

DM30,000,000

6 per cent. Subordinated Bonds due 2018

Issue price 97.85 per cent.

Interest accrues on the principal amount of the Bonds at the rate of 6 per cent. per annum and is payable on 16th February in each year, commencing 16th February, 1999. Payments on the Bonds will be made without withholding or deduction for or on account of United Kingdom taxes as described under "Terms and Conditions of the Bonds – Taxation".

The Bonds mature on 16th February, 2018 and will be redeemed at their principal amount. The Issuer may redeem all, but not some only, of the Bonds in the event of certain changes affecting taxes in the United Kingdom, all as more fully described under "Terms and Conditions of the Bonds – Redemption and Purchase".

The Bonds will be unsecured obligations of the Issuer and the claims of the Bondholders will be subordinated in right of payment to the claims of depositors and other unsubordinated creditors of the Issuer, all as more fully described under "Terms and Conditions of the Bonds – Status and Subordination".

Application has been made to list the Bonds on the Luxembourg Stock Exchange.

Restrictions have been imposed on offers and sales of the Bonds and on the distribution of documents relating thereto in the United States of America and the United Kingdom. Persons into whose possession this document comes are required by the Issuer to inform themselves about, and to observe, any such restrictions. See "Subscription and Sale".

The Bonds will be represented by a global Bond (the "Global Bond") to be deposited with a common depository for Cedel Bank, société anonyme ("Cedel Bank") and Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear System ("Euroclear"), on or about 16th February, 1998. The Global Bond will be exchangeable for definitive Bonds in certain limited circumstances, as described under "Summary of Provisions Relating to the Bonds while in Global Form".

**Credit Suisse First Boston**  
**Aktiengesellschaft**

Offering Circular dated 11th February, 1998

## TERMS AND CONDITIONS OF THE BONDS

The following is the text of the terms and conditions of the Bonds that, subject to completion and amendment, will be endorsed thereon:

The issue by Credit Suisse Financial Products of DM30,000,000 6 per cent. Subordinated Bonds due 2018 (the "Bonds", which expression shall include any bonds issued pursuant to Condition 11 that rank *pari passu* with and form a single series with the Bonds) is constituted by a thirtieth supplemental trust deed (the "Supplemental Trust Deed") dated 16th February, 1998 between Credit Suisse Financial Products (the "Issuer") and The Law Debenture Trust Corporation p.l.c. (the "Trustee", which expression includes any successor Trustee) supplemental to a master trust deed dated 25th November, 1994 made between the Issuer and the Trustee, as amended and restated on 17th August, 1995 (the "Principal Trust Deed" and together with the Supplemental Trust Deed, the "Trust Deed"). Certain provisions of these terms and conditions (the "Conditions") are summaries of, and are subject to, the detailed provisions of the Trust Deed and the agency agreement (the "Agency Agreement") dated 16th February, 1998 relating to the Bonds made between the Issuer, the Trustee, The Chase Manhattan Bank, London branch as principal paying agent (the "Principal Paying Agent", which expression includes, where the context admits, any successor principal paying agent) and the paying agents named therein (together with the Principal Paying Agent, the "Paying Agents", which expression includes, where the context admits, any successor and/or additional paying agents). Copies of the Trust Deed which includes the form of the Bonds and the coupons relating to them (the "Coupons") and of the Agency Agreement are available for inspection at the registered office of the Trustee for the time being, which is currently located at Princes House, 95 Gresham Street, London EC2V 7LY, and at the specified office of the Principal Paying Agent for the time being, which is currently located at Trinity Tower, 9 Thomas More Street, London E1 9YT and at the specified office of the other Paying Agents. The holders of the Bonds (the "Bondholders") and the holders of the Coupons whether or not attached to the relevant Bonds (the "Couponholders") are bound by and deemed to have notice of all the provisions of the Trust Deed and are deemed to have notice of all the provisions of the Agency Agreement applicable to them.

### 1. Form, Denomination and Title

#### (a) Form and Denomination

The Bonds are serially numbered and issued in bearer form in the denomination of DM100,000 (the "Denomination"), each with Coupons for the payment of interest attached on issue.

#### (b) Title to the Bonds and Coupons

Title to the Bonds and Coupons passes by delivery. The holder of any Bond or Coupon shall (to the fullest extent permitted by applicable law) be treated at all times for all purposes by the Issuer, the Trustee and the Paying Agents as the absolute owner thereof (whether or not such Bond or Coupon shall be overdue and notwithstanding any notice to the contrary).

