

## 4Q08 Letter to shareholders

Dear shareholders

While our fourth-quarter loss is clearly disappointing, we entered 2009 with a very strong capital position, a robust business model, a clear strategy and well-positioned businesses. We accelerated the implementation of our strategic plan, underscoring our ability to remain agile and respond decisively to changes in our operating environment. We believe that our actions position Credit Suisse well for a protracted period of market disruption or for a market recovery. In Investment Banking, we continued to reduce our illiquid assets and overall risk. The widespread market disruption adversely affected most of our businesses, and Credit Suisse recorded a fourth-quarter net loss of CHF 6.0 billion. The loss from continuing operations, excluding after-tax costs of the accelerated implementation of the strategic plan, amounted to CHF 4.9 billion.

### Review of fourth quarter 2008 results

Private Banking proved its resilience, delivering solid net revenues of CHF 3.1 billion and pre-tax income of CHF 876 million, down 36% from the prior-year period. Wealth Management continued to attract strong net client inflows of CHF 13.8 billion in a period of ongoing market turmoil. These inflows were affected by deleveraging of CHF 11.8 billion, resulting in net new assets of CHF 2.0 billion. Wealth Management had solid net revenues of CHF 2.0 billion, but pre-tax income of CHF 363 million reflected net provisions related to auction rate securities, a charge related to the close-out of a client's account, and an increase in provision for credit losses. Corporate & Retail Banking reported fourth-quarter net revenues of CHF 1.1 billion, up 9%, and pre-tax income of CHF 513 million, up 28%. The strong fourth-quarter result from Corporate & Retail Banking contributed to record pre-tax income in the full year.

In Investment Banking, we reported a pre-tax loss of CHF 7.8 billion. The result included net writedowns in the leveraged finance and structured products businesses of CHF 3.2 billion and significant trading losses. In December 2008, as index-hedge positions rallied and cash markets depreciated, we incurred significant losses due to standard hedges becoming ineffective in the extraordinary market environment. In addition, our results were negatively impacted by a severe widening of credit spreads, resulting in sharp declines in fair value levels of credit instruments across most markets. However, results were solid in the client-driven businesses, including



Brady W. Dougan, Chief Executive Officer (left),  
Walter B. Kielholz, Chairman of the Board of Directors.

flow-based rate products, foreign exchange, prime services and cash equities. Illiquid leveraged finance and structured products assets as of the end of 2008 were down 53% from the end of the third quarter of 2008 and 87% from the end of the third quarter of 2007. Risk-weighted assets declined 31% from the end of 2007 and 15% from the end of the third quarter of 2008 to USD 163 billion as of the end of 2008, and are targeted to decline to USD 135 billion by the end of 2009.

In Asset Management, we reported a pre-tax loss of CHF 670 million, which included significant unrealized private equity and other investment-related losses and net losses from securities purchased from our money market funds.

### Accelerated implementation of strategic plan

The accelerated implementation of our strategic plan, as announced in December, is expected to bring about a further substantial reduction of our risk and cost base, thus freeing up capital. It will also help Credit Suisse to address challenges and capture opportunities in the new market environment. As a result, we are reducing headcount by approximately 5,300. By

the end of 2008, 2,600 of these reductions had taken place and the rest are expected to take place by the middle of 2009. We are on track to lower costs by CHF 2 billion through these strategic measures.

Our strategy is clear: we remain committed to the integrated model, which we believe enables us to most effectively deliver best-in-class service to our clients while realizing enhanced operating efficiencies. Collaboration between our businesses provides a source of stable, high-margin revenues.

In Private Banking, we will continue to judiciously invest in growth, both globally and in our Swiss businesses. We continued to make progress in the fourth quarter with our international growth strategy.

In Investment Banking, we are repositioning the business by: reducing risk capital usage, including exiting certain proprietary and principal trading businesses; reducing volatility; improving capital efficiency; increasing our emphasis on client and flow-based businesses; and reducing risk limits for complex and structured products.

In Asset Management, we focused our resources on alternative investments, asset allocation and the Swiss businesses, all of which are scalable, high-margin businesses that provide excellent investment opportunities for our clients. In the fourth quarter, we decided to close certain money market funds and agreed to sell the majority of our traditional funds business to Aberdeen Asset Management, one of the UK's leading asset managers, for a stake of up to 24.9% in Aberdeen. The new organization also provides further potential to reduce costs.

