VII

Consolidated financial statements – Credit Suisse (Bank)

Notes to the consolidated financial statements

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Report of the Statutory Auditor on the Consolidated Financial Statements to the General Meeting of

Credit Suisse, Zurich

As statutory auditor, we have audited the accompanying consolidated financial statements of Credit Suisse (the "Bank"), which comprise the consolidated balance sheets as of December 31, 2008 and 2007, and the related consolidated statements of operations, changes in shareholder's equity, comprehensive income and cash flows, and notes for each of the years in the three-year period ended December 31, 2008.

Board of Directors' Responsibility
The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The board of directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Swiss law and Swiss Auditing Standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements give a true and fair view of the financial position as of December 31, 2008 and 2007, and the results of operations and cash flows for each of the years in the three-year period ended December 31, 2008, in accordance with U.S. generally accepted accounting principles and comply with Swiss law.

As discussed in Notes 1 and 2 to the consolidated financial statements, in 2007 the Bank changed its method of accounting for certain financial instruments accounted for at fair value and in 2006 the Bank changed its method of accounting for defined benefit pension plans.

KPMG

Report on Other Legal and Regulatory Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) (Switzerland) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the board of directors.

We recommend that the consolidated financial statements submitted to you be approved.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Bank's internal control over financial reporting as of December 31, 2008, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated March 18, 2009 expressed an unqualified opinion on the effectiveness of the Bank's internal control over financial reporting.

KPMG Klynveld Peat Marwick Goerdeler SA

David L. Jahnke
Licensed Audit Expert
Auditor in Charge

Robert S. Overstreet
Licensed Audit Expert

Zurich, Switzerland
March 18, 2009

Consolidated statements of operations

	Reference to notes	2008	2007	in 2006
Consolidated statements of operations (CHF million)				
Interest and dividend income	6	47,102	61,592	49,388
Interest expense	6	(39,189)	(53,994)	(43,421)
Net interest income	6	7,913	7,598	5,967
Commissions and fees	7	13,640	17,522	15,924
Trading revenues		(10,340)	5,804	9,160
Other revenues	8	(3,908)	5,966	5,101
Net revenues		**7,305**	**36,890**	**36,152**
Provision for credit losses	9	**797**	**227**	**(97)**
Compensation and benefits	10	12,958	15,528	14,956
General and administrative expenses	11	7,299	6,781	6,532
Commission expenses		2,090	2,189	1,941
Total other operating expenses		9,389	8,970	8,473
Total operating expenses		**22,347**	**24,498**	**23,429**
Income/(loss) from continuing operations before taxes, minority interests and extraordinary items		**(15,839)**	**12,165**	**12,820**
Income tax expense/(benefit)	25	(4,922)	844	2,141
Minority interests		(3,379)	5,013	3,620
Income/(loss) from continuing operations before extraordinary items		**(7,538)**	**6,308**	**7,059**
Income/(loss) from discontinued operations, net of tax		(531)	6	(15)
Extraordinary items, net of tax		0	0	(24)
Net income/(loss)		**(8,069)**	**6,314**	**7,020**

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Consolidated balance sheets

	Reference to notes	2008	end of 2007
Assets (CHF million)			
Cash and due from banks		90,521	36,304
Interest-bearing deposits with banks		3,892	4,526
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	12	269,013	296,341
of which reported at fair value		164,743	183,719
Securities received as collateral, at fair value		29,755	28,728
of which encumbered		16,966	24,719
Trading assets, at fair value	13	341,381	530,125
of which encumbered		69,921	141,764
Investment securities	14	11,681	14,515
of which reported at fair value		11,457	14,267
of which encumbered		–	1,908
Other investments	15	26,908	27,907
of which reported at fair value		24,820	25,080
Net loans	16	220,392	221,570
of which reported at fair value		32,314	31,047
allowance for loan losses		1,428	1,000
Premises and equipment	17	5,789	5,590
Goodwill	18	8,195	9,746
Other intangible assets	19	412	421
of which reported at fair value		113	179
Brokerage receivables		57,499	54,890
Other assets	21	85,208	103,079
of which reported at fair value		34,066	49,298
of which encumbered		3,329	12,084
Assets of discontinued operations held-for-sale	4	1,023	–
Total assets		**1,151,669**	**1,333,742**

