Court for the Southern District of Ohio objecting to the proofs of claim filed by CSS LLC and its affiliates in NCFE's bankruptcy and seeking disgorgement of amounts previously distributed to CSS LLC and its affiliates under the bankruptcy plan. CSS LLC and its affiliates have answered that complaint.

### **Refco-related litigation**

In October 2005, CSS LLC was named, along with other financial services firms, accountants, officers, directors and controlling persons, as a defendant in several federal class action lawsuits filed in the SDNY relating to Refco Inc. The actions allege violations of the disclosure requirements of the federal securities laws in connection with a Refco notes offering in August 2004 and Refco's IPO in August 2005. The actions have been consolidated into the matter *In re Refco, Inc. Securities Litigation*. In July 2006, CSS LLC and certain other defendants filed a motion to dismiss plaintiffs' claims related to the Refco notes offering in 2004. The SDNY subsequently granted that motion and dismissed the case. In December 2007, the plaintiffs filed an amended complaint in which they named additional defendants and again alleged, against CSS LLC and others, violations of the disclosure requirements of the federal securities laws in connection with the August 2004 debt offering and the August 2005 IPO. On February 1, 2008, CSS LLC and certain other defendants moved to dismiss portions of the amended complaint. On August 14, 2008, the SDNY granted that motion to dismiss. On September 26, 2008, CSS LLC and certain other defendants filed an answer to the remaining claims in the amended complaint.

In August 2007, CSS LLC was named, along with other financial services firms, accountants, officers, directors and controlling persons, as a defendant in a lawsuit filed in Illinois state court on behalf of the estate of Refco Inc. and certain of its affiliates. The lawsuit asserts claims against CSS LLC for aiding and abetting breaches of fiduciary duty by Refco insiders in connection with Refco's August 2004 notes offering and August 2005 IPO. The lawsuit also asserts claims against CSS LLC for professional malpractice and negligent misrepresentation in connection with CSS LLC's role as a financial advisor to Refco. CSS LLC and certain other defendants removed this action to Illinois federal district court and the case has now been transferred (by the Judicial Panel on Multi-District Litigation) to the SDNY. In May 2008, CSS LLC and certain other defendants filed a motion to dismiss plaintiffs' claims.

On March 5, 2008, CSS LLC was named, along with other financial services firms, accountants, officers, directors and controlling persons, as a defendant in an action filed in New York state court by the Joint Official Liquidators of various Sphinx Funds and the trustee of the Sphinx Trust. The lawsuit asserts claims against CS LLC for aiding and abetting breaches of fiduciary duty by Refco insiders in connection with Refco's August 2004 notes offering and Refco's August 2005 IPO, aiding and abetting fraud, and interference with con-

tract/prospective contract. CS LLC and certain other defendants have removed the action to the SDNY. In November 2008, CSS LLC and certain other defendants filed a motion to dismiss plaintiffs' claims.

CSS LLC and certain of its affiliates have received subpoenas and requests for information from certain regulators, including the SEC, regarding Refco. CSS LLC and its affiliates have cooperated with such inquiries and requests.

### **Parmalat-related legal proceedings**

Credit Suisse International is the subject of legal proceedings commenced in August 2004 before the Court of Parma in Italy by Dr. Enrico Bondi, as extraordinary administrator, on behalf of Parmalat SpA (in extraordinary administration), relating to an agreement entered into between Credit Suisse International and Parmalat SpA in December 2001. The extraordinary administrator sought to have the agreement set aside and demanded repayment by Credit Suisse International of approximately EUR 248 million. The extraordinary administrator also commenced two further actions before the Court of Parma against: (i) Credit Suisse International and Credit Suisse Securities (Europe) Limited (CSSEL), seeking damages on the basis of allegations that, by the December 2001 transaction, Credit Suisse International delayed the insolvency of Parmalat Participações of Brazil and consequently of Parmalat SpA, with the result that Parmalat's overall loss increased by approximately EUR 7.1 billion between January 2002 and the declaration of its insolvency in December 2003; and (ii) Credit Suisse International and certain other banks, seeking damages on the basis of allegations that, by various derivatives transactions in 2003, Credit Suisse International and those other banks delayed the insolvency of Parmalat SpA with the result that its overall loss increased by approximately EUR 2 billion between July and December 2003. In June 2008, Credit Suisse agreed to a full and final settlement of all of the claims involving Credit Suisse and its affiliates and the Parmalat Group without admission of liability. Under the agreement, Credit Suisse agreed to pay EUR 173 million. In addition, claims for unquantified damages have been filed in Italy against Credit Suisse entities on behalf of a number of individuals claiming to have suffered losses as a result of the actions of a Credit Suisse employee.

Credit Suisse International has made a claim in the reorganization proceedings of Parmalat Participações of Brazil in respect of EUR 500 million of bonds issued by that entity and held by Credit Suisse International. This claim has so far been rejected by the trustee. Parmalat Participações has made a claim in response alleging that the debt represented by the

bonds has already been paid and asserting that it is therefore entitled under Brazilian law to twice the amount of the debt claimed by Credit Suisse International.

Proceedings have been filed in the SDNY against Credit Suisse by Farmland Dairies and Parmalat-USA Corporation, US subsidiaries of Parmalat. The allegations against Credit Suisse make reference to the December 2001 transaction. In August 2006, the SDNY dismissed the complaint in the Farmland Dairies action, with leave to re-plead. In September 2006, both Farmland Dairies and Parmalat-USA Corporation filed amended complaints asserting claims against Credit Suisse, Credit Suisse International and CSSEL. The Credit Suisse entities filed motions to dismiss in both actions. On August 8, 2007, the SDNY dismissed both actions. Plaintiffs in both actions appealed to the Second Circuit. On February 17, 2009, the Second Circuit affirmed the SDNY's dismissal of these actions.

### **Mortgage-related matters**

CSS LLC and certain of its affiliates have received subpoenas and/or requests for information from certain regulators regarding the origination, purchase, securitization and servicing of subprime and non-subprime residential mortgages and related issues. CSS LLC and its affiliates are cooperating with such inquiries and requests. CSS LLC and certain of its affiliates have also been named as defendants in various civil litigation matters related to the residential mortgage business.

### **Huntsman Litigation**

Huntsman Corporation has sued CSS LLC, along with another lender, in Texas state court alleging tortious interference in connection with the merger agreement between Hexion Specialty Chemicals and Huntsman and a prior merger agreement between Huntsman and Basell that was terminated in favor of the Hexion deal. Huntsman has also asserted causes of action for fraud, negligent misrepresentation and civil conspiracy. The jury trial is scheduled to begin in June 2009.

### **Auction Rate Securities**

CSS LLC is responding to a number of customer demands and participating in FINRA arbitrations relating to the sale of certain ARS in connection with its Private Banking business.