### 2. Status and Subordination

#### (a) Status

The Bonds and Coupons are direct, unsecured and (as set out in Condition 2(b)) subordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves and rank *pari passu* with all other outstanding Dated Indebtedness (as defined in Clause 1 of the Principal Trust Deed) of the Issuer.

#### (b) Subordination

The claims of the Bondholders and Couponholders are subordinated to the claims of depositors and other unsubordinated creditors of the Issuer.

If at any time an order is made or an effective resolution is passed for the winding up in England of the Issuer, Bondholders shall be entitled to receive (in lieu of any other payment, but subject as provided in this paragraph (b)) such amounts, if any, as would have been payable to the Bondholders if the Issuer were incorporated in England as a limited company and the Bondholders had the benefit of a joint and several guarantee by its shareholders that were subordinated in a similar manner to the Bonds and were enforceable against such shareholders only in the course of a winding up of the Issuer.

### **3. Interest**

The Bonds bear interest on their principal amount from, and including, 16th February, 1998 to, but excluding, the Maturity Date (as defined in paragraph (a) of Condition 4) at the rate of 6 per cent per annum. Interest shall be payable in arrear on 16th February in each year, commencing on 16th February, 1999. Interest on each Bond shall cease to accrue from the due date for redemption thereof unless, upon due presentation, payment of principal is improperly withheld or refused. In such event, such Bond shall continue to bear interest in accordance with this Condition 3 (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder, and (ii) the day seven days after the Trustee or the Principal Paying Agent has notified Bondholders of the receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions). Interest in respect of a period of less than one year shall be calculated on the basis of a 360 day year comprising 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

### **4. Redemption and Purchase**

#### *(a) Final redemption*

Unless previously redeemed, or purchased and cancelled, the Bonds shall be redeemed at their principal amount on 16th February, 2018 (the "Maturity Date"). The Issuer may not otherwise redeem the Bonds except as provided in Condition 4(b).

#### *(b) Redemption for taxation reasons*

If the Trustee is satisfied that the Issuer would be unable to make payment in respect of the Bonds without having to pay additional amounts as required by Condition 6 and such requirement arises by reason of a change in the laws of the United Kingdom or any political sub-division thereof or any taxing authority therein or a change in the interpretation or application thereof, which change becomes effective on or after 11th February, 1998 and the Trustee is satisfied that such requirement cannot be avoided by the Issuer taking reasonable measures (such measures not involving any material additional payments by, or expense for, the Issuer) and the consent of the Bank of England has been obtained, the Issuer may, having given not less than 30 nor more than 45 days' notice to Bondholders in accordance with Condition 10 (which notice shall be irrevocable), redeem all, but not some only, of the Bonds at their principal amount, together with any additional amounts payable under Condition 6 and together with interest accrued to the date fixed for redemption; provided that such redemption may not occur more than 90 days prior to the effective date of such change.

#### *(c) Purchase*

The Issuer or any of its Subsidiaries (as defined in the Trust Deed) may at any time purchase Bonds in the open market or otherwise at any price provided that the consent of the Bank of England has been obtained. Any Bonds purchased by the Issuer or any of its Subsidiaries (unless purchased other than in the ordinary course of business of the Issuer or its Subsidiaries, in which event such Bonds will be surrendered to the Principal Paying Agent for cancellation together with all unmatured Coupons relating thereto) may at the option of the Issuer or such Subsidiary be held or resold or surrendered by the Issuer to the Principal Paying Agent for cancellation, provided that they are surrendered together with all unmatured Coupons relating thereto. Any Bonds purchased by the Issuer or any of its Subsidiaries and not cancelled shall (unless and until ceasing to be held by the Issuer or any of its Subsidiaries) be deemed not to remain outstanding for the purpose of calculating the quorum at meetings of Bondholders and Condition 12.

### **5. Payments**

#### *(a) Payments*

Payments of principal and interest in respect of Bonds shall be made only upon presentation and surrender (or, in the case of partial payment, endorsement) of Bonds or the appropriate Coupons (as the case may be) at the specified office of any Paying Agent by a cheque drawn on or, at the

option of the holder, by transfer to a Deutsche Mark account maintained by the payee with a bank in Frankfurt, subject in all cases to any fiscal or other laws and regulations applicable thereto, but without prejudice to the provisions of Condition 6.

**(b) *Unmatured Coupons***

Upon the due date for redemption of any Bond, unmatured Coupons relating to such Bond (whether or not attached) shall become void and no payment shall be made in respect thereof. Where any Bond is presented for redemption without all unmatured Coupons relating thereto, payment shall be made only against the provision of such indemnity as the Issuer shall reasonably require.