## **Responsible compensation policy**

Compensation is an important issue – important in the way we manage our business and also in the wider social context. It is a difficult topic in this environment, but having variable compensation is vital to enable us to respond flexibly in an industry with cyclical revenue patterns. We have worked hard to try and take a prudent and constructive approach, designed to reflect the performance of individuals and the firm and, at the same time, more closely align the interests of employees with those of shareholders. For 2008, variable compensation paid as unrestricted cash was down over 60% compared to 2007. The actual year-on-year decrease in compensation varied according to business area and seniority. The decline was more pronounced for senior employees than for junior employees.

Our managing directors did not receive unrestricted cash payments in addition to salary. Instead, the vast majority of payments were made as retention awards. Many of our managing directors and directors received awards in the new PAF program, which will only pay out over time with the liquidation of the assets.

Overall variable compensation, which includes unrestricted cash and retention payments designed to align the interests of shareholders and employees, declined 44% compared to the prior year.

The Chairman, the CEO of the Group and the CEO of Investment Banking did not receive variable compensation. With the exception of three individuals who had contractual arrangements, the remaining members of the Executive Board only received retention payments in addition to their salary, and they did not receive any unrestricted cash. We believe that the decision to make retention awards for 2008 will support motivation among our senior people and will engage them in creating value for shareholders.

Credit Suisse has one of the strongest capital ratios in the industry – 13.3% at the end of the fourth quarter – which we achieved without significantly diluting shareholders. We have had good access to the capital markets and raised a total of CHF 37.1 billion of long-term debt in 2008. In the fourth quarter, Credit Suisse issued CHF 1.3 billion of senior long-term debt, underlining the bank's ongoing position as an attractive issuer even in turbulent markets.

The Board of Directors will propose a cash dividend of CHF 0.10 at the Annual General Meeting on April 24, 2009 for the financial year 2008, compared to a cash dividend of CHF 2.50 per share for the financial year 2007.

Credit Suisse has had a strong start to 2009 and was profitable across all divisions year to date. Overall, we have positioned our businesses to be less susceptible to negative market trends if they persist in the coming months and to prosper when markets recover.

Yours sincerely

Walter B. Kielholz  
February 2009

Brady W. Dougan

## Financial highlights

	in / end of			% change		in / end of			% change
	4Q08	3Q08	4Q07	QoQ	YoY	2008	2007	YoY	
<b>Net income (CHF million)</b>									
Income/(loss) from continuing operations	(5,486)	(1,267)	530	333	–	(7,687)	7,754	–	
Net income/(loss)	(6,024)	(1,261)	540	378	–	(8,218)	7,760	–	
<b>Earnings per share (CHF)</b>									
Basic earnings/(loss) per share from continuing operations	(4.87)	(1.23)	0.52	296	–	(7.33)	7.42	–	
Basic earnings/(loss) per share	(5.34)	(1.22)	0.53	338	–	(7.83)	7.43	–	
Diluted earnings/(loss) per share from continuing operations	(4.87)	(1.23)	0.48	296	–	(7.33)	6.95	–	
Diluted earnings/(loss) per share	(5.34)	(1.22)	0.49	338	–	(7.83)	6.96	–	
<b>Return on equity (%)</b>									
Return on equity (annualized)	(62.0)	(13.1)	5.1	–	–	(21.1)	18.0	–	
<b>Core Results (CHF million)</b>									
Net revenues	(1,830)	3,023	6,458	–	–	11,862	34,539	(66)	
Provision for credit losses	486	131	203	271	139	813	240	239	
Total operating expenses	6,344	5,393	6,066	18	5	23,212	25,159	(8)	
Income/(loss) from continuing operations before taxes	(8,660)	(2,501)	189	246	–	(12,163)	9,140	–	
<b>Core Results statement of income metrics (%)</b>									
Cost/income ratio	–	178.4	93.9	–	–	195.7	72.8	–	
Pre-tax income margin	–	(82.7)	2.9	–	–	(102.5)	26.5	–	
Effective tax rate	36.7	50.5	(215.3)	–	–	37.8	13.7	–	
Income margin from continuing operations	–	(41.9)	8.2	–	–	(64.8)	22.4	–	
Net income margin	–	(41.7)	8.4	–	–	(69.3)	22.5	–	
<b>Assets under management and net new assets (CHF billion)</b>									
Assets under management from continuing operations	1,106.1	1,283.4	1,462.8	(13.8)	(24.4)	1,106.1	1,462.8	(24.4)	
Net new assets	(12.6)	3.6	(14.3)	–	–	(3.0)	43.2	–	
<b>Balance sheet statistics (CHF million)</b>									
Total assets	1,170,350	1,393,599	1,360,680	(16)	(14)	1,170,350	1,360,680	(14)	
Net loans	235,797	248,659	240,534	(5)	(2)	235,797	240,534	(2)	
Total shareholders' equity	32,302	39,023	43,199	(17)	(25)	32,302	43,199	(25)	
<b>Book value per share outstanding (CHF)</b>									
Total book value per share	27.75	37.47	42.33	(26)	(34)	27.75	42.33	(34)	
Tangible book value per share <sup>1</sup>	19.37	26.68	31.23	(27)	(38)	19.37	31.23	(38)	
<b>Shares outstanding (million)</b>									
Common shares issued	1,184.6	1,134.2	1,162.4	4	2	1,184.6	1,162.4	2	
Treasury shares	(20.7)	(92.8)	(141.8)	(78)	(85)	(20.7)	(141.8)	(85)	
Shares outstanding	1,163.9	1,041.4	1,020.6	12	14	1,163.9	1,020.6	14	
<b>Market capitalization</b>									
Market capitalization (CHF million)	33,762	56,596	76,024	(40)	(56)	33,762	76,024	(56)	
Market capitalization (USD million)	33,478	54,759	67,093	(39)	(50)	33,478	67,093	(50)	
<b>BIS statistics</b>									
Risk-weighted assets (CHF million) <sup>2</sup>	257,467	308,142	312,068	(16)	(17)	257,467	312,068	(17)	
Tier 1 ratio (%) <sup>2</sup>	13.3	10.4	11.1	–	–	13.3	11.1	–	
Total capital ratio (%) <sup>2</sup>	17.9	14.6	14.5	–	–	17.9	14.5	–	
<b>Number of employees (full-time equivalents)</b>									
Number of employees	47,800	50,300	48,100	(5)	(1)	47,800	48,100	(1)	