In February 2008, ST Microelectronics (ST) brought a FINRA arbitration against CSS LLC concerning the purchase

and sale of USD 415 million notional amount of ARS. The brokers of record for ST, who are no longer employed by CSS LLC, have since been criminally indicted and will be tried in April 2009. In February 2009, the arbitration panel awarded ST USD 406 million in damages in exchange for CSS LLC taking possession of the ARS. ST subsequently filed an action in the SDNY to confirm this award and on March 16, 2009, CSS LLC moved to vacate that award. Separately, in 2008, ST filed an action in the US District Court for the Eastern District of New York against CSS LLC and the Group alleging violations of the federal securities laws and various common law causes of action relating to this portfolio. The Credit Suisse entities have moved to dismiss that action.

In September of 2008, CSS LLC, along with many other Wall Street firms, agreed to a settlement in principle with the New York Attorney General and the North American Securities Administrators Association Task Force whereby Credit Suisse agreed to repurchase up to USD 550 million par value of ARS from individual customers.

### **ADR litigation**

A putative class action was filed on April 21, 2008 in the SDNY against the Group and certain executives by certain purchasers of American Depositary Receipts and shares alleging violations of Sections 10 and 20 of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. Plaintiffs in this action allege that Credit Suisse's stock price was artificially inflated as a result of allegedly misleading disclosures relating to the company's business and financial results. A second putative class action complaint making similar allegations was filed on May 30, 2008. These actions were consolidated in an amended complaint, dated October 20, 2008. On

December 19, 2008, the Group filed a motion to dismiss the amended complaint.

### **Other regulatory matters**

US laws and regulations require compliance with US economic sanctions, administered by the Office of Foreign Assets Control, with respect to designated foreign countries, nationals and others. The New York County District Attorney's Office, the US Department of Justice and other governmental authorities are reported to be conducting a broader review of how certain financial institutions have processed US dollar payments involving US sanctioned countries, persons and entities. Credit Suisse is conducting an internal review of certain US dollar payments involving countries, persons or entities that may be subject to these sanctions and is cooperating with the inquiries by such authorities. It is currently not possible to predict the ultimate resolution or timing of this matter.

In connection with our identification of mismarks and pricing errors by a small number of traders in our CDO trading business in Investment Banking, and the related internal review, we promptly initiated contact with our regulators. We have provided information to our regulators and governmental authorities, and we have been cooperating with them. On August 13, 2008, the FSA issued a Final Notice concluding that our subsidiaries, Credit Suisse International and CSSEL breached their Principles for Business as a result of the mismarks and pricing errors. In particular, these subsidiaries were found to have breached Principle 2 requiring a firm to conduct its business with due skill, care and diligence and Principle 3 requiring a firm to take reasonable care to organize and control its affairs responsibly and effectively, with adequate risk management systems. These subsidiaries agreed to accept a GBP 5.6 million fine.

# Risk factors

Our businesses are exposed to a variety of risks that could adversely affect our results of operations or financial condition, including, among others, those described below.

## Liquidity risk

Liquidity, or ready access to funds, is essential to our businesses, particularly our Investment Banking business. We maintain available liquidity to meet our obligations in a stressed liquidity environment. For information on our liquidity management, refer to III – Treasury, Risk, Balance sheet and Off-balance sheet – Treasury management.

### **Our liquidity could be impaired if we were unable to access the capital markets or sell our assets**

Our ability to borrow on a secured or unsecured basis can be affected by increases in interest rates or credit spreads, the availability of credit or the perception among market participants that we are experiencing greater liquidity risk. An inability to obtain financing in the unsecured long-term or short-term debt capital markets, or to access the secured lending markets, could have a substantial adverse effect on our liquidity. In challenging credit markets, our funding costs may increase or we may be unable to raise funds to support or expand our businesses, adversely affecting our results of operations. As a result of continuing dislocation in the financial and credit markets, particularly in the second half of 2008, access to the debt capital markets and secured lending markets by financial institutions, including Credit Suisse, was adversely affected. Our access to the debt capital markets was also adversely affected in the US and the euro markets by the provision of government or agency guarantees of eligible financial institutions. Although we were able to raise unsecured funding in the debt capital markets in 2008 and meet our planned funding needs, the cost of that funding has increased, reflecting credit rating downgrades on many financial institutions, including Credit Suisse, by the major rating agencies, a very challenging environment for the financial services industry, widening credit spreads, the large unsecured debt funding capacity of financial institutions eligible to benefit from government guarantees and an unprecedented dislocation of the credit markets.

If we are unable to raise needed funds in the capital markets, we may need to liquidate unencumbered assets to meet our liabilities. In a time of reduced liquidity, we may be unable to sell some of our assets, or we may need to sell assets at

depressed prices, which in either case could adversely affect our results of operations and financial condition.

### **Our businesses rely significantly on our deposit base for funding**

Our businesses meet most of their funding requirements using short-term funding sources, including primarily demand deposits, inter-bank loans, time deposits and cash bonds. Although deposits have been, over time, a stable source of funding, this may not continue. In that case, our liquidity position could be adversely affected and we might be unable to meet deposit withdrawals on demand or at their contractual maturity, to repay borrowings as they mature or to fund new loans, investments and businesses.

### **Changes in our ratings may adversely affect our business**

Reductions in our assigned ratings, including in particular our credit ratings, could increase our borrowing costs, limit our access to capital markets, increase our cost of capital and adversely affect the ability of our businesses to sell or market their products, engage in business transactions – particularly longer-term and derivatives transactions – and retain our customers. Ratings are assigned by rating agencies, which may reduce, indicate their intention to reduce or withdraw the ratings at any time. The major rating agencies downgraded our senior debt ratings or outlooks in the fourth quarter of 2008, reflecting in part the pressures on the financial services industry, the unprecedented dislocation in the financial and credit markets and the deteriorating global economic conditions.

## Market risk

### **We may incur significant losses on our trading and investment activities due to market fluctuations and volatility**

We maintain large trading and investment positions and hedges in the debt, currency, commodity and equity markets, and in private equity, hedge funds, real estate and other assets. These positions could be adversely affected by volatility in financial and other markets, that is, the degree to which

prices fluctuate over a particular period in a particular market, regardless of market levels. To the extent that we own assets, or have net long positions, in any of those markets, a downturn in those markets could result in losses from a decline in the value of our net long positions. Conversely, to the extent that we have sold assets that we do not own, or have net short positions, in any of those markets, an upturn in those markets could expose us to potentially significant losses as we attempt to cover our net short positions by acquiring assets in a rising market.

Market fluctuations, downturns and volatility can adversely affect the fair value of our positions and our results of operations. Beginning in the second half of 2007 and continuing throughout 2008, the mortgage, financial and credit markets reflected a substantial decline in liquidity. Credit spreads widened significantly, funding costs increased and both equity and debt capital markets experienced significantly increased volatility. The adverse effect of these market conditions, particularly in the second half of 2008, and the deteriorating global economic conditions, spread from mortgage and credit products to most other asset classes and business sectors. These conditions have continued in the first quarter of 2009, and we cannot predict how long they will continue. Adverse market or economic conditions or trends have caused, and may continue to cause, a significant decline in net revenues. In the fourth quarter of 2008, we took steps to accelerate the implementation of our strategy to substantially reduce risk, volatility and costs in Investment Banking and focus on Asset Management businesses in which we have scale and strength. We incurred costs and goodwill impairments of CHF 833 million in 2008 as a result of these steps, and we may incur further costs and reduced net revenues in 2009.