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Consolidated balance sheets – (continued)

	Reference to notes	2008	end of 2007
Liabilities and shareholder's equity (CHF million)			
Due to banks	22	74,948	106,979
of which reported at fair value		3,576	6,348
Customer deposits	22	267,010	307,598
of which reported at fair value		1,975	5,551
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	12	243,970	300,476
of which reported at fair value		174,975	140,424
Obligation to return securities received as collateral, at fair value		29,755	28,728
Trading liabilities, at fair value	13	153,718	200,575
Short-term borrowings		10,182	14,398
of which reported at fair value		2,545	8,120
Long-term debt	23	148,550	157,282
of which reported at fair value		76,069	107,290
Brokerage payables		93,426	55,823
Other liabilities	21	83,089	106,530
of which reported at fair value		24,275	24,221
Liabilities of discontinued operations held-for-sale	4	872	–
Minority interests		19,281	24,019
Total liabilities		**1,124,801**	**1,302,408**
Common shares / Participation certificates		4,400	4,400
Additional paid-in capital		25,059	20,849
Retained earnings		5,132	15,872
Treasury shares, at cost		18	(5,497)
Accumulated other comprehensive income/(loss)	24	(7,741)	(4,290)
Total shareholder's equity		**26,868**	**31,334**
Total liabilities and shareholder's equity		**1,151,669**	**1,333,742**

end of	2008	2007
Additional share information		
Par value (CHF)	100.00	100.00
Issued shares (million)	44.0	44.0
Shares outstanding (million)	44.0	44.0

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Consolidated statements of changes in shareholder's equity

	Common shares/ Participa- tion certi- ficates	Additional paid-in capital	Retained earnings	Treasury shares, at cost [1]	Accumu- lated other compre- hensive income	**Total share- holder's equity**	Number of common shares outstanding [2]
2008 (CHF million)							
Balance at beginning of period	**4,400**	**20,849**	**15,872**	**(5,497)**	**(4,290)**	**31,334**	**43,996,652**
Net income/(loss)	–	–	(8,069)	–	–	(8,069)	–
Cumulative effect of accounting changes, net of tax [3]	–	–	(11)	–	7	(4)	–
Other comprehensive income/(loss), net of tax	–	–	–	–	(3,458)	(3,458)	–
Issuance of common shares	–	2,958	–	–	–	2,958	–
Repurchase of treasury shares	–	–	–	(1,021)	–	(1,021)	–
Sale of treasury shares	–	1	–	1,039	–	1,040	–
Share-based compensation, net of tax	–	1,264	–	–	–	1,264	–
Dividends on share-based compensation, net of tax	–	(203)	–	–	–	(203)	–
Cash dividends paid	–	–	(2,660)	–	–	(2,660)	–
Other	–	190	–	5,497 [4]	–	5,687	–
Balance at end of period	**4,400**	**25,059**	**5,132**	**18**	**(7,741)**	**26,868**	**43,996,652**
2007 (CHF million)							
Balance at beginning of period	**4,400**	**19,593**	**11,652**	**(6,149)**	**(3,451)**	**26,045**	**43,996,652**
Net income	–	–	6,314	–	–	6,314	–
Cumulative effect of accounting changes, net of tax	–	–	(680)	–	10	(670)	–
Other comprehensive income/(loss), net of tax	–	–	–	–	(849)	(849)	–
Repurchase of treasury shares	–	–	–	(287)	–	(287)	–
Share-based compensation, net of tax	–	833	–	939	–	1,772	–
Dividends on share-based compensation, net of tax	–	112	–	–	–	112	–
Cash dividends paid	–	–	(1,167)	–	–	(1,167)	–
Other	–	311	(247)	–	–	64	–
Balance at end of period	**4,400**	**20,849**	**15,872**	**(5,497)**	**(4,290)**	**31,334**	**43,996,652**
2006 (CHF million)							
Balance at beginning of period	**4,400**	**18,770**	**7,045**	**(1,895)**	**(2,532)**	**25,788**	**43,996,652**
Net income	–	–	7,020	–	–	7,020	–
Cumulative effect of accounting changes, net of tax	–	–	45	–	(306)	(261)	–
Other comprehensive income/(loss), net of tax	–	–	–	–	(613)	(613)	–
Sale of treasury shares	–	(4)	–	–	–	(4)	–
Repurchase of treasury shares	–	–	–	(4,664)	–	(4,664)	–
Share-based compensation, net of tax	–	846	–	410	–	1,256	–
Dividends on share-based compensation, net of tax	–	(19)	–	–	–	(19)	–
Cash dividends paid	–	–	(2,458)	–	–	(2,458)	–
Balance at end of period	**4,400**	**19,593**	**11,652**	**(6,149)**	**(3,451)**	**26,045**	**43,996,652**

