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Overview

Complying with rules and regulations

Credit Suisse's corporate governance complies with internationally accepted standards. We are committed to safeguarding the interests of our stakeholders and recognize the importance of good corporate governance. We know that transparent disclosure of our governance helps stakeholders assess the quality of the Group and our management and assists investors in their investment decisions.

We fully adhere to the principles set out in the Swiss Code of Best Practice, including its appendix stipulating recommendations on the process for setting compensation for the Board of Directors (Board) and the Executive Board. In connection with our primary listing on the SIX, we are subject to the SIX Directive on Information Relating to Corporate Governance. Our shares are also listed on the NYSE in the form of ADS. As a result, we are subject to certain US rules and regulations. Moreover, we adhere to the NYSE's Corporate Governance Listing Standards (NYSE standards), with a few exceptions where the rules are not applicable to foreign private issuers.

The following are the significant differences between our corporate governance standards and the corporate governance standards applicable to US domestic issuers listed on the NYSE:

- Approval of employee benefit plans: the NYSE standards require shareholder approval of the establishment of, and material revisions to, all equity compensation plans. We comply with Swiss law, which requires that shareholders approve the creation of conditional capital used to set aside shares for employee benefit plans and other equity compensation plans, but does not require shareholders to approve the terms of those plans.
- Risk Assessment and Risk Management: the NYSE standards allocate to the Audit Committee responsibility for the discussion of guidelines and policies governing the process by which risk assessment and risk management is undertaken, while at Credit Suisse these duties are assumed by the Risk Committee. Whereas our Audit Committee members satisfy the NYSE independence requirements, our Risk Committee may include non-independent members.
- Reporting: the NYSE standards require that certain board committees report specified information directly to shareholders, while under Swiss law only the Board reports directly to the shareholders and the committees submit their reports to the full Board.

- Appointment of the external auditor: the NYSE standards require the Audit Committee to be directly responsible for the appointment, compensation, retention and oversight of the external auditor unless there is a conflicting requirement under home country law. Under Swiss law, the appointment of the external auditor must be approved by our shareholders at the AGM based on the proposal of the Board, which receives the advice and recommendation of the Audit Committee.

Corporate governance framework

Our corporate governance policies and procedures are defined in a series of documents governing the organization and management of the company. The Board has adopted a set of Corporate Governance Guidelines aimed at explaining and promoting an understanding of our governance structures. These guidelines form the basis of a sound corporate governance framework and refer to other documents that regulate aspects of governance in greater detail. Other important corporate governance documents, all of which are available on our website at www.credit-suisse.com/governance/en/, include:

- AoA, which define the purpose of the business and the basic organizational framework;
- OGR, which define the responsibilities and sphere of authority of the various bodies within the Group, as well as the relevant reporting procedures;
- The Board of Directors Charter, which outlines the organization and responsibilities of the Board;
- The Board of Directors Committee Charters, which define the duties and responsibilities of each committee; and
- The Code of Conduct, which establishes a common set of values across the organization and guides our efforts to inspire and maintain the trust and confidence of all our stakeholders. The Code of Conduct, which is binding on all our employees worldwide, was first established in 1999 and was revised in 2008. The Code of Conduct also implements requirements stipulated under SOX by including provisions on ethics for our CEO and our principal financial and accounting officers and other persons performing similar functions. No waivers to the Code of Conduct have been made since its adoption. Information regarding any future amendments or waivers granted will be published on our website.

Company

Credit Suisse Group AG is registered as a Swiss corporation in the Commercial Register of the Canton of Zurich under the registration number CH-020.3.906.075-9 and has its registered offices in Zurich, Switzerland. The authorized representative in the US for the Group and the Bank is Credit Suisse (USA), Inc., 11 Madison Avenue, New York, New York, 10010. Our business purpose, as set forth in Article 2 of our AoA, is to hold direct or indirect interests in all types of businesses in Switzerland and abroad, in particular in the areas of banking, finance, asset management and insurance. We have the power to establish new businesses, acquire a majority or minority interest in existing businesses and provide related financing. We also have the power to acquire, mortgage and sell real estate properties both in Switzerland and abroad.

Our business consists of three operating divisions: Private Banking, Investment Banking and Asset Management. The three divisions are complemented by Shared Services and a regional management structure.

A detailed review of our operating results can be found in II – Operating and financial review. For a list of significant subsidiaries and associated entities, refer to Note 38 – Significant subsidiaries and equity method investments in V – Consolidated financial statements – Credit Suisse Group. With the exception of Neue Aargauer Bank AG, Aarau, Switzerland, 99% of which is held by Credit Suisse Group and which is listed on the SIX (Swiss Security Number 397719, market capitalization of CHF 2,030 million as of December 31, 2008), no other subsidiaries have shares listed on the SIX or any other stock exchange.

For further information on our structure, refer to I – Information on the company.

The Swiss Code of Obligations requires directors and members of senior management to safeguard the interests of the corporation and, in connection with this requirement, imposes a duty of care and a duty of loyalty on directors and members of senior management. While Swiss law does not

have a general provision on conflicts of interest, the duties of care and loyalty are generally understood to disqualify directors and members of senior management from participating in decisions that could directly affect them. Directors and members of senior management are personally liable to the corporation for any breach of these provisions. In addition, Swiss law contains a provision pursuant to which payments made to a shareholder or a director or any person associated with them (for example, family members, business partners, agents or financing providers), other than at arm's length, must be repaid to the corporation if the shareholder or director was acting in bad faith.

Neither Swiss law nor our AoA restrict our power to borrow and raise funds in any way. The decision to borrow funds is passed by or under the direction of our Board, with no shareholders' resolution required.

Employees

As of December 31, 2008, we employed 47,800 employees worldwide. Of the total number of employees, 21,000 were employed in Switzerland and 26,800 were employed abroad.

The number of employees decreased by 300 full-time equivalents compared to the end of 2007. While Private Banking increased its workforce by 1,200 full-time equivalents during 2008, Investment Banking and Asset Management reduced their workforce in the same period by 900 and 600 full-time equivalents, respectively. The growth in Private Banking was primarily due to our hiring additional relationship managers in targeted markets of Wealth Management. The reductions in Investment Banking and Asset Management, on the other hand, reflect the accelerated implementation of our strategic plan. In addition, a reduction of 400 full-time equivalents in Asset Management related to the agreement to sell part of the global investors business. The majority of our employees do not belong to unions. We have not experienced any significant strikes, work stoppages or labor disputes in recent years. We consider our relations with our employees to be good.

Number of employees

	2008 ¹	end of 2007	% change 08 / 07
Number of employees (full-time equivalents)			
Wealth Management	15,400	14,300	8
Corporate & Retail Banking	9,000	8,900	1
Private Banking	24,400	23,200	5
Investment Banking	19,700	20,600	(4)
Asset Management	3,000 ²	3,600	(17)
Corporate Center	700	700	0
Number of employees	47,800	48,100	(1)
of which Switzerland	21,000	21,000	0
of which abroad	26,800	27,100	(1)

¹ Excludes 2,600 employees in connection with the accelerated implementation of our strategic plan. ² Excludes 400 employees in connection with the agreement to sell part of the global investors business.

Information policy

We are committed to an open and fair information policy with our shareholders and other stakeholders. Our Investor Relations and Corporate Communications departments are responsible for inquiries.

All shareholders registered in our share register automatically receive an invitation to our AGM including an order form to receive the Credit Suisse Annual Report and other reports. Each registered shareholder will automatically receive a quarterly shareholders' letter providing an overview on our performance in a short and concise format. In addition, we produce detailed quarterly reports on our financial performance.

Shareholders can elect whether they would like to regularly receive the quarterly reports. All of these reports and other regularly updated information can be found on our website at www.credit-suisse.com/investors.

Articles of Association

For a summary of the material provisions of our AoA and the Swiss Code of Obligations as they relate to our shares, refer to Shareholders and Additional information – Changes of control and defense measures. That description does not purport

to be complete and is qualified in its entirety by reference to the Swiss Code of Obligations and the AoA. Copies of our AoA and the Articles of Association of the Bank are available at our main office, Paradeplatz 8, CH 8070 Zurich, Switzerland, or on our website www.credit-suisse.com.

Indemnification

Neither our AoA nor Swiss statutory law contains provisions regarding the indemnification of directors and officers. According to general principles of Swiss employment law, an employer may, under certain circumstances, be required to indemnify an employee against losses and expenses incurred by such person in the execution of such person's duties under an employment agreement, unless the losses and expenses arise from the employee's gross negligence or willful misconduct. It is our policy to indemnify current and former directors and/or employees against certain losses and expenses in respect of service as a director or employee of us, one of our affiliates or another entity that we have approved, subject to specific conditions or exclusions. We maintain directors' and officers' insurance for our directors and officers.

Shareholders

Capital structure

Our total issued share capital as of December 31, 2008 was CHF 47,385,426 divided into 1,184,635,653 registered shares, with a nominal value of CHF 0.04 per share. Our shares are listed on the SIX and in the form of ADS on the NYSE. For details on the shareholder rights associated with our shares, refer to Shareholder rights.

For information on changes to share capital and authorized and conditional capital during the year, refer to Note 9 – Share capital, conditional and authorized capital of Credit Suisse Group in VI – Parent company financial statements – Credit Suisse Group as well as in our AoA (Articles 26, 26a-c and 27). For the previous two years' information, refer to our 2007 Annual Report.

Shareholder base

We have a broad shareholder base. As of December 31, 2008, 148,621 shareholders were listed in our share register. To the best of our knowledge, there are no agreements in place that could lead to a change in control of Credit Suisse Group.

As of December 31, 2008, 58.8 million, or 5.0%, of the issued shares were in the form of ADS, and 15 million, or 1.3%, of the outstanding shares were registered in the name of US domiciled shareholders (excluding nominees).

Distribution of Credit Suisse Group shares

end of	2008				2007			
	Number of shareholders	%	Number of shares	%	Number of shareholders	%	Number of shares	%
Distribution of Credit Suisse Group shares								
Swiss	135,630	91	106,445,010	9	100,922	86	86,883,127	7
Foreign	6,698	5	10,181,518	1	11,086	9	9,243,262	1
Private investors	142,328	96	116,626,528	10	112,008	95	96,126,389	8
Swiss	5,142	3	169,111,356	14	4,349	4	106,933,533	9
Foreign	1,151	1	387,219,080	33	1,238	1	414,938,093	36
Institutional investors	6,293	4	556,330,436	47	5,587	5	521,871,626	45
Shares registered in share register	148,621	100	672,956,964	57	117,595	100	617,998,015	53
of which Switzerland	140,772	95	275,556,366	23	111,175	95	173,359,024	15
of which Europe	4,825	3	177,567,581	15	4,110	3	259,527,785	22
of which US	409	0	179,614,463	15	414	0	115,438,500	10
of which Other	2,615	2	40,218,554	3	1,896	2	69,672,706	6
Shares not registered in share register	–	–	511,678,689	43	–	–	544,464,125	47
Total shares issued	148,621	100	1,184,635,653	100	117,595	100	1,162,462,140	100

Institutional investors by industry

end of	2008		2007	
	Number of shareholders	%	Number of shares	%
Institutional investors by industry				
Banks	55	0	51,076,268	4
Insurance companies	132	0	8,865,052	1
Pension funds	1,230	1	37,681,790	3
Investment trusts	271	0	57,878,820	5
Other trusts	919	1	4,536,924	0
Governmental institutions	8	0	5,702,487	0
Other	3,430	2	38,861,986	3
Direct entries	6,045	4	204,603,327	17
Fiduciary holdings	248	0	351,727,109	30
Total institutional investors	6,293	4	556,330,436	47

The information provided in the tables reflects the distribution of shares as registered in our share register. Through the use of an external global market intelligence firm, we regularly gather additional information on the composition of our shareholder base including information on shares that are not registered in the share register. According to this data, our shareholder base is composed of 10% private investors, 72% institutional investors and 18% other investors. The geographical break down of our institutional investors is as follows: 17% Switzerland, 11% other continental Europe, 21% the UK and Ireland, 34% the US and 17% the rest of the world.

Significant shareholders

Under SESTA, anyone holding shares in a company listed on the SIX is required to notify the company and the SIX if their holding reaches, falls below or exceeds the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 33 1/3%, 50% or 66 2/3% of the voting rights entered into the commercial register, whether or not the voting rights can be exercised (that is, notifications must also include certain derivative holdings such as options or similar instruments). Following receipt of such notification, the company has the obligation to inform the public. In addition, pursuant to the Swiss Code of Obligations, we must disclose in the notes to our annual consolidated financial statements the identity of any shareholders who own in excess of 5% of our shares. The following provides a summary of the disclosure notifications pertaining to the holdings of significant shareholders (in alphabetical order). In line with the SESTA requirements, the percentages indicated below were calculated in relation to the share capital reflected in the AoA valid

at the time of the respective disclosure notification. The full text of the notifications can be found on our website.

AXA Group: On September 19 and 20, 2006, AXA S.A. disclosed that its direct and indirect holdings of shares of Credit Suisse Group amounted to 6.98%. As of February 9, 2009, AXA S.A.'s holdings of shares dropped to 4.95%.

Credit Suisse Group: On October 21, 2008, we disclosed that our direct and indirect holdings of shares and derivatives of Credit Suisse Group amounted to 6.5%, whereof 0.6% in the form of registered shares and 5.9% in the form of derivatives (share acquisition rights and granted share sale rights). On January 9, 2009, we disclosed that our holdings of shares and derivatives had fallen below the disclosure threshold of 5% and, on February 23, 2009, we disclosed that our direct and indirect holdings of shares and derivatives of Credit Suisse Group amounted to 7.2%, whereof 2.4% in the form of registered shares and 4.8% in the form of derivatives. On March 2, 2009, we disclosed that our holdings amounted to 7.9%, whereof 3% in the form of registered shares and 4.9% in the form of derivatives (share acquisition rights and granted share sale rights).

Koor Industries: On October 14, 2008, Koor Industries Ltd. disclosed that its holdings of shares of Credit Suisse Group amounted to 3.0%. On October 24, 2008, Koor Industries Ltd. disclosed that its holdings had fallen below the disclosure threshold of 3% and subsequently, in a second notification on the same day, the company disclosed that its holdings had increased to 3.1%.

Merrill Lynch Group: On April 18, 2008, Merrill Lynch & Co., Inc. disclosed that its indirect holdings of shares and derivatives of Credit Suisse Group amounted to 3.2%. We received further reports on May 15, 2008, May 28, 2008,

May 29, 2008 and June 20, 2008, when holdings had either fallen below or exceeded the reporting threshold of 3%. Due to these frequent reports, SIX permitted Merrill Lynch & Co., Inc. movements within a band ranging from 2.8% to 3.5% until year-end 2008 without triggering a report to the SIX. On July 8, 2008, Merrill Lynch & Co., Inc. disclosed that its indirect holdings of shares and derivatives of Credit Suisse Group had fallen below 2.8%.