As a global financial services company, our businesses are materially affected by conditions in the financial markets and economic conditions generally in Europe, the US and elsewhere around the world. Adverse market and economic conditions have created a challenging operating environment for financial services companies. In particular, the impact of oil prices, interest rates and the risk of geopolitical events have materially affected financial markets and the economy. Movements in interest rates have affected our net interest income and the value of our trading and non-trading fixed income portfolios, and movements in equity markets have affected the value of our trading and non-trading equity portfolios.

Adverse market or economic conditions, including the inability to obtain credit or its cost, have reduced the number and size of investment banking transactions in which we provide underwriting, mergers and acquisitions advice or other services and, therefore, adversely affected our financial advisory and underwriting fees. Such conditions have affected the

types and volumes of securities trades that we execute for customers and have adversely affected the net revenues we receive from commissions and spreads.

The financial and credit markets have had extreme volatility and dislocation since the second half of 2007, and global economic conditions have deteriorated significantly in 2008. If these conditions continue or worsen, our financial condition and results of operations could be materially adversely affected.

Unfavorable market or economic conditions have affected our Wealth Management, Corporate & Retail Banking and Asset Management businesses by reducing sales of our investment products and the volume of our Asset Management activities. In addition, a market downturn could further reduce our commission and fee income that is based on the value of our clients' portfolios. An investment performance that is below that of competitors or asset management benchmarks could result in a decline in assets under management and related fees and make it harder to attract new clients. In light of the dislocation in the financial and credit markets, there has been a fundamental shift in client demand from more complex products and significant client deleveraging, and our Asset Management and Wealth Management results of operations could be adversely affected as long as this continues.

Adverse market or economic conditions have negatively affected our private equity investments since, if a private equity investment substantially declines in value, we may not receive any increased share of the income and gains from such investment (to which we are entitled in certain cases when the return on such investment exceeds certain threshold returns), may be obligated to return to investors previously received excess carried interest payments and may lose our pro-rata share of the capital invested. In addition, it could become more difficult to dispose of the investment, as even investments that are performing well may prove difficult to exit in weak IPO markets. In 2008, the cost and availability of credit limited leveraged buy-out activity and adversely impacted private equity valuations and exit strategies.

Future terrorist attacks, military conflicts and economic or political sanctions could have a material adverse effect on economic and market conditions, market volatility and financial activity.

#### **We may incur significant losses in the real estate sector**

We finance and acquire principal positions in a number of real estate and real estate-related products, both for our own account and for major participants in the commercial and residential real estate markets, and originate loans secured by commercial properties. We also securitize and trade in a wide range of commercial and residential real estate and real

estate-related whole loans, mortgages, and other real estate and commercial assets and products, including residential and commercial mortgage-backed securities. These businesses were adversely affected by the dislocation in the mortgage and credit markets and the downturn in the US housing market that began in 2007 and has continued in the first quarter of 2009, and they have been, and could be further, adversely affected by the downturn in other real estate markets, other sectors and the economy as a whole. In light of the credit and financial markets dislocation and deteriorating economic conditions, we ceased originating residential mortgage loans and reduced our origination capacity in complex real estate-related structured products in 2008.

#### **Our revenues may decline in line with declines in certain sectors or products**

Decreasing economic growth in a sector in which we make significant commitments, for example, through underwriting, lending or advisory services, could negatively affect our net revenues.

In 2007 and 2008, our Investment Banking, particularly the leveraged finance and structured products businesses, and Asset Management, particularly asset-backed money market securities, businesses were adversely impacted by the mortgage and credit market dislocation and the deteriorating global economic conditions. The decline in financial sponsor activity has had, and could continue to have, a negative effect on our results of operations.

#### **Holding large and concentrated positions may expose us to large losses**

Concentrations of risk could increase losses at our Wealth Management, Corporate & Retail Banking and Investment Banking businesses, which may have sizeable loans to and securities holdings in certain customers or industries. As a result of the credit and financial markets dislocation, the deteriorating economic conditions and our actions to reduce risk exposures, our risk exposure in certain loans, including emerging markets and commercial real estate, has become more concentrated even as the aggregate portfolio of risk has been reduced. Beginning in the second half of 2007, our Asset Management business has also had losses from securities purchased to address liquidity concerns arising from the credit market dislocation, and this increased our risk exposure to ABS and SIVs. This exposure has been materially reduced as of the end of 2008.

We have significant risk concentration in the financial services industry as a result of the large volume of transactions we routinely conduct with broker-dealers, banks, funds and other financial institutions, and in the ordinary conduct of our

business we may be subject to risk concentration with a particular counterparty. During the continuing credit and financial markets dislocation and crisis in confidence in 2008, many financial institution counterparties were acquired, required governmental support or even declared bankruptcy, which caused us, other financial institutions and our regulators to adapt our practices and operations to an evolving understanding of our exposure to, and management of, systemic risk and risk concentration to financial institutions. There can be no assurance that the changes in our and industry operations, practices and regulation will be effective in managing this risk.

Risk concentration may cause us to suffer losses even when economic and market conditions are generally favorable for others in the industry.

#### **Our hedging strategies may not prevent losses**

If any of the variety of instruments and strategies we use to hedge our exposure to various types of risk in our businesses is not effective, we may incur losses. We may be unable to purchase hedges or be only partially hedged, or our hedging strategies may not be fully effective in mitigating our risk exposure in all market environments or against all types of risk.

#### **Market risk may increase the other risks that we face**

In addition to the potentially adverse effects on our businesses described above, market risk could exacerbate the other risks that we face. For example, if we were to incur substantial trading losses, our need for liquidity could rise sharply while access to liquidity could be impaired. In conjunction with a market downturn, our customers and counterparties could also incur substantial losses of their own, thereby weakening their financial condition and increasing our credit risk to them.

#### **Credit risk**

##### **We may suffer significant losses from our credit exposures**

Our businesses are subject to the risk that borrowers and other counterparties will be unable to perform their obligations. Credit exposures exist within lending relationships, commitments and letters of credit, as well as derivative, foreign exchange and other transactions. For information on management of credit risk, refer to III – Treasury, Risk, Balance sheet and Off-balance sheet – Risk management.

Management's determination of the provision for loan losses is subject to significant judgment, and our banking businesses may need to increase their provisions for loan losses or may record losses in excess of the previously determined provisions if our original estimates of loss prove inade-

quate and this could have a material adverse effect on our results of operations. For information on provisions for loan losses and related risk mitigation, refer to III – Treasury, Risk, Balance sheet and Off-balance sheet – Risk management and Note 1 – Summary of significant accounting policies in V – Consolidated financial statements – Credit Suisse Group.

Our regular review of the creditworthiness of clients and counterparties for credit losses does not depend on the accounting treatment of the asset or commitment. Changes in creditworthiness of loans and loan commitments that are fair valued are reflected in trading revenues.