**(c) *Business Days***

A Bond or Coupon may be presented for payment only on a day that is a Business Day in the place of presentation (and, in the case of payment by transfer to a Deutsche Mark account, in Frankfurt). However, it may not be presented for payment anywhere before the first Business Day in Frankfurt and London that falls on or after the due date. No interest or other payment will be made as a consequence of the day on which the relevant Bond or Coupon may be presented for payment under this paragraph falling after the due date. In these Conditions "Business Day" means, in respect of any city, a day on which commercial banks and foreign exchange markets settle payments in that city.

**(d) *Paying Agents***

The specified office of the Principal Paying Agent and the names of the other Paying Agents and their respective specified offices are set out at the foot of these Conditions. The Issuer reserves the right to terminate or to vary the appointment of the Principal Paying Agent, provided that there shall at all times be a Principal Paying Agent, and to terminate or at any time to vary the appointment of any other Paying Agent and to appoint additional or other Paying Agents, provided that the Issuer shall at all times maintain at least one Paying Agent having a specified office in continental Europe which, so long as the Bonds are listed on the Luxembourg Stock Exchange, will be Luxembourg. Save where the Trustee otherwise agrees, notice of any such termination, variation of appointment and of any change in the specified office of the Principal Paying Agent or of any of the other Paying Agents shall be given to the Bondholders in accordance with Condition 10.

**6. Taxation**

All payments of principal and interest in respect of the Bonds and the Coupons shall be made free and clear and without withholding of or deduction for any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the United Kingdom, or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts that will result in the receipt by the Bondholders and the Couponholders of such amounts as would have been received by them had there been no such withholding or deduction; except that no such additional amounts shall be payable with respect to any Bond or Coupon presented for payment:

- (i) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges in respect of such Bond or Coupon by reason of his being connected with the United Kingdom or any authority therein or thereof having power to tax otherwise than by reason only of the holding of any Bond or Coupon or the receipt of principal or interest in respect of any Bond or Coupon (as the case may be); or
- (ii) by or on behalf of a holder who is able to avoid such withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the paying or collecting agent or the relevant tax authorities (which declaration or claim does not require disclosure of the identity of the relevant holder); or
- (iii) in the United Kingdom; or
- (iv) if a claim in respect of such payment is made more than 30 days after the Relevant Date (as defined below) except to the extent that the holders thereof would have been entitled to such additional amounts on surrendering the Bond or Coupon for payment at the expiry of such 30-day period.

For the purpose of the Conditions, "Relevant Date" means, in respect of any payment, (i) the date on which such payment first becomes due and payable or (ii) if the full amount of the moneys payable has not been duly received by the Principal Paying Agent or the Trustee on or prior to such date, the date on which, the full amount of such moneys having been so received, notice to that effect is given to the Bondholders in accordance with Condition 10.

Any reference in these Conditions to principal and/or interest shall be deemed to refer also to any additional amounts which may be payable under this Condition 6 or any undertaking or covenant given in addition to or in substitution for it under the Trust Deed.

## **7. Events of Default and Enforcement**

### **(a) Winding-up Event**

If default is made by the Issuer for a period of seven days or more in the payment of any principal or 14 days or more in the payment of interest due on the Bonds after the due date therefor (a "Winding-Up Event"), the Trustee may, subject as provided below, at its discretion and without further notice, institute proceedings for the winding-up of the Issuer.

### **(b) Event of Default**

If, otherwise than for the purposes of a reconstruction or amalgamation on terms previously approved in writing by the Trustee, an order is made by an English court and is not successfully appealed, or an effective resolution is passed, for winding-up the Issuer (an "Event of Default"), the Trustee may, subject as provided below, at its discretion give notice to the Issuer that the Bonds are, and they shall accordingly immediately become, due and repayable at their principal amount together with accrued interest.

### **(c) Trustee may Institute Proceedings**

The Trustee may at its discretion and without further notice institute such proceedings against the Issuer as it thinks fit to enforce any obligation, condition or provision binding on the Issuer under the Trust Deed, the Bonds or the Coupons (other than any obligation for the payment of any principal in respect of the Bonds or the payment of any interest in respect of the Coupons) provided that the Issuer shall not by virtue of the institution of any such proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

### **(d) Trustee not Bound to Enforce**

The Trustee shall not be bound to take the action referred to in paragraphs (a), (b) or (c) above to enforce the obligations of the Issuer in respect of the Bonds unless (i) it shall have been so requested by an Extraordinary Resolution of the Bondholders or if so requested in writing by the holders of at least one-fifth in principal amount of the Bonds then outstanding and (ii) it shall have been indemnified to its satisfaction.