Morgan Stanley Group: On October 7, 2008, Morgan Stanley disclosed that its indirect holdings of shares and derivatives of Credit Suisse Group amounted to 6.9%. On October 16, 2008, we received notice that the holdings dropped again below the reporting threshold of 3%.

Olayan Group: On February 13, 2008, Crescent Holding GmbH disclosed that its holdings of shares of Credit Suisse Group amounted to 3.4%. On October 22, 2008, the Olayan Group disclosed that its indirect holdings of shares and derivatives of Credit Suisse Group amounted to 7%, whereof 3.6% in the form of registered shares and 3.4% in the form of mandatory convertible bonds.

Qatar Investment Authority: On October 22, 2008, Qatar Holding LLC disclosed that its holdings of shares and derivatives of Credit Suisse Group amounted to 9.9%, whereof 8.9% in the form of registered shares (99.8 million shares) and 1.0% in the form of derivatives.

In addition, as of December 31, 2008, Chase Nominees Ltd., London, acting as nominee for a large number of investors, was a registered holder of 7.9% of the outstanding shares of Credit Suisse Group.

Cross shareholdings

The Group has no cross shareholdings in excess of 5% of capital or voting rights with any other company.

Shareholder rights

We are fully committed to the principle of equal treatment of all shareholders and encourage shareholders to actively participate at our AGM. The following is a summary of shareholder rights at Credit Suisse Group. For further details, see our AoA.

Voting rights and transfer of shares

There is no limitation under Swiss law or the AoA on the right to own Credit Suisse Group shares.

In principle, each share represents one vote at the AGM, with the exception of the shares held by Credit Suisse Group, which do not have any voting rights. Shares for which a single

shareholder or shareholder group can exercise voting rights may not exceed 2% of the total outstanding share capital, unless one of the exemptions discussed below applies.

The restrictions on voting rights do not apply to:

- the exercise of voting rights by the Credit Suisse Group proxy or by the independent proxy as designated by the Group or by persons acting as proxies for deposited shares;
- shares in respect of which the shareholder confirms to us that he or she has acquired the shares in his or her name for his or her own account and in respect of which the disclosure requirements in accordance with the SESTA and the relevant ordinances and regulations have been fulfilled; or
- shares that are registered in the name of a nominee, provided that this nominee is willing to furnish us on request the name, address and shareholding of the person(s) for whose account he or she holds 0.5% or more of the total share capital and any applicable disclosure requirements under the SESTA have been fulfilled.

In order to execute voting rights, shares need to be registered with the share register directly or in the name of a nominee. In order to be registered in the share register, the purchaser must file a share registration form. Failing such registration, the purchaser may not vote or participate in shareholders' meetings. Each shareholder, whether registered in the share register or not, is entitled to receive dividends or other distributions, if, and when, approved at the AGM. Except upon specific request, Credit Suisse Group shares are not physically represented by certificates. The transfer of shares is executed by a corresponding entry in the custody records of a bank or depositary institution following an assignment in writing by the selling shareholder and notification of such assignment to us by the transferor, the bank or the depositary institution.

Annual General Meeting

Under Swiss law, the AGM must be held within six months after the end of the fiscal year. Notice of an AGM, including agenda items and proposals submitted by the Board and by shareholders, must be published in the Swiss Official Commercial Gazette at least 20 days prior to the meeting.

Holders of shares may request registration in the share register at any time. However, shares only qualify for voting at an AGM if entered into the Share Register with voting rights at the latest three days prior to an AGM.

Convocation of shareholder meetings

The AGM is convened by the Board or, if necessary, by the statutory auditors, with 20 days' advance notice. The Board is

further required to convene an extraordinary shareholders' meeting if so resolved at a shareholders' meeting or if so requested by shareholders holding in aggregate at least 10% of the nominal share capital. The request to call an extraordinary shareholders' meeting must be submitted in writing to the Board, and, at the same time, shares of Credit Suisse Group representing at least 10% of the nominal share capital must be deposited for safekeeping. The shares remain in safekeeping until the day after the extraordinary shareholders' meeting.

Request to place an item on the agenda

Shareholders holding shares with an aggregate nominal value of at least CHF 40,000 have the right to request that a specific item be put on the agenda and voted upon at the next AGM. The request to include a particular item on the agenda, together with a relevant proposal, must be submitted in writing to the Board not later than 45 days before the meeting and, at the same time, shares of Credit Suisse Group with an aggregate nominal value of at least CHF 40,000 must be deposited for safekeeping. The shares remain in safekeeping until the day after the AGM.

Statutory quorums

The AGM may, in principle, pass resolutions without regard to the number of shareholders present at the meeting or represented by proxy. Resolutions and elections generally require the approval of a majority of the votes represented at the meeting, except as otherwise provided by mandatory provisions of law or by the AoA.

Shareholders' resolutions that require a vote by a majority of the votes represented include:

- amendments to the AoA, unless a supermajority is required;
- election of directors and statutory auditors;
- approval of the annual report and the statutory and consolidated accounts; and
- determination of allocation of distributable profit.

A quorum of at least half of the share capital and approval by two thirds of the votes represented is required for resolutions on:

- change of the purpose of the company;
- creation of shares with increased voting powers;
- implementation of transfer restrictions on shares;
- authorized or conditional increase in the share capital;
- increase of capital by way of conversion of capital surplus or by contribution in kind;
- restriction or suspension of preferential rights;
- change of location of the principal office; and
- dissolution of the company without liquidation.

A quorum of at least half of the share capital and approval by at least three quarters of the votes cast is required for resolutions on:

- the conversion of registered shares into bearer shares;
- amendments to the provision of the AoA relating to registration and voting rights of nominee holders; and
- the dissolution of the company.

A quorum of at least half of the share capital and the approval of at least seven eighths of the votes cast is required for amendments to provisions of the AoA relating to voting rights.

Pre-emptive subscription rights

Under Swiss law, any share issue, whether for cash or non-cash consideration or no consideration, is subject to the prior approval of the shareholders. Shareholders of a Swiss corporation have certain pre-emptive subscription rights to subscribe for new issues of shares in proportion to the nominal amount of shares held. A resolution adopted at a shareholders' meeting with a supermajority may, however, limit or suspend preferential subscription rights in certain limited circumstances.

Notices

Notices to shareholders are made by publication in the Swiss Official Commercial Gazette. The Board may designate further means of communication for publishing notices to shareholders. Notices required under the listing rules of the SIX will either be published in two Swiss newspapers in German and French and sent to the SIX or otherwise communicated to the SIX in accordance with applicable listing rules. The SIX may disseminate the relevant information.

Board of Directors

Membership and qualifications

The AoA provide that the Board shall consist of a minimum of seven members. The Board currently consists of 13 members. We believe that the size of the Board must be such that the committees can be staffed with qualified members. At the same time, the Board must be small enough to ensure an effective and rapid decision-making process. The members are elected individually for a period of three years and are eligible for re-election. There is no requirement in the AoA for a staggered board. One year of office is understood to be the period of time from one ordinary AGM of shareholders to the close of the next ordinary AGM. While the AoA do not provide for any age or term limitations, our OGR specify that the members of the Board shall generally retire at the ordinary AGM in the year in which they reach the age of 70 or after having served on the Board for 15 years. The Board may in exceptional circumstances propose to the shareholders to elect a particular Board member for a further term of a maximum of three years despite the respective Board member having reached the age or term limitation. None of our directors has a service contract with us or any of our subsidiaries providing for benefits upon termination of service.

The Board currently has four committees: the Chairman's and Governance Committee, the Audit Committee, the Compensation Committee and the Risk Committee. The committee members are appointed for a term of one year.

The Chairman's and Governance Committee regularly considers the composition of the Board as a whole and in light of staffing requirements for the committees. The Chairman's and Governance Committee recruits and evaluates candidates for Board membership based on a set of criteria established by the Committee. The Committee may also retain outside consultants with respect to the identification and recruitment of potential new Board members. In assessing candidates, the Chairman's and Governance Committee considers the requisite skills and characteristics of Board members as well as the composition of the Board as a whole. Among other considerations, the Committee takes into account independence, diversity, age, skills and management experience in the context of the needs of the Board to fulfill its responsibilities. The Board also considers other activities and commitments of an individual in order to be satisfied that a proposed member of the Board can devote enough time to a Board position at Credit Suisse Group.

Any newly appointed director participates in an orientation program to become familiar with our organizational structure, strategic plans, significant financial, accounting and risk issues and other important matters. The orientation program is designed to take into account the new Board member's individual background and level of experience in each specific area. Moreover, the program's focus is aligned with any committee memberships of the person concerned. Board members are encouraged to engage in continuing training. From time to time, the Board or a committee of the Board may ask a specialist within the Group to speak about a specific topic at one of its meetings to improve the Board members' understanding of emerging issues that already are or may become of particular importance to our business.

Meetings

In 2008, the Board held six full-day meetings in person and seven additional shorter meetings. From time to time, the Board may also take certain urgent decisions via circular resolution. Such matters have usually been discussed at a previous Board meeting or are administrative in nature.

All members of the Board are expected to spend the necessary time outside these meetings needed to discharge their responsibilities appropriately. The Chairman of the Board (Chairman) calls the meeting with sufficient notice and prepares an agenda for each meeting. However, any other Board member has the right to call an extraordinary meeting, if deemed necessary. The Chairman has the discretion to invite members of management or others to attend the meetings. Generally, the members of the Executive Board attend part of the meetings to ensure effective interaction with the Board. At most meetings, the Board holds separate private sessions, without management present, to discuss particular issues. Minutes are kept of the proceedings and resolutions of the Board.

Meeting attendance

The members of the Board are expected to attend all or substantially all meetings of the Board and the committees on which they serve. The Chairman attends selected committee meetings as a guest. In 2008, each member of the Board and its committees attended most of the scheduled meetings.

Board meetings: 13 meetings were held during 2008. Eight members of the Board attended all meetings, three members of the Board attended 90%, one member attended 80% and one member attended 60% of scheduled meetings.

Chairman's and Governance Committee meetings: Seven meetings were held during 2008. All members of the Chairman's and Governance Committee attended all meetings.

Audit Committee meetings: 14 meetings were held during 2008. Two members of the Audit Committee attended all meetings and two members attended 90% of the scheduled meetings.

Compensation Committee meetings: Six meetings were held during 2008. Three members of the Compensation Committee attended all meetings and one member attended 80% of the scheduled meetings.

Risk Committee meetings: Seven meetings were held during 2008. Three members of the Risk Committee attended all meetings and one member attended 90% of the scheduled meetings.

Independence

The Board currently consists solely of directors who have no executive functions within the Group. As of December 31, 2008, all members of the Board were independent. In its independence determination, the Board takes into account the factors set forth in the OGR, the Committee Charters and applicable laws and listing standards. Our independence standards are also periodically measured against other emerging best practice standards.

The Chairman's and Governance Committee performs an annual assessment of the independence of each Board member and reports its findings to the full Board for the final determination of independence of each individual member. In general, a director is considered independent if he or she is not, and has not been for the prior three years, employed as an executive officer of Credit Suisse Group or any of our subsidiaries, is not and has not been for the prior three years an employee or affiliate of our external auditor and does not maintain a material direct or indirect business relationship with Credit Suisse Group or any of our subsidiaries. Moreover, a Board member is not considered independent if he or she is, or has been at any time during the prior three years, part of an interlocking directorate in which a member of the Executive Board serves on the compensation committee of another company that employs the Board member. Board members with immediate family members who would not qualify as independent are also not considered independent. Our definition of independence is in line with the NYSE definition. In addition to

measuring Board members against the independence criteria, the Chairman's and Governance Committee also considers whether there are any indications that other commitments of an individual prevent the person from devoting enough time to the Credit Suisse Group Board mandate.

Whether or not a relationship between Credit Suisse and a member of the Board is considered material depends in particular on the following factors:

- the volume and size of any transactions concluded in relation to the financial status and credit standing of the Board member concerned or the organization in which he or she is a partner, significant shareholder or executive officer;
- the terms and conditions applied to such transactions in comparison to those applied to transactions with counterparties of a similar credit standing;
- whether the transactions are subject to the same internal approval processes and procedures as transactions that are concluded with parties that are not related to a Board member;
- whether the transactions are performed in the ordinary course of business; and
- whether the transactions are structured in such a way and on such terms and conditions that the transaction could be concluded with a third party on comparable terms and conditions.

We are a global financial services provider. Many of the members of the Board or companies associated with them maintain banking relations with us. All relationships with members of the Board or such companies are in the ordinary course of business, and are entered into on an arm's length basis. For further information on relationships with members of the Board, refer to Note 28 – Related parties in V – Consolidated financial statements – Credit Suisse Group.

Chairman of the Board

The Chairman coordinates the work of the Board and its committees and ensures that the Board members are provided with the information relevant for performing their duties. The Chairman has no executive function within the Group. With the exception of the Chairman's and Governance Committee, the Chairman is not a member of any of the Board's standing committees. However, he may attend all or part of selected committee meetings, as well as the meetings of the Executive Board, as a guest. The Chairman is actively involved in developing the strategic business plans and objectives of the Group. Furthermore, he works closely with the CEO in establishing succession plans for key management positions.

The Chairman takes an active role in representing the Group to regulators, important investors, industry associations, other stakeholders and the general public.

Board responsibilities

In the OGR, the Board delegates certain tasks to Board committees and delegates the management of the company and the preparation and implementation of Board resolutions to certain management bodies or executive officers to the extent permitted by law, in particular article 716a and 716b of the Swiss Code of Obligations, and the AoA.

With responsibility for the overall direction, supervision and control of the company, the Board regularly assesses our competitive position and approves our strategic and financial plans. At each ordinary meeting, the Board receives a status report on our financial results and capital situation. In addition, the Board receives, on a monthly basis, management information packages, which provide detailed information on our performance and financial status, as well as quarterly risk reports outlining recent developments and outlook scenarios. Management also provides the Board members with regular updates on key issues and significant events, as is deemed appropriate or requested. In order to appropriately discharge its responsibilities, the members of the Board have access to all information concerning the Group.

The Board also reviews and approves significant changes in our structure and organization and is actively involved in significant projects including acquisitions, divestitures, investments and other major projects. The Board and its committees are entitled, without consulting with management and at the Group's expense, to engage independent legal, financial or other advisors, as they deem appropriate, with respect to any matters within their authority. The Board performs a self-assessment once a year where it reviews its own performance and sets objectives and a work plan for the coming year.

Board committees

At each Board meeting, the committee chairmen report to the Board about their activities. In addition, the minutes and documentation of the committee meetings are accessible to all Board members.

Chairman's and Governance Committee

The Chairman's and Governance Committee consists of the Chairman, the vice chairmen and the chairmen of the committees of the Board and other members appointed by the Board.