In recent years, our Investment Banking business has significantly expanded its use of swaps and other derivatives. As a result, our credit exposures have increased, and may continue to increase, in amount and duration. In addition, we have experienced, due to competitive factors, pressure to assume longer-term credit risk, to extend credit against less liquid collateral and to price derivative instruments more aggressively based on the credit risks that we take. Our investments in, or loans to, hedge funds are an additional source of credit exposure. The credit and financial market dislocation spread from mortgages to other asset classes in 2008 and made it more difficult to sell, syndicate or securitize certain mortgage and credit products, and significantly adversely affected the fair value of, and significantly reduced our revenues from, these products. We also took action to reduce significantly our risk exposure in certain loans, including leveraged finance, emerging markets and commercial real estate loans.

**Defaults by a large financial institution could adversely affect financial markets generally and us specifically**

Concerns, or even rumors, about, or a default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships between institutions. This risk is sometimes referred to as systemic risk. In 2008, there were concerns about, defaults by and failures of many financial institutions, and this caused market-wide liquidity problems and could lead to losses or defaults by financial institutions and financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which we interact on a daily basis. Our credit risk may also be increased when the collateral we hold cannot be realized upon or is liquidated at prices insufficient to cover the full amount of exposure.

**The information that we use to manage our credit risk may be inaccurate or incomplete**

Although we regularly review our credit exposure to specific clients and counterparties and to specific industries, countries and regions that we believe may present credit concerns, default risk may arise from events or circumstances that are difficult to foresee or detect, such as fraud. We may also fail to receive full information with respect to the credit or trading risks of a counterparty.

**Risks from estimates and valuations**

We make estimates and valuations that affect our reported results, including measuring the fair value of certain assets and liabilities, establishing provisions for contingencies and losses for loans, litigation and regulatory proceedings, accounting for goodwill and intangible asset impairments, evaluating our ability to realize deferred tax assets, valuing equity-based compensation awards and the calculation of expenses and liabilities associated with our pension plans. These estimates are based upon judgment and available information, and our actual results may differ materially from these estimates. For information on these estimates and valuations, refer to II – Operating and financial review – Critical accounting estimates and Note 1 – Summary of significant accounting policies in V – Consolidated financial statements – Credit Suisse Group.

Our estimates and valuations rely on models and processes to predict economic conditions and market or other events that might affect the ability of counterparties to perform their obligations to us or impact the value of assets. To the extent our models and processes become less predictive due to unprecedented market conditions, illiquidity or volatility, our ability to make accurate estimates and valuations could be adversely affected.

**Risks relating to off-balance sheet entities**

We enter into transactions with SPEs in our normal course of business, and most SPEs with which we transact are not consolidated and their assets and liabilities are off-balance sheet. The accounting requirements for consolidation, initially and if certain events occur that require us to reassess whether consolidation is required, can require the exercise of significant management judgment. Accounting standards, or their interpretation, for consolidation may change. If we are required to consolidate an SPE, its assets and liabilities would be recorded on our consolidated balance sheets and we would recognize related gains and losses in our consolidated state-

ments of operations, and this could have an adverse impact on our results of operations and capital ratios if there are realized or unrealized losses on the assets of these SPEs. For information on our transactions with and commitments to SPEs, refer to III – Treasury, Risk, Balance sheet and Off-balance sheet – Balance sheet, off-balance sheet and contractual obligations – Off-balance sheet.

### **Cross-border and foreign exchange risk**

#### **Cross-border risks may increase market and credit risks we face**

Country, regional and political risks are components of market and credit risk. Financial markets and economic conditions generally have been and may be materially affected by such risks. Economic or political pressures in a country or region, including those arising from local market disruptions, currency crises and monetary controls, may adversely affect the ability of clients or counterparties located in that country or region to obtain foreign currency or credit and, therefore, to perform their obligations to us, which in turn may have an adverse impact on our results of operations.

#### **We may face significant losses in emerging markets**

As a global financial services company and industry leader in emerging markets, we are exposed to economic instability in emerging market countries. We monitor these risks, seek diversity in the sectors in which we invest and emphasize customer-driven business. Our efforts at containing emerging market risk, however, may not always succeed. In 2008, the values of equity securities in many emerging markets were very significantly and adversely affected by the global financial and credit market dislocations and also experienced great volatility, and these conditions had, and could continue to have, a negative effect on our results of operations.

#### **Currency fluctuations may adversely affect our results of operations**

We are exposed to risk from fluctuations in exchange rates for currencies, particularly the US dollar. In particular, a substantial portion of our assets and liabilities in our Investment Banking and Asset Management businesses are denominated in currencies other than the Swiss franc, which is the primary currency of our financial reporting. Our capital is also stated in Swiss francs and we do not fully hedge our capital position against changes in currency exchange rates. Exchange rate volatility may have an adverse impact on our results of operations and capital position.

### **Operational risk**

#### **We are exposed to a wide variety of operational risks, particularly information technology risk**

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. In general, although we have business continuity plans, our businesses face a wide variety of operational risks, including technology risk that stems from dependencies on information technology and the telecommunications infrastructure and business disruption, including the infrastructure supporting our businesses and/or the areas where our businesses or third-party suppliers are situated. As a global financial services company, we rely heavily on our financial, accounting and other data processing systems, which are varied and complex. If any of these systems does not operate properly or is disabled, including as a result of terrorist attacks or other unforeseeable events, we could suffer financial loss, a disruption of our businesses, liability to our clients, regulatory intervention or reputational damage.

We have operational risk from errors made in the execution, confirmation or settlement of transactions or in transactions not being properly recorded or accounted for. Our business depends on our ability to process a large volume of diverse and increasingly complex transactions, including derivatives transactions, which have increased in volume and complexity and which are not always confirmed on a timely basis. Our businesses also rely on the secure processing, storage and transmission of confidential and other information.

#### **We may suffer losses due to employee misconduct**

Our businesses are exposed to risk from potential non-compliance with policies, employee misconduct or negligence and fraud, which could result in regulatory sanctions and serious reputational or financial harm. It is not always possible to deter employee misconduct and the precautions we take to prevent and detect this activity may not always be effective.

In the first quarter of 2008, we identified mismarks and pricing errors by a small group of traders in certain ABS positions in our CDO trading business in Investment Banking. As a result, we concluded that a material weakness in internal control over financial reporting existed as of the end of 2007. As of December 31, 2008, this material weakness no longer existed. For further information on this prior year material weakness and its remediation, refer to Controls and procedures in V – Consolidated financial statements – Credit Suisse Group.

## Risk management

We have risk management procedures and policies designed to manage our risk. These techniques and policies, however, may not always be effective, particularly in highly volatile markets. In 2008, we took steps to adapt our risk management techniques, in particular VaR, which relies on historical data, to reflect the unprecedented volatility, illiquidity and dislocations in the financial and credit markets. No risk management procedures can anticipate every market development or event, and our risk management procedures and hedging strategies, and the judgments behind them, may not fully mitigate our risk exposure in all markets or against all types of risk. For information on our risk management, refer to III – Treasury, Risk, Balance sheet and Off-balance sheet – Risk management.