### **(e) Bondholders not Entitled to Enforce**

No Bondholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable period and such failure is continuing, in which case the Bondholder or Couponholder shall have only such rights against the Issuer as those that the Trustee is entitled to exercise. No Bondholder or Couponholder shall be entitled to institute proceedings for the winding up of the Issuer, or to prove in any winding up of the Issuer, except that if the Trustee, having become bound to proceed against the Issuer as aforesaid, fails to do so, or, being able to prove in any winding up of the Issuer, fails to do so, in each case within a reasonable period, and such failure is continuing, then any Bondholder or Couponholder may, on giving an indemnity satisfactory to the Trustee, in the name of the Trustee (but not otherwise), himself institute proceedings in England (but not elsewhere) for the winding up of the Issuer and/or prove in any winding up of the Issuer to the same extent (but not further or otherwise) that the Trustee would have been entitled so to do in respect of his Bonds or Coupons.

## **8. Prescription**

Claims (if any) for payment of principal and interest shall become void upon the expiry of, in the case of principal, 10 years and, in the case of interest, five years, from the Relevant Date in respect thereof.

## **9. Replacement of Bonds**

If any Bond or Coupon is mutilated, defaced, destroyed, stolen or lost, it may be replaced, at the specified office of the Principal Paying Agent or, so long as the Bonds are listed on the Luxembourg Stock Exchange, the Paying Agent in Luxembourg or at the specified office of any other replacement agent appointed from time to time by the Issuer and notified to the Bondholders, upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the issuer may reasonably require. In the case of mutilation or defacement, such Bond or Coupon (as the case may be) must be surrendered before a replacement is issued.

## **10. Notices**

Any notices to Bondholders shall be published, where practicable, in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*) and, so long as the Bonds are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, in a daily newspaper of general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*). If any such publication is not practicable notices shall be published in another leading daily newspaper of general circulation in Europe approved by the Trustee. Notices shall be deemed to have been given on the date of the first publication if published more than once or on different dates. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Bondholders in accordance with this Condition.

## **11. Further Issues**

The Issuer shall be at liberty from time to time, without the consent of the Bondholders or Couponholders, to create and to issue further bonds or notes either ranking *pari passu* in all respects and so that the same shall be consolidated and form a single series with the Bonds or upon such terms as to interest, redemption and otherwise as the Issuer may at the time of the issue thereof determine. Any further bonds or notes forming a single series with the outstanding bonds or notes of any series constituted by the Principal Trust Deed and any deed supplemental thereto shall, and any other further bonds or notes may, be constituted by a deed supplemental to the Principal Trust Deed. The Principal Trust Deed contains provisions for convening a single meeting of the Bondholders and the holders of bonds or notes of other series in certain circumstances where the Trustee so decides.

## **12. Meetings of Bondholders; Modification; Waiver**

The Trust Deed contains provisions for convening meetings of the Bondholders to consider matters affecting their interests, including modification by Extraordinary Resolution (as defined in the Trust Deed) of any of the Conditions or of any provisions of the Trust Deed. An Extraordinary Resolution duly passed at any such meeting shall be binding on all Bondholders whether present or not and on all Couponholders. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing a clear majority in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting two or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented, unless the business of such meeting includes consideration of proposals, *inter alia* (i) to modify the final redemption date of the Bonds or the dates on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the principal amount of, or interest on, the Bonds or to vary the method of calculating interest on the Bonds, (iii) to change the currency of payment of the Bonds, (iv) to vary the provisions concerning subordination in the Trust Deed or (v) to modify the provisions concerning the quorum required at any meeting of the Bondholders or any adjournment thereof or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than three-quarters, or at any adjourned meeting not less than one-quarter, in principal amount of the Bonds for the time being outstanding.

The Trust Deed provides that a written resolution signed by or on behalf of the holders of at least 95 per cent in principal amount of the Bonds outstanding shall have the same effect as an Extraordinary Resolution of Bondholders.