A majority of the committee's members must be independent. Currently all members of the Chairman's and Governance Committee are independent. The members are:

- Walter B. Kielholz (Chairman)
- Peter Brabeck-Letmathe
- Hans-Ulrich Doerig
- Aziz R.D. Syriani
- Peter F. Weibel

The Chairman's and Governance Committee has its own charter, which has been approved by the Board. It generally meets eight to ten times per year. The meetings are usually attended by the CEO and the General Counsel. It is at the Chairman's discretion to ask other members of management to attend all or part of a meeting.

The Chairman's and Governance Committee acts as an advisor to the Chairman and discusses a broad variety of topics in preparation for Board meetings. In addition, the Chairman's and Governance Committee is responsible for the development and review of Corporate Governance Guidelines, which are then recommended to the full Board for approval. It periodically reviews our other governance documents to ensure that they are up-to-date and complete. At least once annually, the Chairman's and Governance Committee evaluates the independence of the Board members and reports its findings to the Board for final determination. The Chairman's and Governance Committee is also responsible for identifying, evaluating, recruiting and nominating new Board members in accordance with the criteria established by the Committee, subject to applicable laws and regulations.

In addition, the Chairman's and Governance Committee guides and supervises the Board's annual performance assessment of the Chairman, the CEO and the members of the Executive Board. The Chairman does not participate in the discussion of his own performance. The Chairman's and Governance Committee proposes to the Board the appointment, promotion, dismissal or replacement of members of the Executive Board. The Chairman's and Governance Committee also reviews succession plans for senior executive positions in the Group with the Chairman and the CEO.

Audit Committee

The Audit Committee consists of not fewer than three members, all of whom must be independent. The current members are:

- Peter F. Weibel (Chairman)
- Noreen Doyle
- Jean Lanier
- David W. Syz

The Audit Committee has its own charter, which has been approved by the Board. The members of the Audit Committee are subject to additional independence requirements, exceeding those that apply to other members of the Board. None of the Audit Committee members may be an affiliated person of the Group or may, directly or indirectly, accept any consulting, advisory or other compensatory fees from us other than their regular compensation as members of the Board and its committees. The Audit Committee charter stipulates that all Audit Committee members must be financially literate. In addition, they may not serve on the Audit Committee of more than two other companies, unless the Board deems that such membership would not impair their ability to serve on our Audit Committee. Ms. Doyle currently serves on the Audit Committees of three other public companies, but the Board has determined that such membership does not impair her ability to serve on our Audit Committee.

In addition, the SEC requires disclosure about whether a member of the Audit Committee is an audit committee financial expert within the meaning of SOX. The Board has determined that Peter F. Weibel is an audit committee financial expert.

Pursuant to its charter, the Audit Committee holds full-day or half-day meetings at least once each quarter, prior to the publication of our consolidated financial statements. Typically, the Audit Committee convenes for a number of additional meetings and conference calls throughout the year in order to adequately discharge its responsibilities. The meetings are attended by management representatives, as appropriate, the Head of Internal Audit and senior representatives of the external auditor. At most Audit Committee meetings, a private session with Internal Audit and the external auditors is scheduled to provide them with an opportunity to discuss issues with the Audit Committee without management being present.

The primary function of the Audit Committee is to assist the Board in fulfilling its oversight role by:

- monitoring and assessing the integrity of the consolidated financial statements as well as disclosures of the financial condition, results of operations and cash flows;
- monitoring processes designed to ensure an appropriate internal control system, including compliance with legal and regulatory requirements;
- monitoring the qualifications, independence and performance of the external auditors and of Internal Audit; and
- monitoring the adequacy of financial reporting processes and systems of internal accounting and financial controls.

The Audit Committee is regularly informed about significant projects aimed at further improving processes and receives regular updates on major litigation matters as well as signifi-

cant regulatory and compliance matters. The Audit Committee also oversees the work of our external auditor and pre-approves the retention of, and fees paid to, the external auditor for all audit and non-audit services. For this purpose, it has developed and approved a policy that is designed to help ensure that the independence of the external auditor is maintained at all times. The policy limits the scope of services that the external auditor may provide to us or any of our subsidiaries to audit and certain permissible types of non-audit services, including audit-related services, tax services and other services that have been pre-approved by the Audit Committee. The Audit Committee pre-approves all other services on a case-by-case basis. The external auditor is required to report periodically to the Audit Committee about the scope of the services it has provided and the fees for the services it has performed to date. Furthermore, the Audit Committee has established procedures for the receipt, retention and treatment of complaints regarding accounting, internal controls or auditing matters, including a whistleblower hotline to provide the option to report complaints on a confidential, anonymous basis. The Audit Committee performs a self-assessment once a year where it reviews its own performance against the responsibilities listed in the charter and the committee's objectives and determines any special focus objectives for the coming year.

Compensation Committee

The Compensation Committee consists of not fewer than three members, all of whom must be independent. The current members are:

- Aziz R.D. Syriani (Chairman)
- Thomas W. Bechtler
- Robert H. Benmosche
- Peter Brabeck-Letmathe

The Compensation Committee has its own charter, which has been approved by the Board. Pursuant to its charter, the Compensation Committee holds at least four meetings per year. Additional meetings may be scheduled if required to discuss urgent matters. The length of the meetings varies and depends on the agenda. The main meeting is held in January with the primary purpose of reviewing the performance of the businesses and the respective management teams and determining and/or recommending to the Board for approval the overall variable compensation pools and the compensation payable to the members of the Board, the Executive Board, the head of Internal Audit and certain other members of senior management. Other duties and responsibilities of the Compensation Committee include reviewing newly established compensation plans or amendments to existing plans and rec-

ommending them to the Board for approval. The Chairman of the Compensation Committee decides on the attendance of management or others at the committee meetings.

The Compensation Committee is assisted in its work by external legal counsel and an independent global compensation consulting firm (Johnson Associates, Inc.). For information on our compensation approach, principles and objectives, refer to — Compensation. The Compensation Committee performs a self-assessment once a year where it reviews its own performance against the responsibilities listed in the charter and the committee's objectives and determines any special focus objectives for the coming year.

Risk Committee

The Risk Committee consists of not fewer than three members. Pursuant to its charter, which has been approved by the Board, it may include non-independent members. The current members are:

- Hans-Ulrich Doerig (Chairman)
- Ernst Tanner
- Richard E. Thornburgh
- Anton van Rossum

The Risk Committee holds at least four meetings a year, each generally at least a half day. In addition, the Risk Committee usually convenes for additional meetings throughout the year in order to appropriately discharge its responsibilities. The Chairman of the Risk Committee invites members of management or others to attend the committee meetings, as appropriate.

The Risk Committee's main duties are to assist the Board in assessing the different types of risk to which we are exposed, as well as our risk management structure, organization and processes. The Risk Committee approves selected risk limits and makes recommendations to the Board regarding all its risk-related responsibilities, including the review of major risk management and capital adequacy requirements. The Risk Committee performs a self-assessment once a year where it reviews its own performance against the responsibilities listed in the charter and the committee's objectives and determines any special focus objectives for the coming year.

Members of the Board and the Committees

Walter B. Kielholz, Chairman ¹⁾

Hans-Ulrich Doerig, Vice-Chairman ^{1) 2)}

Peter Brabeck-Letmathe, Vice-Chairman ^{1) 3)}

Thomas W. Bechtler ³⁾

Robert H. Benmosche ³⁾

Noreen Doyle ⁴⁾

Jean Lanier ⁴⁾

Anton van Rossum ²⁾

Aziz R.D. Syriani ^{1) 3)}

David W. Syz ⁴⁾

Ernst Tanner ²⁾

Richard E. Thornburgh ²⁾

Peter F. Weibel ^{1) 4)}

¹⁾ Member of the Chairman's and Governance Committee, chaired by Mr. Kielholz

²⁾ Member of the Risk Committee, chaired by Mr. Doerig

³⁾ Member of the Compensation Committee, chaired by Mr. Syriani

⁴⁾ Member of the Audit Committee, chaired by Mr. Weibel

The composition of the Boards of Directors of the Group and the Bank is identical.

On March 9, 2009, we announced that Walter B. Kielholz will step down from his function as Chairman, effective April 24, 2009. Subject to his re-election, he will, however, remain a member of the Board. Subject to his re-election, Hans-Ulrich Doerig will succeed Mr. Kielholz as Chairman. Thomas W. Bechtler has decided to retire from the Board as of the date of the AGM. Moreover, the Board proposes the following additions to the Board, subject to their election by the shareholders: Andreas Koopmann, CEO Bobst Group S.A., Urs Rohner, COO and General Counsel of Credit Suisse, and John Tiner, CEO of the UK firm Resolution Group and former CEO of the FSA. Urs Rohner will become a full-time Vice-Chairman.



From left to right: Peter Brabeck-Letmathe, Hans-Ulrich Doerig, Jean Lanier, Ernst Tanner, Thomas W. Bechtler, Robert H. Benmosche, Walter B. Kielholz, Noreen Doyle, David W. Syz, Aziz R. D. Syriani, Anton van Rossum, Peter F. Weibel and Richard E. Thornburgh.

Walter B. Kielholz**Born 1951, Swiss Citizen****Credit Suisse****Paradeplatz 8, 8070 Zurich, Switzerland**

Walter B. Kielholz is the Chairman of the Board and the Chairman's and Governance Committee (since 2003). He has been a member of the Board since 1999 and served as Chairman of the Audit Committee from 1999 to 2002. His term as a member of the Board expires at the AGM in 2009. The Board has determined him to be independent under the Group's independence standards.

Mr. Kielholz studied Business Administration at the University of St. Gallen and graduated in 1976 with a degree in Business Finance and Accounting.

His career began at the General Reinsurance Corporation, Zurich, in 1976. After working in the US, the UK and Italy, Mr. Kielholz assumed responsibility for the company's European marketing. In 1986, he joined Credit Suisse, Zurich, responsible for client relations with large insurance groups in the Multi-national Services department.

Mr. Kielholz joined Swiss Re, Zurich, in 1989. He became a member of Swiss Re's Executive Board in 1993 and was Swiss Re's CEO from 1997 to 2002. A Board member since 1998, he became Executive Vice-Chairman of the board of directors of Swiss Re in 2003 and Vice-Chairman in 2007.

Mr. Kielholz is a Board member of the Geneva Association, the European Financial Roundtable and the Institute of International Finance. In addition, Mr. Kielholz is Chairman of the Supervisory Board of Avenir Suisse and a member of the Board and the Committee of *economiesuisse*. Mr. Kielholz is a member of the Zurich Friends of the Arts, the Lucerne Festival Foundation Board and Chairman of the Zürcher Kunstgesellschaft (Zurich Art Society), which runs Zurich's Kunsthaus museum.

Hans-Ulrich Doerig**Born 1940, Swiss Citizen****Credit Suisse****Paradeplatz 8, 8070 Zurich, Switzerland**

Hans-Ulrich Doerig is the full-time Vice-Chairman of the Board and Chairman of the Risk Committee (since 2003). Prior to that, he served as Vice-Chairman of the Group Executive Board from 1998 to 2003 and as CRO from 1998 until 2002. His term as a member of the Board expires at the AGM in 2009. The Board has determined him to be independent under the Group's independence standards.

After completing his studies at the University of St. Gallen with degrees in Economics and Law, including a doctorate received in 1968, and after five years at JP Morgan in New York, Mr. Doerig joined Credit Suisse in 1973. In 1982, he

was appointed a member of the Executive Board of Credit Suisse with responsibility for the multinational division, securities trading, capital markets, corporate finance and commercial banking in Asia. From 1993 to 1996, he served as Vice-Chairman of the Board of Credit Suisse. In 1996, he became President of the Executive Board of Credit Suisse. During 1997, he served as CEO of Credit Suisse First Boston.

Mr. Doerig is a member of the board of directors of Bühler AG, Uzwil (since 2004), Coca Cola AG, Brüttisellen (since 1983) and a member of the Board of the University of Zurich (since 1998) and the Zurich University Hospital (since 2006). Furthermore, he is a member of the supervisory bodies of several foundations and academic, arts, charitable and professional organizations, as well as the author of a number of publications on finance, education and management.

Peter Brabeck-Letmathe**Born 1944, Austrian Citizen****Nestlé SA****Avenue Nestlé 55, 1800 Vevey, Switzerland**

Peter Brabeck-Letmathe is Vice-Chairman of the Board (since 2008), a function he held from 2000 to 2005. He has been a member of the Board since 1997. He currently serves on the Compensation Committee and on the Chairman's and Governance Committee (since 2008). He has been a member of both committees at previous times (2000 to 2005 and 2003 to 2005, respectively). His term as a member of the Board expires at the AGM in 2011. The Board has determined him to be independent under the Group's independence standards.

Mr. Brabeck-Letmathe studied Economics at the University of World Trade in Vienna. After graduating in 1968, he joined Nestlé's sales operations in Austria. His career at Nestlé includes a variety of assignments in several European countries as well as in Latin America. Since 1987, he has been based at Nestlé's headquarters in Vevey. Mr. Brabeck-Letmathe is the Chairman of the board of directors of Nestlé (since 2005). From 1997 to 2008, he was also the CEO of Nestlé.

Mr. Brabeck-Letmathe is a member of the boards of directors of L'Oréal SA, Paris (since 1997), and Roche Holding SA, Basel (since 2000). He is also a member of the Foundation Board of the World Economic Forum and a member of the European Round Table of Industrialists.

Thomas W. Bechtler**Born 1949, Swiss Citizen****Seestrasse 21, 8700 Küsnacht, Switzerland**

Thomas W. Bechtler has been a member of the Board since 1994 and of the Compensation Committee since 2006, on which he served from 2003 to 2004. From 1999 to 2003, he served on the Audit Committee and from 2003 to 2006 he served on the

Risk Committee. His term as a member of the Board expires at the AGM in 2011. The Board has determined him to be independent under the Group's independence standards.

Mr. Bechtler studied Law at the universities of Zurich and Geneva. After graduating in 1973, he obtained a Master of Laws degree from Harvard University, Massachusetts, in 1975, and a doctorate from Zurich University in 1976. Mr. Bechtler is the Vice-Chairman and the delegate of the boards of directors of Hesta AG, Zug, and Hesta Tex AG, Zug, both family-owned companies which own Zellweger Luwa AG, Uster, and Schiesser Group AG, Küsnacht.

Mr. Bechtler's other board memberships include: Bucher Industries, Niederweningen (since 1987), Conzzetta Holding AG, Zurich (since 1987) and Sika AG, Baar (Vice-Chairman; since 1989). In addition, Mr. Bechtler serves as the Chairman of the Zurich Committee of Human Rights Watch.

Robert H. Benmosche

Born 1944, US Citizen

Credit Suisse

Paradeplatz 8, 8070 Zurich, Switzerland

Robert H. Benmosche has been a member of the Board since 2002 and of the Compensation Committee since 2003. His term as a member of the Board expires at the AGM in 2011. The Board has determined him to be independent under the Group's independence standards.

Mr. Benmosche was Chairman of the Board and CEO of MetLife, Inc., New York, from the demutualization of the company in 2000 and of Metropolitan Life Insurance Company, New York, from 1998 until his retirement in 2006. Before joining MetLife in 1995, Mr. Benmosche was with PaineWebber, New York, for 13 years. He received a BA degree in Mathematics from Alfred University, New York, in 1966.