## Legal and regulatory risks

### Our exposure to legal liability is significant

We face significant legal risks in our businesses, and the volume and amount of damages claimed in litigation, regulatory proceedings and other adversarial proceedings against financial services firms are increasing.

We and our subsidiaries are subject to a number of material legal proceedings, regulatory actions and investigations, and an adverse result in one or more of these proceedings could have a material adverse effect on our operating results for any particular period, depending, in part, upon our results for such period. For information relating to these and other legal and regulatory proceedings involving our Investment Banking and other businesses, refer to Legal proceedings.

It is inherently difficult to predict the outcome of many of the legal, regulatory and other adversarial proceedings involving our businesses, particularly those cases in which the matters are brought on behalf of various classes of claimants, seek damages of unspecified or indeterminate amounts or involve novel legal claims. Management is required to establish, increase or release reserves for losses that are probable and reasonably estimable in connection with these matters. For more information, refer to II – Operating and financial review – Critical accounting estimates and Note 1 – Summary of significant accounting policies in V – Consolidated financial statements – Credit Suisse Group.

### Failure to comply with extensive regulation of our businesses may subject us to significant penalties and may seriously harm our reputation

As a participant in the financial services industry, we are subject to extensive regulation by governmental agencies, super-

visory authorities and self-regulatory organizations in Switzerland, Europe, the US and other jurisdictions in which we operate around the world. Such regulation is becoming increasingly more extensive and complex and, in recent years, penalties and fines sought and imposed on the financial services industry by regulatory authorities have increased significantly. These regulations often serve to limit our activities, including through net capital, customer protection and market conduct requirements, and restrictions on the businesses in which we may operate or invest. In recent years, a major focus of international policy and regulation has been on combating money laundering and terrorist financing. We expect to face increased regulation and regulatory scrutiny and enforcement in the financial services industry as a result of the unprecedented financial and credit market dislocation in 2008, and we expect such increased regulation to increase our costs and affect our ability to conduct certain businesses. Our primary regulator in Switzerland, FINMA, responded to the 2008 market crisis by imposing additional capital requirements, and, in November 2008, we agreed to a decree requiring that we comply with new capital adequacy ratios and leverage capital requirements by the year 2013.

Despite our best efforts to comply with applicable regulations, a number of risks remain, particularly in areas where applicable regulations may be unclear or where regulators revise their previous guidance or courts overturn previous rulings. Authorities in many jurisdictions have the power to bring administrative or judicial proceedings against us, which could result in, among other things, suspension or revocation of our licenses, cease and desist orders, fines, civil penalties, criminal penalties or other disciplinary action which could materially adversely affect our results of operations and seriously harm our reputation.

Changes in laws, rules or regulations, or in their interpretation or enforcement, may adversely affect our results of operations, and other regulators may impose additional capital requirements on our regulated subsidiaries.

For a description of our regulatory regime and capital requirements, refer to I – Information on the company – Regulation and supervision.

### Changes in monetary policy are beyond our control and difficult to predict

We are affected by the monetary policies adopted by the central banks and regulatory authorities of Switzerland, the US and other countries. The actions of the Fed and other central banking authorities directly impact our cost of funds for lending, capital raising and investment activities and may impact the value of financial instruments we hold and the competitive and operating environment for the financial services industry.

In addition, changes in monetary policy may affect the credit quality of our customers. Any changes in monetary policy are beyond our control and difficult to predict.

**Legal restrictions on our clients may reduce the demand for our services**

We may be materially affected not only by regulations applicable to us as a financial services company, but also by regulations of general application. For example, the volume of our businesses in any one year could be affected by, among other things, existing and proposed tax legislation, antitrust and competition policies, corporate governance initiatives and other governmental regulations and policies and changes in the interpretation or enforcement of existing laws and rules that affect business and the financial markets.

**Competition**

**We face increased competition due to consolidation and new entrants**

We face intense competition in all financial services markets and for the products and services we offer. Consolidation through mergers, acquisitions, alliances and cooperation, including as a result of financial distress, is increasing competition. Competition is based on many factors, including the products and services offered, pricing, distribution systems, customer service, brand recognition, perceived financial strength and the willingness to use capital to serve client needs. Consolidation has created a number of firms that, like us, have the ability to offer a wide range of products, from loans and deposit-taking to brokerage, investment banking and asset management services. Some of these firms may be able to offer a broader range of products than we do, or offer such products at more competitive prices. Current market conditions have increased consolidation in our industry as many institutions have merged, declared bankruptcy, received government assistance or changed their regulatory status, which will affect how they conduct their businesses. In addition, current market conditions have had a fundamental impact on client demand for products and services. Although we expect the increasing consolidation and changes in our industry to offer opportunities, we can give no assurance that our results of operations will not be adversely affected.

**Our competitive position could be harmed if our reputation is damaged**

In the highly competitive environment arising from globalization and convergence in the financial services industry, a reputation for financial strength and integrity is critical to our per-

formance, including our ability to attract and maintain clients and employees. Our reputation could be harmed if our comprehensive procedures and controls fail, or appear to fail, to address conflicts of interest, prevent employee misconduct, produce materially accurate and complete financial and other information or prevent adverse legal or regulatory actions.

**We must recruit and retain highly skilled employees**

Our performance is largely dependent on the talents and efforts of highly skilled individuals. Competition for qualified employees is intense. We have devoted considerable resources to recruiting, training and compensating employees. Our continued ability to compete effectively in our businesses depends on our ability to attract new employees and to retain and motivate our existing employees.

**We face competition from new trading technologies**

Our Private Banking, Investment Banking and Asset Management businesses face competitive challenges from new trading technologies, which may adversely affect our commission and trading revenues, exclude our businesses from certain transaction flows, reduce our participation in the trading markets and the associated access to market information and lead to the creation of new and stronger competitors. We may also be required to make additional expenditures to develop or invest in new trading systems or otherwise to invest in technology to maintain our competitive position.

**Risks relating to our strategy**

**Risk from financial services businesses that we acquire or joint ventures we undertake**

Even though we review the records of companies we plan to acquire, it is generally not feasible for us to review in detail all such records. Even an in-depth review of records may not reveal existing or potential problems or permit us to become familiar enough with a business to assess fully its capabilities and deficiencies. As a result, we may assume unanticipated liabilities, or an acquisition may not perform as well as expected. We also face the risk that we will not be able to integrate acquisitions into our existing operations effectively as a result of, among other things, differing procedures, business practices and technology systems, as well as difficulties in adapting an acquired company into our organizational structure. We face the risk that the returns on acquisitions will not support the expenditures or indebtedness incurred to acquire such businesses or the capital expenditures needed to develop such businesses.

In addition, in recent years we have undertaken a number of new joint ventures and strategic alliances. Although we endeavor to identify appropriate partners, our joint venture efforts may prove unsuccessful or may not justify our investment and other commitments.

**Risk to achieving costs targets**

We may not achieve the CHF 2 billion in cost savings from the accelerated implementation of our strategic plan by the end of 2009 unless we are able to complete the related headcount reduction of 5,300 in 2009.