<sup>1</sup> Based on tangible shareholders' equity, which is calculated by deducting goodwill and other intangible assets from total shareholders' equity. Management believes that tangible shareholders' equity is meaningful as it allows consistent measurement of the performance of businesses without regard to whether the businesses were acquired. <sup>2</sup> Under Basel II from January 1, 2008. Prior periods are reported under Basel I and are therefore not comparable. For further information, refer to IV – Treasury and Risk management – Treasury management.

## Financial calendar and information sources

### Financial calendar

First quarter 2009 results	Thursday, April 23, 2009
Annual General Meeting	Friday, April 24, 2009

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Results and financial information	www.credit-suisse.com/results
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### US share register and transfer agent

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### Cautionary statement regarding forward-looking information

This report contains statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act. In addition, in the future we, and others on our behalf, may make statements that constitute forward-looking statements. Such forward-looking statements may include, without limitation, statements relating to the following:

- our plans, objectives or goals;
- our future economic performance or prospects;
- the potential effect on our future performance of certain contingencies; and
- assumptions underlying any such statements.

Words such as "believes," "anticipates," "expects," "intends" and "plans" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. We do not intend to update these forward-looking statements except as may be required by applicable securities laws.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. We caution you that a number of important factors could cause results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include:

- the ability to maintain sufficient liquidity and access capital markets;
- market and interest rate fluctuations;
- the strength of the global economy in general and the strength of the economies of the countries in which we conduct our operations, in particular the risk of a continued US or global economic downturn in 2009 and beyond;
- the direct and indirect impacts of continuing deterioration of subprime and other real estate markets;

- further adverse rating actions by credit rating agencies in respect of structured credit products or other credit-related exposures or of mono-line insurers;
- the ability of counterparties to meet their obligations to us;
- the effects of, and changes in, fiscal, monetary, trade and tax policies, and currency fluctuations;
- political and social developments, including war, civil unrest or terrorist activity;
- the possibility of foreign exchange controls, expropriation, nationalization or confiscation of assets in countries in which we conduct our operations;
- operational factors such as systems failure, human error, or the failure to implement procedures properly;
- actions taken by regulators with respect to our business and practices in one or more of the countries in which we conduct our operations;
- the effects of changes in laws, regulations or accounting policies or practices;
- competition in geographic and business areas in which we conduct our operations;
- the ability to retain and recruit qualified personnel;
- the ability to maintain our reputation and promote our brand;
- the ability to increase market share and control expenses;
- technological changes;
- the timely development and acceptance of our new products and services and the perceived overall value of these products and services by users;
- acquisitions, including the ability to integrate acquired businesses successfully, and divestitures, including the ability to sell non-core assets;
- the adverse resolution of litigation and other contingencies;
- the ability to achieve our cost efficiency goals and other cost targets; and
- our success at managing the risks involved in the foregoing.

We caution you that the foregoing list of important factors is not exclusive. When evaluating forward-looking statements, you should carefully consider the foregoing factors and other uncertainties and events, as well as the information set forth in our Form 20-F Item 3 – Key Information – Risk Factors.