He does not hold any other significant board memberships.

Noreen Doyle

Born 1949, US and Irish Citizen

Credit Suisse

Paradeplatz 8, 8070 Zurich, Switzerland

Noreen Doyle has been a member of the Board since 2004 and of the Audit Committee since 2007. From 2004 to 2007 she served on the Risk Committee. Her term as a member of the Board expires at the AGM in 2010. The Board has determined her to be independent under the Group's independence standards.

Ms. Doyle was the First Vice President and Head of Banking of the EBRD from 2001 to 2005. She joined the EBRD in 1992 as head of syndications, was appointed CCO in 1994 and became Deputy Vice President, Risk Management, in 1997. Prior to joining the EBRD, Ms. Doyle spent 18 years at

Bankers Trust Company with assignments in Houston, New York and London.

Ms. Doyle received a BA in Mathematics from The College of Mount Saint Vincent, New York, in 1971 and a MBA from Dartmouth College, New Hampshire, in 1974.

She currently serves on the Boards of Directors of the Newmont Mining Corporation, QinetiQ Group plc., a UK-based defense technology and security company, and Rexam plc., a global consumer packaging company (all since 2005). Moreover, she is a member of the Advisory Board of the Macquarie European Infrastructure Fund 2.

Jean Lanier

Born 1946, French Citizen

Credit Suisse

Paradeplatz 8, 8070 Zurich, Switzerland

Jean Lanier has been a member of the Board and the Audit Committee since 2005. His term as a member of the Board expires at the AGM in 2011. The Board has determined him to be independent under the Group's independence standards.

Mr. Lanier is the former Chairman of the Managing Board and Group CEO of Euler Hermes, Paris. He also chaired the Boards of the principal subsidiaries of the group. He held these functions from 1998 until 2004. Prior to that, he was the COO and Managing Director of SFAC, which later become Euler Hermes SFAC (from 1990 to 1997), and of the Euler Group (from 1996 to 1998).

Mr. Lanier started his career at the Paribas Group in 1970, where he worked until 1983 and held among others the functions of Senior Vice President of Paribas Group Finance division and Senior Executive for North America of the Paribas Group in New York. In 1983, he joined the Pargesa Group, where he held the positions of President of Lambert Brussels Capital Corporation in New York from 1983 to 1989 and Managing Director of Pargesa, based in Paris and Geneva, from 1988 to 1990.

He holds a Masters of Engineering from the Ecole Centrale des Arts et Manufactures, Paris (1969), and a Masters of Sciences in Operations Research and Finance from Cornell University, New York (1970).

Mr. Lanier is a member of the Boards of Directors of France Essor (since 1991) and of Paris Re Holdings Ltd (since 2006). He is a Chevalier de la Légion d'Honneur in France and Chairman of the Foundation "Les Amis de l'Arche."

Anton van Rossum

Born 1945, Dutch Citizen

Credit Suisse

Paradeplatz 8, 8070 Zurich, Switzerland

Anton van Rossum has been a member of the Board since 2005 and the Risk Committee since 2008. From 2005 to

2008, he served on the Compensation Committee. His term as a member of the Board expires at the AGM in 2011. The Board has determined him to be independent under the Group's independence standards.

Mr. van Rossum was the CEO of Fortis from 2000 to 2004. He was also a member of the board of directors of Fortis and chaired the Boards of the principal subsidiaries of the group.

Prior to that, Mr. van Rossum worked for 28 years with McKinsey and Company, where he led a number of top management consulting assignments with a focus on the banking and insurance sectors. He was elected Principal and a Director of the firm in 1979 and 1986, respectively.

He studied Economics and Business Administration at the Erasmus University in Rotterdam, where he obtained a bachelor's degree in 1965 and a master's degree in 1969.

Mr. van Rossum is a member of the board of directors of Solvay S.A., Brussels, an international chemical and pharmaceuticals group (since 2006); Rodamco Europe, Rotterdam, a commercial real estate group (since 2007); and Vopak NV, Rotterdam (since 2007, Chairman since 2008). He is also the Chairman of the Supervisory Board of the Erasmus University, Rotterdam, a member of the Board of Trustees of the Conference Board, the Chairman of the Netherlands Economic Institute, the International President of the European League for Economic Cooperation and sits on the boards of several cultural, philanthropic and educational institutions.

Aziz R.D. Syriani

Born 1942, Canadian Citizen

The Olayan Group

111 Poseidonos Avenue, P.O. Box 70228

Glyfada, Athens 16610, Greece

Aziz R.D. Syriani has been a member of the Board since 1998 and Chairman of the Compensation Committee since 2004. He has been a member of the Chairman's and Governance Committee since 2003 and served on the Audit Committee from 2003 to 2007. His term as a member of the Board expires at the AGM in 2010. The Board has determined him to be independent under the Group's independence standards.

Mr. Syriani holds a Law degree from the University of St. Joseph in Beirut (1965) and a Master of Laws degree from Harvard University, Massachusetts (1972). He has been with the Olayan Group since 1978 and currently serves as the President (since 1978) and the CEO (since 2002). The Olayan Group is a private multinational enterprise engaged in distribution, manufacturing and global investment.

Mr. Syriani serves on the board of directors of Occidental Petroleum Corporation, Los Angeles (since 1983), where he is currently the Lead Independent Director and Chairman of

the Audit Committee, as well as a member of the Executive and the Corporate Governance Committee.

David W. Syz

Born 1944, Swiss Citizen

ecodocs AG

Dufourstrasse 21, 8702 Zollikon, Switzerland

David W. Syz has been a member of the Board and the Audit Committee since 2004. His term as a member of the Board expires at the AGM in 2010. The Board has determined him to be independent under the Group's independence standards.

After completing his studies at the Law School of the University of Zurich and receiving a doctorate from the same university in 1972 and an MBA at INSEAD, Fontainebleau, in 1973, Mr. Syz started his career as Assistant to the Director at the Union Bank of Switzerland in Zurich and subsequently held the equivalent position at Elektrowatt AG, Zurich. In 1975, he was appointed Head of Finance at Staefa Control System AG, Stäfa, and became Managing Director after four years. From 1982 to 1984, he was also the CEO of Cerberus AG, Männedorf. In 1985, Mr. Syz returned to Elektrowatt AG as Director and Head of Industries and Electronics. In 1996, he was appointed CEO and Managing Director of Schweizerische Industrie-Gesellschaft Holding AG, Neuhausen.

Appointed State Secretary in 1999, Mr. Syz took charge of the new State Secretariat for Economic Affairs, a function from which he retired in 2004.

Mr. Syz is the Chairman of the Board of Huber & Suhner AG, Pfäffikon (since 2005, Vice-Chairman from 2004 to 2005), and the Chairman of the Board of ecodocs AG, Zollikon (since 2004). Moreover, he is the Chairman of the Supervisory Board of the Climate Cent Foundation (since 2005), an organization mandated with the implementation of the carbon dioxide reduction program according to the Kyoto Protocol.

Ernst Tanner

Born 1946, Swiss Citizen

Chocoladenfabriken Lindt & Sprüngli AG

Seestrasse 204, 8802 Kilchberg, Switzerland

Ernst Tanner has been a member of the Board since 2002 and member of the Risk Committee since 2003. His term as a member of the Board expires at the AGM in 2011. The Board has determined him to be independent under the Group's independence standards.

Mr. Tanner is the Chairman of the Board (since 1994) and the CEO (since 1993) of Lindt & Sprüngli AG, Kilchberg, a Swiss chocolate producer listed on the SIX Swiss Exchange. Before joining Lindt & Sprüngli, Mr. Tanner worked at Johnson

& Johnson, which he joined in 1969, most recently as Company Group Chairman of Johnson & Johnson Europe.

Mr. Tanner serves on the board of directors of The Swatch Group, Biel (since 1995). He is also a member of the Board of the Zurich Chamber of Commerce and delegate of the Society for the Promotion of Swiss Economy.

Richard E. Thornburgh

Born 1952, US Citizen

Corsair Capital LLC

717 Fifth Avenue, New York, NY 10022, US

Richard E. Thornburgh has been a member of the Board and the Risk Committee since 2006. His term as a member of the Board expires at the AGM in 2009. As the three-year look back period since he has retired from his executive function at Credit Suisse has elapsed, the Board has determined him to be independent under the Group's independence standards effective January 1, 2009.

Mr. Thornburgh is Vice-Chairman of Corsair Capital, a private equity investment company (since 2006).

He received a BBA from the University of Cincinnati, Ohio, in 1974, and an MBA from the Harvard Business School, Massachusetts, in 1976, and then began his investment banking career in New York with The First Boston Corporation, a predecessor firm of Credit Suisse First Boston. In 1995, Mr. Thornburgh was appointed Chief Financial and Administrative Officer and a member of the Executive Board of Credit Suisse First Boston. In 1997, he was appointed member of the Group Executive Board where he served until 2005. From 1997 to 1999, Mr. Thornburgh was the CFO of Credit Suisse Group and, from 1999 to 2002, he was Vice-Chairman of the Executive Board of Credit Suisse First Boston. In addition, he performed the function of CFO of Credit Suisse First Boston from May 2000 through 2002. From 2003 to 2004, he was the CRO of Credit Suisse Group. In 2004, he was appointed Executive Vice-Chairman of Credit Suisse First Boston.

Mr. Thornburgh also serves on the boards of directors of New Star Financial Inc., Boston (since 2006), and Sparta Insurance, Hartford (since 2007). Furthermore, he serves on the Executive Committee of the University of Cincinnati Foundation and the Investment Committee of the University of Cincinnati.

Peter F. Weibel

Born 1942, Swiss Citizen

Credit Suisse

Paradeplatz 8, 8070 Zurich, Switzerland

Peter F. Weibel has been a member of the Board and the Chairman's and Governance Committee as well as the Chair-

man of the Audit Committee since 2004. His term as a member of the Board expires at the AGM in 2010. The Board has determined him to be independent under the Group's independence standards and an audit committee financial expert within the meaning of SOX.

After completing his studies in Economics at the University of Zurich in 1968, including a doctorate in 1972, and after working as a consultant at IBM Switzerland for three years, Peter F. Weibel joined the Central Accounting Department at UBS in 1975 and later became a Senior Vice President in its Corporate Banking division. In 1988, he was appointed CEO of Revisuisse, one of the predecessor companies of PricewaterhouseCoopers AG, Zurich, and served as a member of the PricewaterhouseCoopers Global Oversight Board from 1998 to 2001. He retired from his function as the CEO of PricewaterhouseCoopers AG, Zurich, in the summer of 2003.

Mr. Weibel is the Chairman of the Executive MBA Program of the University of Zurich, a member of the Board of the Greater Zurich Area AG, serves on the Swiss Advisory Council and the Executive Committee of the American Swiss Foundation and is a member of the Senior Advisory Council of the Swiss-American Chamber of Commerce. He also serves on the Board of the Careum Foundation and chairs the Pestalozzi Foundation and the Zurich Art Festival.

Honorary Chairman of Credit Suisse Group

Rainer E. Gut

Born 1932, Swiss Citizen

Credit Suisse

Paradeplatz 8, 8070 Zurich, Switzerland

Rainer E. Gut was appointed the Honorary Chairman of Credit Suisse Group in 2000, after he retired as Chairman, a position he has held since 1986. Mr. Gut was a member of the board of directors of Nestlé SA, Vevey, from 1981 to 2005, whereof Vice-Chairman from 1991 to 2000 and Chairman from 2000 to 2005.

As Honorary Chairman, Mr. Gut does not have any function in the governance of the Group and does not attend the meetings of the Board.

Secretaries of the Board

Pierre Schreiber

Béatrice Fischer

Executive Board

Members of the Executive Board

The Executive Board is responsible for the day-to-day operational management of Credit Suisse. It develops and implements the strategic business plans for the Group overall as well as for the principal businesses, subject to approval by the Board. It further reviews and coordinates significant initiatives, projects and business developments in the divisions and regions or in the Shared Services functions and establishes Group-wide policies.

The composition of the Executive Board of the Group and the Bank is identical.

Brady W. Dougan, CEO

Walter Berchtold, CEO Private Banking

Paul Calello, CEO Investment Banking

D. Wilson Ervin, CRO

Renato Fassbind, CFO

Tobias Guldemann, Group CRO

Hans-Ulrich Meister, CEO Credit Suisse Switzerland ¹⁾

Kai S. Nargolwala, CEO Credit Suisse Asia Pacific

Urs Rohner, COO and General Counsel

Robert Shafir, CEO Asset Management and CEO Credit Suisse Americas ²⁾

Eric M. Varvel, CEO Credit Suisse Europe, Middle East and Africa ³⁾

¹⁾ since September 1, 2008, succeeding Ulrich Körner

²⁾ appointed CEO Asset Management effective April 2, 2008, succeeding David J. Blumer

³⁾ since February 1, 2008, succeeding Michael G. Philipp

Thomas J. Sanzone, CIO, stepped down from the Executive Board effective February 29, 2008. On March 9, 2009, we announced that Urs Rohner, COO and General Counsel, will be proposed to be elected as a member of the Board effective April 24, 2009. Romeo Cerutti, currently General Counsel Private Banking, was appointed General Counsel and member of the Executive Board effective April 24, 2009.

Brady W. Dougan

Born 1959, US Citizen

Credit Suisse

Paradeplatz 8, 8070 Zurich, Switzerland

Brady W. Dougan is the CEO (since 2007). Prior to that he was the CEO Investment Banking and the CEO of Credit

Suisse Americas. He has served on the Executive Board since 2003.

Mr. Dougan received a BA in Economics in 1981 and an MBA in Finance in 1982 from the University of Chicago, Illinois. After starting his career in the derivatives group at Bankers Trust, he joined Credit Suisse First Boston in 1990. He was the Head of the Equities division for five years before he was appointed Global Head of the Securities division in 2001. From 2002 to July 2004, he was Co-President, Institutional Services at Credit Suisse First Boston, and from 2004 until the merger with Credit Suisse in May 2005, he was CEO of Credit Suisse First Boston. From May 2005 to year-end 2005, he was CEO of the Credit Suisse First Boston division at the Bank.

Mr. Dougan does not hold any significant board memberships.

Walter Berchtold

Born 1962, Swiss Citizen

Credit Suisse

Paradeplatz 8, 8070 Zurich, Switzerland

Walter Berchtold is the CEO Private Banking at Credit Suisse (since 2006) and a member of the Executive Board (since 2003).

After obtaining a commercial diploma, Mr. Berchtold joined Credit Suisse First Boston Services AG, Zurich, in 1982, and, a year later, transferred as a trader to the precious metal and currency options unit of Valeurs White Weld SA in Geneva, which was later renamed Credit Suisse First Boston Futures Trading SA. In 1987, he was given the task of heading the Japanese convertible notes trading team, and in 1988, he assumed shared responsibility for all the business activities of Credit Suisse First Boston Futures Trading AG in Zurich.