# Other information

## Exchange controls

There are no restrictions presently in force under our AoA or Swiss law that limit the right of non-resident or foreign owners to hold our securities freely or, when entitled, to vote its securities freely. The Swiss federal government may from time to time impose sanctions, including exchange control restrictions, on particular countries, regimes, organizations or persons. A current list, in German, of such sanctions can be found at [www.seco-admin.ch](http://www.seco-admin.ch). Other than these sanctions, there are currently no Swiss exchange control laws or laws restricting the import or export of capital, including, but not limited to, the remittance of dividends, interest or other payments to non-resident holders of our securities.

## American Depositary Shares

Under Swiss law, holders of ADS are not shareholders and are not recorded in our share register. A nominee for the ADS depositary is the registered holder of the shares underlying the ADSs. Rights of ADS holders to exercise voting rights, receive dividends and other matters are governed by the deposit agreement pursuant to which the ADSs are issued. For further information relating to our ADSs, see the Registration Statement on Form F-6 filed with the SEC. Subject to any applicable law to the contrary, with respect to ADSs for which timely voting instructions are not received by the ADS depositary in relation to any proposed resolution or for which voting instructions are received by the ADS depositary but do not specify how the ADS depositary shall vote in relation to any proposed resolution, the ADS depositary shall, or shall instruct the nominee to, vote such shares underlying the ADSs in favor of such resolution if it has been proposed by the Board of Directors or otherwise in accordance with the recommendation of the Board of Directors.

## Material contract

On June 13, 2006, we entered into a share purchase agreement for the sale of Winterthur, our insurance subsidiary, to AXA S.A. for a cash payment of CHF 12.3 billion. Under the terms of the agreement, AXA S.A. acquired 100% of Winterthur. The transaction, which was subject to customary regulatory approvals and closing conditions, closed on December

22, 2006. A non-compete clause will remain in effect between the parties for two years from the closing date. We did not provide any indemnification in respect of Winterthur's insurance reserves in the agreement. A copy of the share purchase agreement was filed as an exhibit to our 2006 20-F.

## Taxation

The following summary contains a description of the principal Swiss and US federal income tax consequences of the purchase, ownership and disposition of our shares or ADSs (Shares), but it does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to own or dispose of Shares. In particular, the summary is directed only to holders that hold Shares as capital assets and does not address tax considerations applicable to investors that may be subject to special tax rules, such as banks, tax-exempt entities, insurance companies, dealers in securities or currencies, traders in securities electing to mark to market, persons that actually or constructively own 10% or more of our voting stock, persons that hold Shares as a position in a "straddle" or "conversion" transaction, or as part of a "synthetic security" or other integrated financial transaction, or persons that have a "functional currency" other than the Swiss franc or US dollar.

This summary is based on the current tax laws of Switzerland and the US, including the current "Convention Between the United States of America and the Swiss Confederation for the Avoidance of Double Taxation with Respect to Taxes on Income" (Treaty), the US Internal Revenue Code of 1986, as amended (IR Code), existing and proposed regulations thereunder, published rulings and court decisions, all of which are subject to change, possibly with retroactive effect.

This discussion does not generally address any aspects of US taxation other than federal income taxation or any aspects of Swiss taxation other than income and capital taxation. Prospective investors are urged to consult their tax advisors regarding the US federal, state and local, Swiss and other tax consequences of owning and disposing of Shares.

## Swiss taxation

### Withholding tax on dividends and similar distributions

Dividends paid and other similar cash, in-kind taxable distributions made by us to a holder of Shares (including dividends on liquidation proceeds and stock dividends) and taxable income

resulting from partial liquidation as referred to below under “Capital gains tax realized on Shares” are subject to a federal withholding tax at a rate of 35%. The withholding tax will be withheld by us on the gross distributions and will be paid to the Swiss Federal Tax Administration.

#### Swiss resident recipients

Swiss resident individuals or legal entities are generally entitled to a full refund or tax credit for the withholding tax if they are the beneficial owners of such distributions at the time the distribution is due and duly report the receipt thereof in the relevant income tax return.

#### Non-resident recipients

The recipient of a taxable distribution who is an individual or a legal entity not resident in Switzerland for tax purposes may be entitled to a total or partial refund of the withholding tax if the country in which such recipient resides for tax purposes has entered into a bilateral treaty for the avoidance of double taxation with Switzerland and the further conditions of such treaty are met. Holders of Shares not resident in Switzerland should be aware that the procedures for claiming treaty benefits (and the time frame required for obtaining a refund) may differ from country to country. Holders of Shares not resident in Switzerland should consult their own legal, financial or tax advisors regarding receipt, ownership, purchases, sales or other dispositions of Shares and the procedures for claiming a refund of the withholding tax.

#### Residents of the US

A non-Swiss resident holder who is a resident of the US for purposes of the Treaty is eligible for a reduced rate of withholding tax on dividends equal to 15% of the dividend, provided that such holder: (i) qualifies for benefits under the Treaty; (ii) holds, directly or indirectly, less than 10% of our voting stock; and (iii) does not conduct business through a permanent establishment or fixed base in Switzerland to which Shares are attributable. Such an eligible US holder may apply for a refund of the amount of the withholding tax in excess of the 15% Treaty rate. The claim for refund must be filed on Swiss Tax Form 82 (82C for corporations; 82I for individuals; 82E for other entities), which may be obtained from any Swiss consulate general in the US or from the Federal Tax Administration of Switzerland at the address below, together with an instruction form. Four copies of the form must be duly completed, signed before a notary public of the US and sent to the Federal Tax Administration of Switzerland, Eigerstrasse 65, CH-3003, Bern, Switzerland. The form must be accompanied by suitable evidence of deduction of Swiss tax withheld at source, such as certificates of deduction, signed bank vouch-

ers or credit slips. The form may be filed on or after July 1 or January 1 following the date the dividend was payable, but no later than December 31 of the third year following the calendar year in which the dividend became payable.

### Income and profit tax on dividends and similar distributions

#### Individuals

An individual who is a Swiss resident for tax purposes, or who is a non-Swiss resident holding Shares as part of a Swiss business operation or Swiss permanent establishment, is required to report the receipt of taxable distributions received on the Shares in her or his relevant Swiss tax returns.

#### Legal entities

Legal entities resident in Switzerland and non-Swiss resident legal entities holding Shares as part of a Swiss establishment are required to include taxable distributions received on the Shares in their income subject to Swiss corporate income taxes. A Swiss corporation or co-operative or a non-Swiss corporation or co-operative holding Shares as part of a Swiss permanent establishment may, under certain circumstances, benefit from relief from taxation with respect to dividends (Beteiligungsabzug).

#### Non-resident recipients

Recipients of dividends and similar distributions on Shares who are neither residents of Switzerland for tax purposes nor holders of Shares as part of a Swiss business operation or a Swiss permanent establishment are not subject to Swiss income taxes in respect of such distributions.