The Trustee may, without the consent of the Bondholders or Couponholders, agree to any modification of these Conditions or the Trust Deed (except as mentioned above) or to any waiver or authorisation of any breach or proposed breach by the Issuer of the provisions of the Bonds, the Coupons or the Trust Deed which, in the opinion of the Trustee, is not materially prejudicial to the

interests of the Bondholders or to any modification of these Conditions or the Trust Deed which, in the opinion of the Trustee, is of a formal, minor or technical nature or is made to correct a manifest error, or determine that an Event of Default or a Winding-up Event shall not be treated as such. Any such modification (unless the Trustee agrees otherwise) and any such waiver, determination or authorisation (if the Trustee so requires) shall be notified to the Bondholders in accordance with Condition 10 as soon as practicable thereafter.

In connection with the exercise of its powers, trusts, authorities or discretions, including but not limited to those referred to in this Condition, the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise on individual Bondholders or Couponholders and in particular, but without prejudice to the generality of the foregoing, shall not have regard to the consequence of such exercise resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory.

### **13. The Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from any obligation to take proceedings to enforce repayment of the Bonds unless indemnified to its satisfaction. The Trustee may, if it so decides, refrain from taking such action in the absence of instructions from Bondholders. The Trustee shall be entitled to enter into business transactions with the Issuer or any subsidiary, holding or associated company of the Issuer without accounting to the Bondholders or Couponholders for profit resulting therefrom.

The Trustee shall not be obliged or required to take any action which may involve it in incurring personal liability or expense unless indemnified to its satisfaction.

The Trustee is not obliged to monitor the performance by any person of its obligations to the Issuer and may assume, until it has actual knowledge to the contrary, that such obligations are being performed.

### **14. Governing Law**

The Bonds, the Coupons and the Trust Deed are governed by and shall be construed in accordance with English law.

## **USE OF PROCEEDS**

The net proceeds of the issue of the Bonds amounting to approximately DM29,330,000 will be used to develop the business of the Issuer.

## **SUMMARY OF PROVISIONS RELATING TO THE BONDS WHILE IN GLOBAL FORM**

The Global Bond will contain provisions that apply to the Bonds represented by such Global Bond, some of which modify the effect of the Conditions. The effect of the provisions contained in the Global Bond is set out below:

1. *Payments*

Payments in respect of the Bonds represented by the Global Bond shall be made against presentation for endorsement and, if no further payment falls to be made in respect of the Bonds, surrender of the Global Bond to or to the order of any Paying Agent. A record of each payment so made shall be endorsed in the appropriate schedule of the Global Bond by the relevant Paying Agent, which endorsement shall be *prima facie* evidence that such payment has been made in respect of the Bonds.

2. *Notices*

So long as all the Bonds are represented by the Global Bond, notices to Bondholders may be given by delivery of the relevant notice to the holder of the Global Bond or, if the Global Bond is held on behalf of Cedel Bank and Euroclear, to Cedel Bank and Euroclear for communication to entitled accountholders in lieu of publication required by the Conditions. So long as the Bonds are listed on the Luxembourg Stock Exchange and the rules thereof so require, notices to Bondholders will be published in the *Luxemburger Wort* or in another daily newspaper of general circulation in Luxembourg.

3. *Meetings*

The holder of the Global Bond shall be treated as being two persons for the purposes of any quorum requirements of a meeting of Bondholders and, at any such meeting, as having one vote in respect of each Bond for which the Global Bond may be exchanged (unless the Global Bond represents only one Bond).

4. *Purchase and Cancellation*

Cancellation of any Bond represented by the Global Bond that is to be cancelled following its purchase or redemption will be effected by reduction in the principal amount of the Global Bond.

5. *Prescription*

Claims for payment of principal and interest in respect of the Global Bond shall become void unless it is presented for payment, in the case of principal, within a period of 10 years and, in the case of interest, within a period of five years from the appropriate Relevant Date as defined in Condition 6.

6. *Exchange for Definitive Bonds*

The Global Bond will be exchangeable (in whole but not in part) at the expense of the Issuer for definitive Bonds by the holder giving notice to the Principal Paying Agent if the Global Bond is held on behalf of Cedel Bank or Euroclear or an alternative clearing system approved by the Trustee and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so. In addition, the Global Bond will be exchangeable in whole but not in part for definitive Bonds by the Issuer giving notice to the Trustee and the Bondholders of its intention to do so. Any such exchange will be free of charge to Bondholders.

7. *Trustee's Powers*

In considering the interests of Bondholders while the Global Bond is held on behalf of a clearing system, the Trustee may, to the extent it considers it appropriate to do so in the circumstances, have regard to any information provided to it by or on behalf of such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to the Global Bond and may consider such interests as if such accountholders were the holder of the Global Bond.

References to Cedel Bank and Euroclear shall include their respective successors and assigns.