In 1991, Mr. Berchtold joined Credit Suisse in Zurich as Head of Arbitrage in the Securities Trading department. In the following year, he became Head of the Equity Derivatives Trading department. In 1993, he managed the Equity Trading unit and, in 1994, he took on overall responsibility for Credit Suisse's Securities Trading & Sales activities globally.

From 1997 to 2003, Mr. Berchtold was Head of Trading and Sales of Credit Suisse First Boston, Switzerland and thereafter became Country Manager of Credit Suisse First Boston, where he was responsible for the entire Swiss business of Credit Suisse First Boston. From 2003 to July 2004, he was Head of Trading and Sales at Credit Suisse Financial Services and, in April 2004, he was appointed CEO of Bank-



From left to right: Tobias Guldemann, D. Wilson Ervin, Kai S. Nargolwala, Robert Shafir, Eric M. Varvel, Brady W. Dougan, Renato Fassbind, Walter Berchtold, Paul Calello, Urs Rohner and Hans-Ulrich Meister.

ing at Credit Suisse Financial Services. In July 2004, he was CEO of the former Credit Suisse, a position he held until the merger with Credit Suisse First Boston in May 2005. Between May 2005 and year-end 2005, he was CEO of the Credit Suisse division at the Bank.

Mr. Berchtold is a member of the Board of the SBA and several philanthropic and cultural foundations.

Paul Calello

Born 1961, US Citizen

Credit Suisse

11 Madison Avenue, New York, NY 10010, US

Paul Calello is the CEO Investment Banking at Credit Suisse (since 2007). Prior to that, he was CEO of Credit Suisse Asia Pacific. He has been a member of the Executive Board since 2004.

Mr. Calello joined Credit Suisse First Boston in 1990 as a founding member of Credit Suisse Financial Products, the former financial derivatives subsidiary of Credit Suisse First Boston. Mr. Calello held several management positions in Credit Suisse First Boston's global derivatives operations, and worked in Tokyo, London and New York before he was appointed Chairman and CEO of the Asia Pacific region of Credit Suisse First Boston in 2002.

Before joining Credit Suisse First Boston, Mr. Calello worked for Bankers Trust in the Global Markets Group in New York and Tokyo from 1987 to 1990 and for the Federal Reserve System in the Monetary and Economic Policy Group in Boston and Washington from 1983 to 1985.

Mr. Calello obtained a BA from Villanova University, Pennsylvania, in 1983 and an MBA from Columbia University, New York, in 1987.

Mr. Calello is a member of the Council on Foreign Relations and the Foreign Policy Association and serves on the International Board of Advisors to the President of the Philippines. Moreover, he serves on the Columbia Business School Board of Overseers and the Board of the New York Philharmonic.

D. Wilson Ervin

Born 1960, US Citizen

Credit Suisse

11 Madison Avenue, New York, NY 10010, US

D. Wilson Ervin is the CRO of Credit Suisse and a member of the Executive Board (since 2005).

Mr. Ervin received a BA in Economics from Princeton University, New Jersey, in 1982. He joined Credit Suisse First Boston in 1982 and held various responsibilities, including positions in the fixed income and equity capital markets, the Australian investment banking and the M&A group. In 1990,

Mr. Ervin joined the newly founded Credit Suisse Financial Products, the former derivatives unit of the Bank, where he was responsible for new product structuring in the Americas and US corporate marketing. From 1999 to 2005, Mr. Ervin was head of Strategic Risk Management for Credit Suisse First Boston.

Mr. Ervin does not hold any significant board memberships.

Renato Fassbind

Born 1955, Swiss Citizen

Credit Suisse

Paradeplatz 8, 8070 Zurich, Switzerland

Renato Fassbind is the CFO of Credit Suisse and has served on the Executive Board since 2004.

Mr. Fassbind graduated from the University of Zurich in 1979 with an Economics degree and received a doctorate from the same university in 1982. In addition, Mr. Fassbind has been a Certified Public Accountant since 1986.

After two years with Kunz Consulting AG, Zurich, Mr. Fassbind joined F. Hoffmann-La Roche AG, Basel, where he worked in the Internal Audit Department from 1984 to 1990, and was appointed Head of Internal Audit in 1988. From 1986 to 1987, he was with Peat Marwick (KPMG) in New Jersey, US, working as a public accountant. In 1990, he joined ABB AG, Zurich, where he was the Head of Internal Audit from 1990 to 1996 and the CFO and a member of the Group Executive Board from 1997 to 2002. In 2002, he moved on to the Diethelm Keller Group, Zurich, where he was CEO, before joining Credit Suisse Group in June 2004.

Mr. Fassbind is a member of the Swiss Association of Public Trustees. He does not hold any significant board memberships.

Tobias Guldemann

Born 1961, Swiss Citizen

Credit Suisse

Paradeplatz 8, 8070 Zurich, Switzerland

Tobias Guldemann is the Group CRO and a member of the Executive Board (since 2004).

Mr. Guldemann studied Economics at the University of Zurich and received a doctorate from the same university in 1989. He joined Credit Suisse's Internal Audit Department in 1986 before transferring to the Investment Banking area in 1990. He later became the Head of Derivatives Sales (in 1992), the Head of Treasury Sales (in 1993) and the Head of Global Treasury Coordination at Credit Suisse (in 1994). In 1997, he was made responsible for the management support of the CEO of Credit Suisse First Boston before becoming Deputy CRO of Credit Suisse Group, a function he held from

1998 to July 2004. From 2002 to 2004, he also served as the Head of Strategic Risk Management at Credit Suisse.

Mr. Guldemann is a member of the Foundation Board of the International Financial Risk Institute.

Hans-Ulrich Meister

Born 1959, Swiss Citizen

Credit Suisse

Paradeplatz 8, 8070 Zurich, Switzerland

Hans-Ulrich Meister is the CEO of Credit Suisse Switzerland, the Head of Private and Business Banking Switzerland and a member of the Executive Board (since September 2008).

Mr. Meister graduated from the University of Applied Sciences in Zurich, in 1987, majoring in Economics and Business Administration. In addition, he attended Advanced Management Programs at the Wharton School, University of Pennsylvania (in 2000), and at the Harvard Business School (in 2002).

Before joining Credit Suisse in 2008, Mr. Meister spent 25 years with UBS. Among the roles he had were the Head of Corporate Banking Region Zurich from 1999 to 2002, the Head of Large Corporates and Multinationals from 2003 to 2005 and the Head of Business Banking from 2005 to 2007. From 2002 to 2003, he was working on group projects in the area of Wealth Management, based in New York. From 2004 to 2007, Mr. Meister was a member of UBS's Group Managing Board.

Mr. Meister is a member of the Foundation Board of the Swiss Finance Institute (since 2008).

Kai S. Nargolwala

Born 1950, British Citizen

Credit Suisse

**Two Exchange Square, 8 Connaught Place,
Hong Kong, People's Republic of China**

Kai S. Nargolwala is the CEO of Credit Suisse Asia Pacific and a member of the Executive Board (since January 2008).

Mr. Nargolwala received a BA in Economics from the University of Delhi in 1969 and, thereafter, worked for six years at Peat Marwick Mitchell & Co. in London before joining Bank of America, where he spent almost 20 years in a variety of functions, among them the Group Executive Vice President and the Head of Asia Wholesale Banking Group. In 1999, he joined Standard Chartered PLC, where he was the Main Board Executive Director with responsibility for governance in Asia and the Group's Global Risk and Special Assets Management functions.

Mr. Nargolwala is a member of the Board of Singapore Telecommunications Ltd (since 2006) and a Fellow of the Institute of Chartered Accountants in England and Wales.

Urs Rohner

Born 1959, Swiss Citizen

Credit Suisse

Paradeplatz 8, 8070 Zurich, Switzerland

Urs Rohner is the COO and the General Counsel of Credit Suisse and a member of the Executive Board (since 2004).

Mr. Rohner graduated from the Law School of the University of Zurich in 1983 and joined the Swiss law firm Lenz & Stähelin in the same year. From 1988 to 1989, he worked with Sullivan & Cromwell, a New York-based law firm, as a Foreign Associate before returning to Lenz & Stähelin, where he became a partner in 1992, focusing on capital markets, banking, competition and media law. Mr. Rohner is a member of the Zurich and New York bars. In 2000, he became the CEO of ProSiebenMedia AG, Unterföhring, and later, after the merger with Sat1, the Chairman of the Executive Board and the CEO of ProSiebenSat.1 Media AG, Unterföhring, before joining Credit Suisse in June 2004.

Mr. Rohner serves on the Board of the Zurich Opera House.

Robert Shafir

Born 1958, US Citizen

Credit Suisse

11 Madison Avenue, New York, NY 10010, US

Robert Shafir is the CEO Asset Management (since April 2008), the CEO of Credit Suisse Americas and a member of the Executive Board (since August 2007).

Mr. Shafir received a BA in Economics from Lafayette College, Pennsylvania, in 1980 and an MBA from Columbia University, Graduate School of Business, New York, in 1984.

Mr. Shafir joined Credit Suisse from Lehman Brothers, where he worked for 17 years, having served as the Head of Equities as well as a member of their Executive Committee. He also held other senior roles, including the Head of European Equities and the Global Head of Equities Trading, and played a key role in building Lehman's equities business into a global, institutionally focused franchise. Prior to that, he worked at Morgan Stanley in the preferred stock business within the fixed income division.

Mr. Shafir does not hold any significant board memberships.

Eric M. Varvel

Born 1963, US Citizen

Credit Suisse

One Cabot Square, London, E14 4QJ, UK

Eric Varvel is the CEO of Credit Suisse Europe, Middle East and Africa and a member of the Executive Board (since February 2008).

Mr. Varvel holds a BA in Business Finance from Brigham Young University, Utah.

Prior to his current function, Mr. Varvel was the Co-Head of the Global Investment Banking department and the Head of the Global Markets Solutions Group in the Investment

Banking division of Credit Suisse for over three years, based in New York. Before that, Mr. Varvel spent 15 years in the Asia Pacific region in a variety of senior roles, including the Head of Investment Banking and Emerging Markets Coverage for the Asia Pacific region ex-Japan and the Head of Fixed Income Sales and Corporate Derivative Sales. During that time, Mr. Varvel was based in Tokyo, Jakarta and Singapore.

Mr. Varvel joined the Bank in 1990. Previously, he worked as an analyst for Morgan Stanley in its investment banking department in New York and Tokyo.

Mr. Varvel does not hold any significant board memberships.

Compensation

The following describes our approach to compensation, the governance for setting compensation, information on our compensation instruments and their accounting treatment, and related expenses in 2008. It also provides detailed information on the compensation of the Board and the Executive Board. The Compensation Committee is satisfied that this report reflects the manner in which it has reviewed and set compensation for 2008. The activities of the Compensation Committee were executed in accordance with its mandate under the OGR and the Compensation Committee Charter.

Impact of the financial crisis and responses

2008 presented tremendous market turmoil and challenges for financial institutions globally, with many of them experiencing significant losses and liquidity issues. Leading market players filed for bankruptcy and received far-reaching governmental emergency support. Our primary focus in 2008 was on managing through the financial crisis, concentrating on three priorities which we established in 2007 at an early stage of the crisis: to reduce risk, ensure liquidity and maintain a strong capital base. With the successful implementation of these priorities, we weathered the challenges in 2008 with limited shareholder dilution and without requiring any capital from the Swiss government.

Against the backdrop of the financial crisis, the banking industry's compensation policies and incentive models have come under mounting scrutiny from investors, regulators, politicians and the public. In a number of countries, rules have been introduced to limit executive pay, particularly in banks where governments have taken equity stakes. Proposals to increase transparency and to strengthen shareholder rights on compensation are broadly discussed, including in Switzerland as part of the ongoing revision of the Swiss Code of Obligations.

Credit Suisse is committed to proactively adapting its approach to compensation in light of emerging developments. Over recent years, we established a compensation model that we believe successfully aligns the interest of employees, management and shareholders. We are in close dialogue with independent experts, regulators and investors to ensure that our compensation principles attract, retain and reward the best

talent and reflect best market practice. Our incentive compensation model is linked to our long-term performance. Variable compensation includes share-based awards and other awards, which make up a substantial part of total compensation at the senior management level and are subject to multi-year vesting provisions. The share-based awards granted to employees over the past few years have significantly declined in value in 2008.

We maintained our overall approach to deferred variable compensation for 2008, but we also introduced certain modifications to reflect changes in our operating environment emerging from the financial crisis. As in previous years, variable share-based compensation was granted primarily in the form of ISUs. We introduced PAF awards, which are linked to the performance of a pool of illiquid assets and were primarily awarded to employees in Investment Banking, and which improved the capital efficiency of the Group. Another modification related to variable cash compensation was the introduction of CRA. A more detailed description of these new forms of variable compensation is provided below.

The economic value of variable compensation awarded to employees for 2008 was 44% lower compared to the previous year, clearly reflecting our unsatisfactory results. When determining the divisional pools available for granting variable compensation, the Compensation Committee considered – among other factors – the divisional contributions to our overall 2008 performance. As a result, variable compensation declined most significantly in Investment Banking.

Compensation approach, principles and objectives

Our approach to compensation

Our approach to compensation is designed to hire and retain talent, recognize excellence, encourage personal contribution and professional development and align the interests of employees and shareholders. It is a key element in developing our human capital base as we implement our client-focused integrated bank strategy. Compensation is strongly linked to our guiding principles of client focus, teamwork and protecting our reputation as well as to our Code of Conduct.

Principles and objectives

Our approach to compensation is:

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

These principles help to achieve our objectives to:

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

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

We aim to compensate employees long-term in line with the market, assuming our performance goals are met. We measure ourselves against a peer group of European and US banks. This peer group is reviewed annually by management and the Compensation Committee. As determined at the beginning of 2008, the global peer group was made up of Citigroup Inc., Deutsche Bank AG, Goldman, Sachs & Co., JPMorgan Chase & Co., Merrill Lynch & Co. Inc. and UBS AG. Given the different types of businesses within the Group other financial services companies may be included in the peer group used for benchmarking compensation in specific businesses. The criteria used to define our peer companies for the Group as well as the divisions include the following: (i) comparable scope and complexity of the business platform; (ii) comparable business focus and mix; (iii) common geographic foot-

print; and (iv) companies with which we compete daily for business and talent.

Compensation governance

The Compensation Committee of the Board is the supervisory and governing body for compensation policy and practices within the Group and has responsibility for determining, reviewing and proposing compensation for approval by the Board, in line with the Compensation Committee's mandate in Credit Suisse's OGR and the Compensation Committee Charter. The Committee consists of not fewer than three independent members of the Board.