### Capital gains tax realized on Shares

#### Individuals

Swiss resident individuals who hold Shares as part of their private property generally are exempt from Swiss federal, cantonal and communal taxes with respect to capital gains realized upon the sale or other disposal of Shares, unless such individuals are qualified as security trading professionals for income tax purposes. Gains realized upon a repurchase of Shares by us for the purpose of a capital reduction are characterized as a partial liquidation of the company. In this case, the difference between the nominal value of the shares and their repurchase price may qualify as taxable income. Individuals who are Swiss residents for tax purposes and who hold the Shares as business assets, or who are non-Swiss residents holding Shares as part of a Swiss business operation or Swiss permanent establishment, are required to include capital gains realized upon the disposal of Shares in their income subject to Swiss income tax.

#### Legal entities

Legal entities resident in Switzerland or non-Swiss resident legal entities holding Shares as part of a Swiss permanent establishment are required to include capital gains realized upon the disposal of Shares in their income subject to Swiss corporate income tax.

#### Non-resident individuals and legal entities

Individuals and legal entities which are not resident in Switzerland for tax purposes and do not hold Shares as part of a Swiss business operation or a Swiss permanent establishment are not subject to Swiss income taxes on gains realized upon the disposal of the Shares.

#### Net worth and capital taxes

##### Individuals

Individuals who are Swiss residents for tax purposes or who are non-Swiss residents holding Shares as part of a Swiss business operation or Swiss permanent establishment are required to include their Shares in their assets that are subject to cantonal and communal net worth taxes.

##### Legal entities

Legal entities resident in Switzerland or non-Swiss resident legal entities holding Shares as part of a Swiss permanent establishment are required to include their Shares in their assets that are subject to cantonal and communal capital tax.

#### Non-resident individuals and legal entities

Individuals and legal entities which are not resident in Switzerland for tax purposes and do not hold Shares as part of a Swiss business operation or a Swiss permanent establishment are not subject to Swiss cantonal and communal net worth and capital taxes.

#### Stamp duties upon transfer of securities

The transfer of Shares, whether by Swiss residents or non-resident holders, may be subject to a Swiss securities transfer duty of 0.15% (0.075% for each party to a transaction) of the transaction value if the transfer occurs through or with a Swiss bank or other Swiss or foreign securities dealer as defined in the Swiss Federal Stamp Duty Act. The stamp duty is paid by the securities dealer and may be charged to the parties in a taxable transaction who are not securities dealers. In addition to this stamp duty, the sale of Shares by or through a member of the SIX/SWX Europe may be subject to a minor SIX/SWX Europe levy on the sale proceeds (this levy also includes the FINMA surcharge).

#### US federal income tax

For purposes of this discussion, a "US Holder" is any beneficial owner of Shares that is: (i) a citizen or resident of the US; (ii) a corporation organized under the laws of the US or any political subdivision thereof; or (iii) any other person that is subject to US federal income tax on a net income basis in respect of Shares. A "Non-US Holder" is any beneficial owner of Shares that is a foreign corporation or non-resident alien individual.

#### Taxation of dividends

##### US Holders

For US federal income tax purposes, a US Holder will be required to include the full amount (before reduction for Swiss withholding tax) of a dividend paid with respect to Shares, generally as ordinary income. Subject to certain exceptions for short-term and hedged positions, the US dollar amount of dividends received by an individual prior to January 1, 2011, with respect to our Shares will be subject to taxation at a maximum rate of 15% if the dividends are "qualified dividends." Dividends paid on the Shares will be treated as qualified dividends if we were not, in the year prior to the year in which the dividend was paid, and are not, in the year in which the dividend is paid, a PFIC. Based on our audited consolidated financial statements, we believe that the Group was not treated as a PFIC for US federal income tax purposes with respect to our 2007 or 2008 taxable years. In addition, based on the audited consolidated financial statements of the Group and our current expectations regarding the value and nature of our assets and the sources and nature of our income, we do not anticipate the Group becoming a PFIC for the 2009 taxable year. Holders of our Shares should consult their own tax advisors regarding the availability of the reduced dividend tax rate in light of the considerations discussed above and their own particular circumstances. For this purpose, a "dividend" will include any distribution paid by us with respect to Shares, but only to the extent such distribution is not in excess of our current and accumulated earnings and profits as defined for US federal income tax purposes. Such dividend will constitute income from sources outside of the US. Subject to the limitations and conditions provided in the IR Code, a US Holder may deduct from its US federal taxable income, or claim as a credit against its US federal income tax liability, the Swiss withholding tax withheld. Under the IR Code, dividend payments by us on Shares are not eligible for the dividends received deduction generally allowed to corporate shareholders. Any distribution that exceeds our earnings and profits will be treated as a non-taxable return of capital to the extent of the US Holder's tax basis in Shares and thereafter as capital gain.

In general, a US Holder will be required to determine the amount of any dividend paid in Swiss franc by translating the Swiss franc into US dollar at the "spot rate" of exchange on the date of receipt. The tax basis of Swiss franc received by the US Holder generally will equal the US dollar equivalent of such Swiss franc, translated at the spot rate of exchange on the date such Swiss franc dividends are received. Upon a subsequent exchange of such Swiss franc for US dollar, or upon the use of such Swiss franc to purchase property, a US Holder will generally recognize ordinary income or loss in the amount equal to the difference between such US Holder's tax basis for the Swiss franc and the US dollar received or, if property is received, the fair market value of the property. In addition, a US Holder may be required to recognize domestic-source foreign currency gain or loss on the receipt of a refund in respect of Swiss withholding tax to the extent the US dollar value of the refund differs from the US dollar equivalent of the amount on the date of receipt of the underlying dividend.

#### Non-US Holders

Dividends paid to a Non-US Holder in respect of Shares will generally not be subject to US federal income tax unless such dividends are effectively connected with the conduct of a trade or business within the US by such Non-US Holder.

#### Capital gains tax upon disposal of shares

##### US Holders

A gain or loss realized by a US Holder on the sale or other disposition of Shares will be subject to US federal income taxation as a capital gain or loss in an amount equal to the difference between the US Holder's basis in Shares and the amount realized on the disposition. Such gain or loss will generally be a long-term capital gain or loss if the US Holder holds the Shares for more than one year. A long-term capital gain realized by a US Holder that is an individual generally is subject to reduced rates.

#### Non-US Holders

A Non-US Holder will generally not be subject to US federal income tax in respect of gains realized on a sale or other disposition of Shares unless the gain is effectively connected with a trade or business of the Non-US Holder in the US.

#### Backup withholding tax and information reporting requirements

Dividends paid on, and proceeds from the sale or other disposition of, Shares paid to a US Holder generally may be subject to the information reporting requirements of the IR Code and may be subject to backup withholding unless the holder: (i) establishes that it is a corporation or other exempt holder; or (ii) provides an accurate taxpayer identification number on a properly completed IRS Form W-9 and certifies that no loss of exemption from backup withholding has occurred. The amount of any backup withholding from a payment to a holder will be allowed as a credit against the US Holder's US federal income tax liability and may entitle such holder to a refund, provided that certain required information is furnished to the IRS.

A Non-US Holder may be required to comply with certification and identification procedures in order to establish its exemption from information reporting and backup withholding.

#### Listing details

Credit Suisse Group's shares are listed on the SIX. Since June 25, 2001, the principal trading market for the Group's shares has been SWX Europe. The Group's ADS are traded on the NYSE.

The Group's shares are in registered form with a par value of CHF 0.04 per share.

Official trading of the Group's shares in the form of ADS on the NYSE began on September 25, 2001, under the symbol "CSR."

## Closing prices and average daily trading volumes for shares and ADS

Period	Average trading volumes <sup>1</sup>	Shares in CHF (High) <sup>1</sup>	Shares in CHF (Low) <sup>1</sup>	Average trading volumes <sup>2</sup>	Shares in USD (High) <sup>2</sup>	Shares in USD (Low) <sup>2</sup>
<b>2009</b>						
March (through March 6)	9,997,408	26.9	24.0	2,826,789	22.5	20.1
February	8,345,477	32.8	25.1	1,862,871	28.9	21.6
January	7,979,535	32.6	23.1	1,261,763	29.5	19.8
<b>2008</b>	<b>11,564,353</b>	<b>67.0</b>	<b>24.9</b>	<b>1,404,764</b>	<b>59.8</b>	<b>19.0</b>
Fourth quarter	9,959,624	57.4	24.9	1,382,623	50.0	19.0
December	6,717,119	33.6	27.7	1,037,640	28.3	23.5
November	8,173,628	43.4	24.9	1,141,699	37.9	19.0
October	14,191,257	57.4	34.3	1,911,632	50.0	32.0
Third quarter	12,034,646	56.0	39.7	1,438,089	53.0	39.1
Second quarter	9,315,759	58.5	46.9	960,834	57.0	44.8
First quarter	15,016,575	67.0	45.2	1,858,791	59.8	46.2
<b>2007</b>	<b>8,543,386</b>	<b>95.5</b>	<b>61.9</b>	<b>788,577</b>	<b>79.0</b>	<b>55.9</b>
Fourth quarter	10,157,787	82.0	61.9	947,016	69.6	55.9
Third quarter	10,218,069	89.9	75.7	1,055,054	74.1	63.4
Second quarter	6,521,166	95.5	86.5	531,791	79.0	70.6
First quarter	7,179,269	93.6	82.0	612,338	75.9	67.5
<b>2006</b>	<b>5,966,280</b>	<b>85.4</b>	<b>62.7</b>	<b>342,040</b>	<b>70.0</b>	<b>50.1</b>
<b>2005</b>	<b>5,509,548</b>	<b>68.5</b>	<b>46.9</b>	<b>215,985</b>	<b>52.9</b>	<b>38.8</b>
<b>2004</b>	<b>5,687,787</b>	<b>49.5</b>	<b>37.4</b>	<b>173,123</b>	<b>42.5</b>	<b>30.0</b>

<sup>1</sup> Closing prices for one share and average daily trading volume (SWX Europe). <sup>2</sup> Closing prices of ADS's and average daily trading volume (NYSE).

### Trading in our own shares

The Group buys and sells its own shares and derivatives on its own shares within its normal trading and market-making activities mainly through its Swiss broker-dealer operations. In the Swiss market, the Group buys and sells its shares and derivatives on these shares to facilitate customer orders, to provide liquidity as a market maker and to hedge derivative instruments.

The net long or short position held by the Group's Swiss bank subsidiaries in the Group's own shares has been at non-material levels relative to the number of the Group's outstanding shares, due in part to FINMA regulations requiring a 100% capital charge to the relevant legal entity for the entire net position in the Group's shares. In addition to FINMA rules, the Group's trading in its own shares in the Swiss market is subject to regulation under the Stock Exchange Act, the rules of the SIX and the EUREX electronic exchange, and the SBA Code of Conduct for Securities Dealers. Trading is also limited by the Group's risk management limits, internal capital allocation rules, balance sheet requirements, counterparty restrictions and other internal regulations and guidelines. Swiss law further limits the Group's ability to hold or repurchase its own shares.

The Group may from time to time place orders for its own shares to satisfy obligations under various employee and management incentive share plans, and potentially for shares to be used as payment in acquisitions. In addition, the Group may purchase shares with the intent of cancellation. Typically in Switzerland, the purchase of shares for cancellation is done under a separate program from the repurchase of shares to be re-issued under employee and management incentive share plans.

For further information on trading in the Group's shares and share repurchases, refer to III – Treasury, Risk, Balance sheet and Off-balance sheet.

### Property and equipment

Our principal executive offices, which we own, are located at Paradeplatz 8, Zurich, Switzerland. As of the end of 2008, we maintained 636 offices and branches worldwide, of which approximately 60% were located in Switzerland.

As of the end of 2008, approximately 28% of our worldwide offices and branches were owned directly by us with the remainder being held under commercial leases, 49% of which expire after 2013. The book value of the ten largest owned

properties was approximately CHF 1.8 billion as of the end of 2008. Some of our principal facilities are subject to mortgages and other security interests granted to secure indebtedness to certain financial institutions. As of the end of 2008, the total amount of indebtedness secured by these facilities was not material to us.

We believe that our current facilities are adequate for existing operations. Management regularly evaluates our operating facilities for suitability, market presence, renovation and maintenance.

## Foreign currency translation rates

	in / end of				
	2008	2007	2006	08 / 07	07 / 06
<b>Average rate</b>					
1 USD / 1 CHF	1.08	1.20	1.25	(10)	(4)
1 EUR / 1 CHF	1.58	1.64	1.57	(4)	4
1 GBP / 1 CHF	2.00	2.40	2.31	(17)	4
100 JPY / 1 CHF	1.05	1.02	1.08	3	(6)
<b>Closing rate</b>					
1 USD / 1 CHF	1.06	1.13	1.22	(6)	(7)
1 EUR / 1 CHF	1.49	1.66	1.61	(10)	3
1 GBP / 1 CHF	1.53	2.25	2.40	(32)	(6)
100 JPY / 1 CHF	1.17	1.00	1.03	17	(3)

The following tables set forth, for the periods indicated, certain information concerning the noon buying rate for the Swiss franc expressed as USD per CHF 1.00:

Year	Period end	Average <sup>1</sup>	High	Low
<b>Exchange rate information – 5 years</b>				
2008	0.9369	0.9305	1.0142	0.8171
2007	0.8827	0.8381	0.9087	0.7978
2006	0.8200	0.8034	0.8396	0.7575
2005	0.7606	0.8010	0.8721	0.7544
2004	0.8763	0.8082	0.8820	0.7575

<sup>1</sup> The average of the noon buying rates on the last business day of each month during the relevant period.

Month	High	Low
<b>Exchange rate information – 6 months</b>		
March 2009 (through March 6)	0.8648	0.8493
February 2009	0.8641	0.8438
January 2009	0.9322	0.8556
December 2008	0.9602	0.8171
November 2008	0.8616	0.8172
October 2008	0.8921	0.8579
September 2008	0.9248	0.8776