The current members of the Compensation Committee are Aziz R.D. Syriani (Chairman), Thomas W. Bechtler, Robert H. Benmosche and Peter Brabeck-Letmathe. The Compensation Committee has its own charter, which has been approved by the Board. Pursuant to its charter, the Compensation Committee holds at least four meetings per year. Additional meetings may be scheduled if required to discuss urgent matters. The length of the meetings varies and depends on the agenda. In 2008, the Compensation Committee held seven meetings. The main meeting is held in January with the primary purpose of reviewing the performance of the businesses and the respective management teams and determining and/or recommending to the Board for approval the overall compensation pools for the divisions and the compensation payable to the members of the Board, the Executive Board, the head of Internal Audit and certain other members of senior management. Other duties and responsibilities of the Compensation Committee include reviewing and assessing newly established compensation plans or amendments to existing plans and recommending them for approval to the Board. The Chairman of the Compensation Committee decides on the attendance of management at the committee meetings.

Approval authorities

Approval grid

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

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

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

The Board of Credit Suisse Group is cognizant of emerging trends regarding the involvement of its shareholders in the compensation discussion. The Board has opted to submit this Compensation Report to its shareholders for a consultative ballot at the AGM in line with the recommendations in the Swiss Code of Best Practice.

Overview of the components of compensation at Credit Suisse

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

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

There are two principal types of compensation, fixed and variable. The mix varies according to the employee's seniority, business and location.

Fixed compensation

Base salaries for employees reflect seniority, experience, skill sets and individual performance. Our base salary structure is generally aimed at the median compensation level within the industry in the relevant markets and businesses. The review period is generally annual and is set according to local practice. We also seek to provide competitive pension and other benefits in accordance with local market requirements and practice in each jurisdiction in which we operate.

Variable compensation

Payment of variable compensation is determined by the nature of the business, role, location and performance of the employee. Unless there is a contractual obligation, granting variable compensation is solely at the discretion of the Group. A pre-approved mandatory deferral table defines the split among cash-based, share-based and other retention awards. The 2008 mandatory deferral rate (excluding CRA) ranged

from 16% to 65% of variable compensation. Any variable compensation exceeding CHF 4 million is subject to 100% mandatory deferral.

- The **unrestricted cash-based component** of variable compensation is aimed at rewarding and driving performance above and beyond the requirements of the job function and providing greater earning potential for employees who exceed predetermined targets.
- The **restricted cash-based component** of variable compensation, which is also aimed at rewarding and driving performance while promoting employee retention, was granted in the form of CRA, whereby the cash-based variable compensation awarded will have to be repaid if a claw-back event, such as voluntary termination of employment, occurs over a two year period.
- The **share-based component** of variable compensation is designed to promote employee retention and align employee and shareholder interests.
- For 2008, we granted **PAF awards**, which are a form of deferred variable compensation primarily used in Investment Banking.

In addition, we may, from time to time, employ other long-term incentive compensation plans or programs to assist in hiring at competitive levels and to support the retention of talent. We may pay commissions to employees operating in specific areas of the business where such compensation practices are warranted. The value of commissions paid is determined by formulas, which are reviewed regularly to ensure that they remain competitive.

Compensation and benefits for a given year reflect the strength and breadth of the business results and staffing levels and include fixed components, such as salaries, benefits and the expense from share-based and other deferred compensation from prior-year awards, and a variable component. The variable component reflects the performance-based and retention compensation for the current year. The portion of the variable compensation for the current year deferred through share-based and other awards is expensed in future periods and subject to vesting and other conditions.

Compensation expense in any year includes expenses for share-based awards granted in prior years (including grants in 2008 for performance in 2007), which are recognized over the terms of the awards. Recognition of expense in the consolidated statements of operations relating to awards granted in prior years is dependent primarily upon the vesting period, which is determined by the plan, retirement eligibility of employees, moratorium periods and certain other terms.

Total compensation expense for share-based compensation and other awards consisted of the following:

2008:

- amortization of ISUs granted in 2008 and 2007;
- amortization of PIP II awards granted in 2006 and PIP I awards granted in 2005;
- amortization of share awards granted in 2008, 2007, 2006 and earlier; and
- expensing of a portion of PAF awards granted for 2008.

2007:

- amortization of ISUs granted in 2007;
- amortization of PIP II awards granted in 2006 and PIP I awards granted in 2005; and
- amortization of share awards granted in 2007, 2006 and earlier.

2006:

- amortization of PIP II awards granted in 2006 and PIP I awards granted in 2005; and
- amortization of share awards granted in 2006 and earlier.

Total compensation expense for share-based compensation and other awards recognized in compensation and benefits in the consolidated statements of operations was CHF 3,539 million (includes CHF 457 million of PAF), CHF 2,669 million and CHF 1,646 million for 2008, 2007 and 2006, respectively. As of December 31, 2008, the total estimated unrecognized compensation expense of CHF 2,544 million related to non-vested share-based compensation and other compensation benefits will be recognized over the remaining weighted-average requisite service period of 1.3 years.

We generally repurchase our own shares in the open market to satisfy obligations in connection with share-based compensation but we can also issue new shares out of available conditional capital. For 2008, 2007 and 2006, we delivered approximately 17.2 million, 22.1 million and 20.1 million Credit Suisse Group shares, respectively, to employees.

Cash Retention Awards

For 2008, managing directors across all divisions, all directors in Investment Banking and, to the extent the cash component of variable compensation exceeded CHF 300,000, directors in Private Banking, Asset Management and Shared Services received deferred variable compensation in the form CRA. These CRA payments, which were made in the first quarter of 2009, are subject to vesting ratably over a two-year period and other conditions and any unvested CRA will have to be repaid if a claw-back event, such as voluntary termination of

employment, occurs. The recognition of compensation expense for the CRA granted in January 2009 began in 2009 and thus had no impact on the 2008 consolidated financial statements. The estimated unrecognized compensation expense of CHF 1,575 million will be recognized over a period of two years.

Share-based compensation

Share-based compensation is an important part of the overall compensation package for selected employees and senior management. Share-based compensation is designed to promote employees' focus on long-term performance, align the interests of employees and shareholders and foster retention. The majority of share-based compensation is granted as part of the annual variable compensation subsequent to the fiscal year to which the variable compensation relates. Share-based compensation is generally subject to restrictive features such as vesting, forfeiture and blocking rules. Our share-based compensation model evolved over time reflecting the situation of the Group and market developments. Since 2006, we have used ISUs as the main share-based Group-wide form of deferred variable compensation. Prior to 2006, we used Performance Incentive Units, registered shares and options.

Fair value assumptions for share-based compensation

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

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

instrument, taking into account employees' historical exercise and termination behavior.

The following table illustrates the significant assumptions used to estimate the fair value of ISUs, PIP awards, share

awards and share options based on the annual variable compensation process.

Significant fair value assumptions

	2008	2007	2006
Significant assumptions			
Expected volatility, in %	32.04	22.95	24.80
Expected dividend yield, in %	5.46	2.41	3.24
Expected risk-free interest rate, in %	2.45	2.63	2.36
Expected term, in years	3	3	5

Incentive Share Unit

Since 2006, we have used ISUs as the main form of share-based deferred variable compensation. For 2008, we distributed ISUs to approximately 7,400 employees with annual variable compensation of at least CHF 125,000.

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

For each ISU granted, the employee will receive at least one Credit Suisse Group share (ISU Base Unit) and could receive additional shares (ISU Leverage Unit) if the monthly average Credit Suisse Group share price increases during the three-year contractual term of the award as compared to the baseline Credit Suisse Group share price determined on the grant date. The number of ISU Leverage Units to be converted to shares will be determined by multiplying the total number of ISU Base Units granted, less forfeitures, by the leverage payout ratio defined in the terms and conditions of the award. Each ISU Base Unit will vest at a rate of one-third of a share per year over three years, with the ISU Leverage Units vesting on the third anniversary of the grant date, depending on the development of the Credit Suisse Group share price. Shares will be delivered for vested ISUs within 120 days of each vesting date. The ISU programs include a provision that does not permit early retirement eligibility for employees that would otherwise qualify until two years from grant (two-year moratorium period). Settlement of ISUs is subject to continued employment at the Group and certain retirement arrangements. The final value of each ISU is paid in registered Credit Suisse Group shares. The total number of shares received for each ISU will equal the final value divided by the share price at maturity (that is, three years), however, holders will always receive at least one Credit Suisse Group share per ISU.

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

On January 22, 2008 and January 23, 2007, we granted 46.4 million and 26.7 million ISUs, respectively. The fair value of the 2008 and 2007 ISU Base Unit was CHF 54.90 and CHF 87.30, respectively, and the fair value of the 2008 and 2007 ISU Leverage Unit was CHF 10.69 and CHF 20.85, respectively. For the ISUs granted in January 2008, the number of additional shares per ISU was limited to a maximum of ten shares, while the total payout for each ISU granted in January 2007 was subject to a cap of three times the value of a Credit Suisse Group share at grant date, which would be reached at a monthly average Credit Suisse Group share price of CHF 132.

The compensation expense recognized in 2008 and 2007 related to ISUs was CHF 2,375 million and CHF 1,159 million, respectively. The estimated unrecognized compensation expense related to these awards as of December 31, 2008 was CHF 1,863 million and will be recognized over the term of the award, subject to early retirement rules.

On January 21, 2009, we granted 26.1 million ISUs. The fair value of the ISU Base Unit was CHF 23.70 and the fair value of the ISU Leverage Unit was CHF 6.98. The fair value of the ISU Leverage Unit was based on a valuation using an expected volatility of 62.97%, expected dividend cash flows for 2009, 2010 and 2011 of CHF 0.10, CHF 0.60 and CHF 1.00, respectively, an expected risk-free rate of 1.24% and an expected term of three years. For the ISUs granted in January 2009, the number of additional shares per ISU was capped at a maximum of three times the grant value, with a delivery of no

more than five shares. The recognition of compensation expense for the ISUs granted on January 21, 2009 began in 2009 and thus had no impact on the 2008 consolidated finan-

cial statements. The estimated unrecognized compensation expense of CHF 801 million will be recognized over a period of three years, subject to early retirement rules.

Incentive Share Unit activities

	2008	2007
	ISU	ISU
Number of awards (million)		
Balance at beginning of period	25.4	–
Granted	47.1	27.2
Settled	(10.0)	(0.4)
Forfeited	(2.7)	(1.4)
Balance at end of period	59.8	25.4
of which vested	1.4	0.0
of which unvested	58.4	25.4

Performance Incentive Plan

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

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

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

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

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

Each PIP unit will settle for a specified number of registered Credit Suisse Group shares subsequent to the fifth anniversary of the grant date based on the achievement of: (i) earnings performance as compared to predefined targets (performance conditions); and (ii) Credit Suisse Group share price performance compared to predefined targets and Credit Suisse Group share price performance relative to peers (market conditions). The performance conditions will determine the multiplier, ranging between zero and three, for the final number of PIP units. The market conditions will determine the number of Credit Suisse Group shares that each PIP unit will convert into at settlement. This will range between zero and three Credit Suisse Group shares for PIP I and zero and two Credit Suisse Group shares for PIP II. The PIP I units granted in 2005 will ultimately settle for between zero and nine Credit Suisse Group shares and the PIP II units granted in 2006 will ultimately settle for between zero and six Credit Suisse Group shares.

The achievement of the Credit Suisse Group share price targets and relative share price performance for PIP I is measured based on the average Credit Suisse Group share price

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

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

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

Compensation expense for employees who do not become eligible for retirement during the scheduled vesting period is determined by taking the number of PIP units expected to

vest, multiplied by both their grant date fair value and estimated outcome of the performance condition. The grant date fair values of the PIP I and PIP II units granted to these employees were CHF 51.70 and CHF 79.87, respectively. These fair values consider an estimated outcome for the market conditions, are fixed at the grant date and are not remeasured or adjusted subsequent to the grant date unless the terms and conditions of the award are modified. Management reassesses its estimate of the outcome of the performance conditions annually and adjusts compensation expense accordingly. Based on the estimated outcome of the performance condition as of December 31, 2008, the compensation expense reflected a conversion of each initial PIP I and PIP II award into 1.86 and 1.52 units, respectively, at the end of the vesting period. For December 31, 2007 and 2006, the compensation expense reflected a conversion of each initial PIP I and PIP II into 3.00 units. These estimates depend upon the market environment and our financial performance over the remainder of the vesting periods and, therefore, management cannot predict whether the number of PIP units will be the maximum of three or a lesser amount.

The compensation expense recognized in 2008, 2007 and 2006 related to PIP I and PIP II was CHF 114 million, CHF 451 million and CHF 462 million, respectively. The estimated unrecognized compensation expense related to PIP I and PIP II as of December 31, 2008 was CHF 54 million and will be recognized over a period of two years. None of the PIP units were due for settlement as of December 31, 2008.

Performance Incentive Plan activities

	2008		2007		2006	
	PIP II	PIP I	PIP II	PIP I	PIP II	PIP I
Number of awards (million)						
Balance at beginning of period	6.5	12.3	6.3	12.4	-	12.8
Granted	0.1	0.0	0.4	0.0	6.5	0.0
Settled	0.0	0.0	0.0	0.0	0.0	(0.1)
Forfeited	(0.2)	(0.1)	(0.2)	(0.1)	(0.2)	(0.3)
Balance at end of period	6.4	12.2	6.5	12.3	6.3	12.4
of which vested	3.4	8.3	1.7	5.6	0.0	2.6
of which unvested	3.0	3.9	4.8	6.7	6.3	9.8

Share awards

Our share-based compensation as part of the yearly discretionary variable compensation in prior years included three different types of share awards: phantom shares, LPA and special awards. These share awards entitle the holder to receive

one registered Credit Suisse Group share subject to continued employment with the Group, restrictive covenants and cancellation provisions, and generally vest between zero and three years. In 2006, we introduced the ISU share-based plan

described above to replace the PIP, phantom share and LPA awards granted in prior years.

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

LPAs vest in full on the third anniversary of the grant date and either convert to Credit Suisse Group shares within 120 days of vesting or are blocked for a period of one year after

the shares vest, depending on the location of the grant recipient.

Special awards are generally shares, which may be granted to new employees. These special awards may contain vesting conditions, depending on the terms of employment.

The compensation expense recognized in 2008, 2007 and 2006 related to shares awarded under phantom share, LPA and special awards was CHF 593 million, CHF 1,059 million and CHF 1,184 million, respectively. The estimated unrecognized compensation expense related to these awards as of December 31, 2008 was CHF 398 million and the majority thereof will be recognized over a period of five years.

Share award activities

	2008		2007		2006	
	Number of share awards in million	Weighted-average grant-date fair value in CHF	Number of share awards in million	Weighted-average grant-date fair value in CHF	Number of share awards in million	Weighted-average grant-date fair value in CHF
Share award activities						
Balance at beginning of period	28.8	67.20	50.9	60.65	47.2	47.89
Granted	8.6	46.97	4.8	81.00	26.3	72.42
Settled	(15.1)	61.57	(24.6)	56.81	(19.4)	46.42
Forfeited	(1.5)	82.82	(2.3)	62.32	(3.2)	55.58
Balance at end of period	20.8	61.83	28.8	67.20	50.9	60.65
of which vested	0.2	–	0.3	–	2.8	–
of which unvested	20.6	–	28.5	–	48.1	–

Share options

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

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

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

There were no options granted during 2008 or 2007. The weighted-average fair value of options granted during 2006 was CHF 12.12. As of December 31, 2008, the aggregate intrinsic value of options outstanding and exercisable was zero and the weighted-average remaining contractual term was 2.5 years. As of the exercise date, the total intrinsic value of options exercised during 2008, 2007 and 2006 was CHF 7 million, CHF 318 million and CHF 235 million, respectively. Cash received from option exercises during 2008, 2007 and 2006 was CHF 17 million, CHF 350 million and CHF 330 million, respectively.

As of December 31, 2008, there were 2.5 million fully vested and exercisable options outstanding containing a cash settlement feature. These options had a weighted-average exercise price of CHF 69.65 and a weighted-average remaining contractual term of 0.9 years. During 2008, there were no material movements of options with a cash settlement feature.

Share option activities

	2008		2007		2006	
	Number of share options in million	Weighted-average exercise price in CHF	Number of share options in million	Weighted-average exercise price in CHF	Number of share options in million	Weighted-average exercise price in CHF
Share options						
Balance at beginning of period	39.6	61.86	49.0	59.64	57.7	57.48
Granted	–	–	–	–	0.1	71.60
Exercised	(0.5)	37.97	(7.8)	47.50	(7.5)	44.44
Settled	0.0	0.00	(0.7)	60.19	(0.6)	59.34
Forfeited	0.0	0.00	(0.7)	75.31	(0.6)	51.55
Expired	(0.1)	41.99	(0.2)	35.52	(0.1)	17.65
Balance at end of period	39.0	62.19	39.6	61.86	49.0	59.64
Exercisable at end of period	37.9	61.56	38.2	61.12	44.1	60.24

Partner Asset Facility

As part of the 2008 annual compensation process, we awarded employees in Investment Banking with a corporate title of managing director or director the majority of the deferred portion of their variable compensation in the form of PAF awards, denominated in US dollars. The PAF awards are indexed to, and represent a first-loss interest in, a specified pool of illiquid assets (Asset Pool) that originated in Investment Banking. The notional value of the Asset Pool was based on the fair market value of the assets within the Asset Pool on December 31, 2008, and those assets will remain static throughout the contractual term of the award or until liquidated. The PAF holders will participate in the potential gains on the Asset Pool if the assets within the pool are liquidated at prices above the initial fair market value. If the assets within the Asset Pool are liquidated at prices below the initial fair market value, the PAF holders will bear the first loss on the Asset Pool. As a result, a significant portion of risk positions associated with the Asset Pool has been transferred to the employees and removed from Credit Suisse's risk-weighted assets, resulting in a reduction in capital usage.

The contractual term of the PAF award is eight years. 66.7% of the PAF awards were fully vested upon grant and attributed to services performed in 2008 and 33.3% of the PAF awards will vest over the first three months of 2009. All PAF awards remain subject to non-compete/non-solicit provisions that expire in respect of one-third of the awards on each of the three anniversaries of the grant date. Each PAF holder will receive a semi-annual cash interest payment of LIBOR plus 250 basis points applied to the notional value of the PAF award granted throughout the contractual term of the award. Beginning in the fifth year after the date of grant, the PAF

holders will receive an annual cash payment equal to 20% of the notional value of the PAF awards if the fair market value of the Asset Pool in that year has not declined below the initial fair market value of the Asset Pool. In the final year of the contractual term, the PAF holders will receive a final settlement in cash equal to the notional value, less all previous cash payments made to the PAF holder, plus any related gains or less any related losses on the liquidation of the Asset Pool.

On January 21, 2009, the Group granted PAF awards to employees with a total notional value of CHF 686 million. Total compensation expense recognized in 2008 related to PAF was CHF 457 million. The estimated unrecognized compensation expense as of December 31, 2008 of CHF 229 million will be recognized during 2009. In addition, compensation expense will be updated at each reporting period date to reflect any change in the underlying fair value of the PAF awards until the awards are finally settled.

Hedging of awards

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

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

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

Compensation and loans to members of the Board

Compensation to members of the Board is set in accordance with the AoA and the Compensation Committee Charter. The annual compensation paid to members of the Board is set by the Board based on the recommendation of the Compensation Committee. Compensation for members of the Board with no functional duties (nine individuals) is in the form of cash

(35%) and registered Credit Suisse Group shares (65%), which are blocked for a period of four years.

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

By compensating Board members to a significant degree in the form of blocked Credit Suisse Group shares, we ensure alignment of their interests with the interests of our shareholders. The value of the shares held by our Board members as of year-end 2008 decreased 58% since the beginning of the year.

Compensation for the members of the Board

	Fixed cash compensation	Variable cash compensation	Total cash portion	% of total compensation	Value of share awards	% of total compensation	Other compensation categories ¹	Total compensation	Number of shares ²
2008/2009 (in CHF)									
Walter B. Kielholz, Chairman ³	2,000,000	–	2,000,000	99%	–	–	24,000	2,024,000	–
Hans-Ulrich Doerig, Vice-Chairman and Chairman of the Risk Committee ³	750,000	1,062,500	1,812,500	62%	1,062,500	37%	26,796	2,901,796	38,623
Peter Brabeck-Letmathe, Vice-Chairman ⁴	175,000	–	175,000	35%	325,000	65%	–	500,000	5,794
Thomas W. Bechtler ⁴	122,500	–	122,500	35%	227,500	65%	–	350,000	4,056
Robert H. Benmosche ⁴	122,500	–	122,500	35%	227,500	65%	–	350,000	4,056
Noreen Doyle ⁴	140,000	–	140,000	35%	260,000	65%	–	400,000	4,635
Jean Lanier ⁴	140,000	–	140,000	35%	260,000	65%	–	400,000	4,635
Anton van Rossum ⁴	122,500	–	122,500	35%	227,500	65%	–	350,000	4,056
Aziz R.D. Syriani, Chairman of the Compensation Committee ³	350,000	172,500	522,500	70%	227,500	30%	–	750,000	8,270
David W. Syz ⁴	140,000	–	140,000	35%	260,000	65%	–	400,000	4,635
Ernst Tanner ⁴	122,500	–	122,500	35%	227,500	65%	–	350,000	4,056
Richard E. Thornburgh ⁴	122,500	–	122,500	35%	227,500	65%	–	350,000	4,056
Peter F. Weibel, Chairman of the Audit Committee ³	400,000	795,000	1,195,000	66%	600,000	33%	10,000	1,805,000	21,811
Total	4,707,500	2,030,000	6,737,500	62%	4,132,500	38%	60,796	10,930,796	108,683

¹ Other compensation included lump sum expenses and child and health care allowances. ² The value of the shares is included in total compensation. Shares are subject to a four-year blocking period. ³ Members of the Board with functional duties received a base fee paid in cash. In addition, they may receive variable compensation paid in cash and/or shares as determined by the Board in the course of the regular management compensation process. The applicable Credit Suisse Group share price was CHF 27.51. ⁴ Members of the Board without functional, non-executive duties are paid an annual fee in advance for the period from one AGM to the other, i.e., from April 25, 2008 to April 24, 2009. The fee is paid in Credit Suisse Group shares (65%) and cash (35%). The applicable Credit Suisse Group share price was CHF 56.10.

	Fixed cash compensation	Variable cash compensation	Total cash portion	% of total compensation	Value of share awards	% of total compensation	Other compensation categories ¹	Total compensation	Number of shares ²
2007/2008 (in CHF)									
Walter B. Kielholz, Chairman ⁴	2,000,000	6,500,000	8,500,000	58%	6,100,000	42%	24,000	14,624,000	104,363
Hans-Ulrich Doerig, Vice-Chairman and Chairman of the Risk Committee ⁴	750,000	2,125,000	2,875,000	57%	2,125,000	42%	27,381	5,027,381	36,356
Peter Brabeck-Letmathe, Vice-Chairman ³	87,500	–	87,500	35%	162,500	65%	–	250,000	1,715
Thomas W. Bechtler ³	122,500	–	122,500	35%	227,500	65%	–	350,000	2,400
Robert H. Benmosche ³	122,500	–	122,500	35%	227,500	65%	–	350,000	2,400
Noreen Doyle ³	140,000	–	140,000	35%	260,000	65%	–	400,000	2,743
Jean Lanier ³	140,000	–	140,000	35%	260,000	65%	–	400,000	2,743
Anton van Rossum ³	122,500	–	122,500	35%	227,500	65%	–	350,000	2,400
Aziz R.D. Syriani, Chairman of the Compensation Committee ⁴	350,000	172,500	522,500	70%	227,500	30%	–	750,000	3,892
David W. Syz ³	140,000	–	140,000	35%	260,000	65%	–	400,000	2,743
Ernst Tanner ³	122,500	–	122,500	35%	227,500	65%	–	350,000	2,400
Richard E. Thornburgh ³	122,500	–	122,500	35%	227,500	65%	–	350,000	2,400
Peter F. Weibel, Chairman of the Audit Committee ⁴	400,000	795,000	1,195,000	66%	600,000	33%	10,000	1,805,000	10,266
Total	4,620,000	9,592,500	14,212,500	56%	11,132,500	44%	61,381	25,406,381	176,821

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

2008 total compensation of the Chairman

In light of Credit Suisse's 2008 performance, the Chairman was not awarded variable compensation for 2008.

No additional fees, severance payments or forms of compensation were paid to current or former members of the Board or related parties during 2008.

Additional fees and compensation

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

Share and option holdings of members of the Board

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

Share holdings by individual

end of	2008	2007
Number of shares¹		
Walter B. Kielholz, Chairman	451,642	347,279
Hans-Ulrich Doerig, Vice-Chairman and Chairman of the Risk Committee	117,016	137,341
Peter Brabeck-Letmathe, Vice-Chairman	92,951	51,657
Thomas W. Bechtler	36,573	32,517
Robert H. Benmosche	23,321	24,614
Noreen Doyle	19,838	15,203
Jean Lanier	15,927	11,292
Anton van Rossum	26,832	19,376
Aziz R.D. Syriani, Chairman of the Compensation Committee	48,383	44,490
David W. Syz	67,480	62,845
Ernst Tanner	42,389	38,333
Richard E. Thornburgh ²	92,500	88,444
Peter F. Weibel, Chairman of the Audit Committee	29,215	18,949
Total	1,064,067	892,340

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

Option holdings by individual

December 31, 2008 and 2007	Richard E. Thornburgh	Hans-Ulrich Doerig	Expiry date	Exercise price in CHF
Year of grant				
2002	–	75,000	December 3, 2012	34.10
2001	215,116	97,792	January 25, 2011	84.75
2000	100,000	100,000	March 1, 2010	74.00
Total	315,116	272,792	–	–

Credit Suisse's policy is to compensate members of the Board with Credit Suisse Group shares. Option holdings were acquired by the named individuals in their previous capacities as members of senior management. As of December 31, 2008, none of the members of the Board hold options purchased from personal funds.

Loans to members of the Board

end of	2008		2007	
	Balance	Whereof loans to related parties ¹	Balance	Whereof loans to related parties ¹
December 31 (in CHF)				
Walter B. Kielholz, Chairman	2,000,000	–	2,000,000	–
Hans-Ulrich Doerig, Vice-Chairman	2,800,000	–	3,000,000	–
Peter Brabeck-Letmathe, Vice-Chairman	5,312,500	–	4,561,700	–
Thomas W. Bechtler	8,450,000	3,950,000	8,450,000	3,950,000
Robert H. Benmosche	–	–	73,863	–
David W. Syz	1,500,000	1,500,000	1,500,000	1,500,000
Ernst Tanner	3,550,000	–	5,050,000	–
Richard E. Thornburgh	121,312	–	70,750	–
Total	23,733,812	5,450,000	24,706,313	5,450,000

¹ Includes loans to close family members and companies where the respective member of the Board has a controlling interest.

A large majority of loans outstanding to members of the Board are mortgages or loans against securities. Such loans are made on the same terms available to third-party customers. As of December 31, 2008, 2007 and 2006, outstanding loans to the members of the Board amounted to CHF 24 million, CHF 25 million and CHF 32 million, respectively.

Members of the Board are not granted employee conditions on any loans extended to them, but such loans are subject to conditions applied to customers with a comparable credit standing. In addition to loans listed above, Credit Suisse or any of its banking subsidiaries have entered into financing and other banking agreements with companies in which current members of the Board have a significant influence as defined by the SEC. As of December 31, 2008, 2007 and 2006, the total exposure to such related parties amounted to CHF 6 million, CHF 8 million and CHF 4 million, respectively, including all advances and contingent liabilities, and was in the ordinary course of business and granted at arm's length. The highest exposure to such related parties for any of the years in the three-year period ended December 31, 2008 did not exceed CHF 10 million in aggregate.

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

Executive compensation

Credit Suisse's approach to executive compensation

In line with our overall approach to compensation, our executive compensation policies are designed to promote a long-term focus by our executives in all their actions, attract executives of the highest quality and foster retention by rewarding them for superior performance and to motivate them for outstanding performance in the future. In addition, compensation should encourage strong teamwork and a meaningful alignment with the Credit Suisse's strategic goals and the interests of its shareholders.

Furthermore, and in support of the above objectives, the Compensation Committee established a variable compensation pool framework for the Executive Board, including the CEO, which is linked directly to the Group's performance. The variable compensation pool was used to define the total amount available for variable compensation payments, which were then delivered in cash, CRA, deferred share-based compensation and PAF awards. At the beginning of the year, a target variable compensation pool for this executive population was set assuming specific, pre-defined Credit Suisse financial and non-financial performance goals would be achieved in 2008. At the conclusion of the year, the Compensation Committee performed an assessment versus those goals and then modified the size of the available pool based on actual results. The final variable compensation pool was then distributed to the members of the Executive Board based on business performance, individual contributions and competitive compensation levels.

The performance criteria used in this framework of determining the size of the total variable compensation pool for the Executive Board included the following:

- the financial performance of the Group adjusted for extraordinary items compared to the strategic business plan;
- assessment of delivery of defined non-financial targets in relation to our strategy;
- consideration of the Group's performance against the performance of its peer companies;
- measurement against market information of companies with similar scope and complexity; and
- measurement of shareholder satisfaction, assessed by reviewing objective data regarding the Group's financial performance, with a focus on revenue growth, pre-tax margin growth, return on equity and earnings per share.

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

Executive compensation components

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

Credit Suisse's executive compensation in 2008

Executive compensation for 2008 was based on the general approach set out above. As in previous years, members of the Executive Board participated in the Group-wide share-based compensation plan and received ISUs and, in some cases, PAF awards. This participation is designed to ensure that executive compensation is in line with our overall approach to compensation. The mandatory deferral amount of the total variable compensation was based on the approved share plan deferral schedule.

In 2008, 33% of the compensation paid to members of the Executive Board was paid based on contractual obligations. Across the whole Executive Board (15 individuals including those members who joined or left the Executive Board during 2008 and were accounted for on a pro-rata basis) 10% of total compensation was paid as salaries, 7% as cash, 10% as CRA, 29% as share-based and PAF awards and 11% as other compensation.

Compensation for the individual Executive Board members considers personal contribution in their respective areas of responsibility, but also reflects the negative financial performance in 2008 as well as the negative share price development. While certain commitments were made to individuals who joined the Executive Board, those who served throughout both 2007 and 2008 received no variable unrestricted cash compensation for 2008, and the total value of discretionary awards granted to them in 2008 was 76% lower than comparable awards and variable compensation for 2007. The CEO and the CEO Investment Banking were not awarded any variable compensation or other discretionary awards for 2008. Executive Board members also saw the value of their outstanding equity awards drop by more than 80% over the course of 2008.

Compensation for the members of the Executive Board

	Base salary	Variable cash compensation	CRA (restricted variable compensation) ¹	Total cash portion	Value of share-based and other awards	Pension and similar benefits and other benefits ²	Dividend equivalents ³	Total compensation excluding contractual agreements	Payments and awards due to contractual agreements	Total compensation
2008 (in CHF million, except where indicated)										
15 individuals ⁴	10.62	7.00	9.72	27.34	25.50 ⁵	3.75	7.56	64.15	42.56 ⁶	106.71
% of total compensation	10%	7%	9%	26%	24%			60%	40%	
of which joiners, leavers and Executive Board members with contractual agreements (7 individuals)	3.51	7.00	–	10.51	8.00	1.02	1.74	21.27	42.56	63.83
% of total compensation	5%	11%		16%	13%			33%	67%	
of which other Executive Board members (8 individuals)	7.11	–	9.72	16.83	17.50	2.73	5.82	42.88	–	42.88
% of total compensation	17%		23%	39%	41%			100%		
of which CEO:										
Brady W. Dougan	1.25	–	–	1.25	–	0.03	1.58	2.86	–	2.86
% of total compensation	44%			44%				100%		
of which highest paid:										
Kai S. Nargolwala ⁷	0.72	–	–	0.72	–	0.66	0.41	1.79	19.04	20.83
% of total compensation	3%			3%				9%	91%	

¹ CRA are subject to pro-rata repayment over two years if the recipient voluntarily terminates employment with Credit Suisse. ² Other benefits consist of housing allowances, lump sum expenses and child allowances. ³ ISUs carry the right to an annual payment equal to the dividend of a registered Credit Suisse Group share. The dividend equivalents disclosed were paid in respect of awards granted in prior years. ⁴ Includes pro-rata compensation paid to Messrs. Blumer, Körner, Philipp and Sanzone who left Credit Suisse during 2008 and Mr. Meister who joined Credit Suisse during 2008. ⁵ Share-based and other awards include 0.4 million ISUs, each of which has a base component and a leverage component. The fair value of the base component was CHF 23.70 and the fair value of the leverage component was CHF 6.98. The total fair value of each ISU was CHF 30.68. In addition, they also include 0.1 million other share-based awards and PAF awards with a grant value of CHF 3.9 million. No variable compensation was paid to Messrs. Dougan or Calello. ⁶ Payments and awards due to contractual agreements with recently hired Executive Board members include cash payments of CHF 14.5 million, CRA of CHF 4.2 million, Credit Suisse Group shares with a fair value at grant of CHF 3.5 million, ISUs with a fair value at grant of CHF 15.8 million and other awards of CHF 4.6 million. Most of the contractually agreed payments and awards compensate the recipients for compensation elements forfeited at previous employers. ⁷ Details to the compensation paid to Mr. Nargolwala are provided in the text.

	Base salary	Variable cash compensation	Total cash portion	Value of share-based and other awards	Payments and awards due to contractual agreements ¹	Pension and similar benefits and other benefits ²	Dividend equivalents	Total compensation
2007 (in CHF million, except where indicated)								
13 individuals ³		10.70	31.30	42.00	93.60 ⁴	21.60	1.50	162.10
% of total compensation		7%	19%	26%	58%	13%		
of which highest paid:								
Brady W. Dougan		1.25	2.15	3.40	17.90	–	0.01	22.28
% of total compensation		6%	10%	15%	80%			

¹ Includes Credit Suisse Group shares with a fair value at grant of CHF 3.6 million, ISUs with a fair value at grant of CHF 11.0 million and PIP II awards of CHF 7.0 million. ² Other benefits consist of housing allowances, lump sum expenses and child allowances. ³ Includes pro-rata compensation paid to Mr. Grübel who left Credit Suisse during 2007 and Mr. Shafir, who joined Credit Suisse during 2007. ⁴ Share-based awards include 1.4 million ISUs, each of which has a base component and a leverage component. The fair value of the base component was CHF 54.90 and the fair value of the leverage component was CHF 10.69. The total fair value of each ISU was CHF 65.59. The remainder refers to other share based awards.

2008 total compensation of the highest paid member of the Executive Board

The highest paid member of the Executive Board in 2008 was Kai S. Nargolwala, CEO Asia Pacific. Mr. Nargolwala was hired from Standard Chartered Bank in 2007 and joined Credit Suisse effective January 1, 2008. His compensation arrangement for 2008 was contractually agreed at the time of his hiring. His total compensation contained a significant element that was directed at compensating him for a part of the share-based awards granted to him by his previous employer and his 2007 variable compensation, which he forfeited upon joining Credit Suisse. Mr. Nargolwala's compensation amounted to CHF 20.8 million and was comprised of his salary of CHF 0.7 million, a cash payment of CHF 13.5 million, Credit Suisse Group shares with a grant value of CHF 3.2 million, ISUs with a grant value of CHF 2.2 million, other awards with a grant value of CHF 0.15 million and other compensation (pension

and similar benefits, dividend equivalents and other benefits) of CHF 1 million.

Additional fees and compensation

Two former members of our most senior executive body are eligible to receive office infrastructure and secretarial support. These services are based on existing resources and are not used on a regular basis.

No additional fees, severance payments or forms of compensation were paid to current or former members of the most senior executive body or related parties during 2008.

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

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

Units by individual

	Number of vested shares	Number of unvested shares	Number of ISUs ¹	Number of options	Number of PIP I units	Number of PIP II units
December 31, 2008						
Brady W. Dougan	296,727	99,211	408,154	408,400	271,898	78,102
Walter Berchtold	92,591	26,042	299,297	–	130,401	104,167
Paul Calello	411,856	61,093	316,001	241,184	142,937	57,063
D. Wilson Ervin	44,483	11,127	105,379	–	44,210	66,761
Renato Fassbind	14,496	10,417	96,555	–	20,746	41,667
Tobias Guldimann	67,542	5,209	51,461	31,640	17,782	20,834
Hans-Ulrich Meister	20,000	5,160	27,109	–	–	–
Kai S. Nargolwala	23,192	114,286	8,000	–	–	2,500
Urs Rohner	19,326	13,889	151,642	–	35,564	55,556
Robert Shafir	33,843	22,521	77,306	–	–	71,213
Eric Varvel	17,901	56,958	317,087	–	75,343	56,953
Total	1,041,957	425,913	1,857,991	681,224	738,881	554,816
December 31, 2007						
Brady W. Dougan	191,016	156,673	202,928	408,400	271,898	78,102
Walter Berchtold	181,668	26,042	92,765	–	130,401	104,167
David J. Blumer	36,027	17,362	66,675	–	71,497	69,445
Paul Calello	335,190	95,481	126,830	241,184	142,937	57,063
D. Wilson Ervin	29,158	11,957	43,485	–	44,210	66,671
Renato Fassbind	–	10,417	43,484	–	20,746	41,667
Tobias Guldimann	59,810	5,209	23,192	31,640	17,782	20,834
Ulrich Körner	89,669	16,494	66,675	59,668	77,055	65,973
Michael G. Philipp	38,786	44,035	77,910	–	99,627	44,507
Urs Rohner	–	13,889	57,978	–	35,564	55,556
Thomas J. Sanzone	61,488	17,793	47,109	–	–	44,507
Robert Shafir	–	45,042	115,959	–	–	71,213
Total	1,022,812	460,394	964,990	740,892	911,717	719,705

¹ Reflects the vesting of prior year grants, which were granted in January.

Option holding by individual

December 31, 2008 and 2007	Brady W. Dougan	Paul Calello	Tobias Guldimann	Expiry date	Exercise price in CHF
Year of grant					
2002 ¹	–	–	–	January 31, 2012	65.75
2001 ¹	368,400	241,184	15,640	January 25, 2011	84.75
2000 ¹	40,000	–	16,000	March 1, 2010	74.00
Total	408,400	241,184	31,640	–	–

All options on shares were granted as part of the previous years' compensation. As of December 31, 2008 and 2007, none of the members of the Executive Board hold options purchased from personal funds.

¹ Included 15,000, 24,668 and 20,000 options for 2002, 2001 and 2000, respectively, held by Ulrich Körner, who has left the Group.

Loans to members of the Executive Board

A large majority of loans outstanding to members of the Executive Board are mortgages or loans against securities. Such loans are made on the same terms available to third-party customers or pursuant to widely available employee benefit plans. As of December 31, 2008, 2007 and 2006, outstanding loans to the members of the Executive Board amounted to CHF 24 million, CHF 22 million and CHF 17 million, respectively. The number of individuals with outstanding loans at the beginning and the end of the year was eight and seven, respectively, and the highest loan outstanding was CHF 8.6 million to Walter Berchtold.

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

Additional information

Changes of control and defense measures

Duty to make an offer

Swiss law provides that anyone who, directly or indirectly or acting in concert with third parties, acquires 33 1/3% or more of the voting rights of a listed Swiss company, whether or not such rights are exercisable, must make an offer to acquire all of the listed equity securities of such company, unless the AoA of the company provides otherwise. Our AoA does not include a contrary provision. This mandatory offer obligation may be waived under certain circumstances by the Swiss Takeover Board or the FINMA. If no waiver is granted, the mandatory offer must be made pursuant to procedural rules set forth in the SESTA and the implementing ordinances.

Clauses on changes of control

Subject to certain provisions in the Group's employee compensation plans providing for the treatment of outstanding awards in the case of a change of control, there are no provisions that require the payment of extraordinary benefits in the case of a change of control in the agreements and plans benefiting members of the Board and the Executive Board or any other members of senior management. Specifically, there are no contractually agreed severance payments in the case of a change of control of the Group. Moreover, none of the employment contracts with members of the Executive Board or other members of senior management provides for extraordinary benefits that would be triggered by a change of control.

Internal and external auditors

Auditing forms an integral part of corporate governance at Credit Suisse. Both internal and external auditors have a key role to play by providing an independent assessment of our operations and internal controls.

Internal Audit

Our Internal Audit function comprises a team of around 250 professionals, more than 220 of whom are directly involved in auditing activities. The Head of Internal Audit, Heinz Lei-

bundgut, reports directly to the Chairman of the Audit Committee.

Internal Audit performs an independent and objective assurance and consulting function that is designed to add value to our operations. Using a systematic and disciplined approach, the Internal Audit team evaluates and enhances the effectiveness of our risk management, control and governance processes.

Internal Audit is responsible for carrying out periodic audits in line with the Regulations of Internal Audit approved by the Audit Committee. It regularly and independently assesses the risk exposure of our various business activities, taking into account industry trends, strategic and organizational decisions, best practice and regulatory matters. Based on the results of its assessment, Internal Audit develops detailed annual audit objectives, defining areas of audit concentration and specifying resource requirements for approval by the Audit Committee.

As part of its efforts to achieve best practice, Internal Audit regularly benchmarks its methods and tools against those of its peers. In addition, it submits periodic internal reports and summaries thereof to the management teams as well as the Chairman and the Chairman of the Audit Committee. The head of Internal Audit reports to the Audit Committee at least quarterly and more frequently as appropriate. Internal Audit coordinates its operations with the activities of the external auditor for maximum effect.

External auditors

Our statutory auditor is KPMG Klynveld Peat Marwick Goerdeler SA, Zurich. The mandate was first given to KPMG for the business year 1989/1990. The lead Group engagement partners are David L. Jahnke, Global Lead Partner (since 2005), Robert S. Overstreet, Group Engagement Partner (since 2006), and Philipp Rickert, Leading Bank Auditor (since 2006). In addition, we have mandated BDO Visura, Zurich, as special auditor for the purposes of issuing the legally required report for capital increases in accordance with Article 652f of the Swiss Code of Obligations.

The Audit Committee monitors and pre-approves the fees to be paid to KPMG for its services.

Fees paid to external auditors

	2008	2007	% change
Fees paid to external auditors (CHF million)			
Audit services ¹	45.0	46.7	(4)
Audit-related services ²	13.4	18.5	(28)
Tax services ³	6.5	2.1	210

¹ Audit fees include the integrated audit of the Group's consolidated and statutory financial statements, interim reviews and comfort and consent letters. Additionally it includes all assurance and attestation services related to the regulatory filings of the Group and its subsidiaries. ² Audit-related services are primarily in respect of: (i) reports related to the Group's compliance with provisions of or calculations required by agreements; (ii) accounting advice; (iii) audits of private equity funds and employee benefit plans; and (iv) regulatory advisory services. ³ Tax services are in respect of tax compliance and consultation services, including: (i) preparation and/or review of tax returns of the Group and its subsidiaries; (ii) assistance with tax audits and appeals; and (iii) confirmations relating to the Qualified Intermediary status of Group entities.

KPMG attends all meetings of the Audit Committee. At each meeting, KPMG reports on the findings of its audit and/or interim review work. The Audit Committee reviews on an annual basis KPMG's audit plan and evaluates the performance of KPMG and its senior representatives in fulfilling its responsibilities. Moreover, the Audit Committee recommends to the Board the appointment or replacement of the external auditor, subject to shareholder approval as required by Swiss law.

KPMG provides a report as to its independence to the Audit Committee at least once a year. In addition, our policy on the engagement of public accounting firms, which has been approved by the Audit Committee, strives to further ensure an appropriate degree of independence of our external auditor. The policy limits the scope of services that may be provided to us or any of our subsidiaries by KPMG to audit and certain permissible types of non-audit services, including audit-related and tax services that have been pre-approved by the Audit Committee. The Audit Committee pre-approves all other services on a case-by-case basis. All KPMG services in 2008

were pre-approved. KPMG is required to report to the Audit Committee periodically regarding the extent of services provided by KPMG and the fees for the services performed to date.

Liquidation

Under Swiss law and our AoA, we may be dissolved at any time by a shareholders' resolution which must be passed by: (i) a supermajority of at least three quarters of the votes cast at the meeting in the event we are to be dissolved by way of liquidation; or (ii) a supermajority of at least two thirds of the votes represented and an absolute majority of the par value of the shares represented at the meeting in other events. Dissolution by court order is possible if we become bankrupt. Under Swiss law, any surplus arising out of liquidation (after the settlement of all claims of all creditors) is distributed to shareholders in proportion to the paid-up par value of shares held.