[1] Reflects Credit Suisse Group shares which are reported as treasury shares. Those shares are held to economically hedge share award obligations. [2] The Bank's total share capital is fully paid and consists of 43,996,652 registered shares with nominal value of CHF 100 per share. Each share is entitled to one vote. The Bank has no warrants or convertible rights on its own shares outstanding. [3] Represents the effect of the Bank adopting the measurement date provisions of SFAS 158 as of December 31, 2008. [4] Represents the deconsolidation of a special purpose entity (now merged into the Group) used to hedge share-based compensation awards through treasury shares.

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Comprehensive income

in	2008	2007	2006
Comprehensive income (CHF million)			
Net income/(loss)	(8,069)	6,314	7,020
Gains/(losses) on cash flow hedges	(14)	2	(36)
Cumulative translation adjustments	(3,294)	(1,168)	(729)
Unrealized gains/(losses) on securities	(54)	15	51
Minimum pension liability adjustment	–	–	101
Actuarial gains/(losses)	(95)	304	–
Net prior service cost	(1)	(2)	–
Other comprehensive income/(loss), net of tax [1]	(3,458)	(849)	(613)
Comprehensive income/(loss)	**(11,527)**	**5,465**	**6,407**

[1] For details on the components of other comprehensive income, refer to Note 24 – Accumulated other comprehensive income.

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Consolidated statements of cash flows

in	2008	2007	2006
Operating activities (CHF million)			
Net income/(loss)	(8,069)	6,314	7,020
(Income)/loss from discontinued operations, net of tax	531	(6)	15
Income/(loss) from continuing operations	**(7,538)**	**6,308**	**7,035**
Adjustments to reconcile net income/(loss) to net cash provided by/(used in) operating activities of continuing operations (CHF million)			
Impairment, depreciation and amortization	1,129	859	986
Provision for credit losses	797	227	(97)
Deferred tax provision	(5,133)	(1,193)	584
Share of net income from equity method investments	20	(91)	2
Trading assets and liabilities	122,210	(64,803)	(25,905)
Increase in other assets	(1,396)	(63,591)	(60,586)
Increase in other liabilities	27,880	60,460	28,141
Other, net	(4,221)	7,818	2,227
Total adjustments	141,286	(60,314)	(54,648)
Net cash provided by/(used in) operating activities of continuing operations	**133,748**	**(54,006)**	**(47,613)**
Investing activities of continuing operations (CHF million)			
(Increase)/decrease in interest-bearing deposits with banks	207	(455)	330
Decrease in central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	12,285	3,327	9,841
Purchase of investment securities	(510)	(445)	(1,641)
Proceeds from sale of investment securities	55	2,884	1,234
Maturities of investment securities	2,365	3,450	3,533
Investments in subsidiaries and other investments	(3,828)	(8,395)	(6,541)
Proceeds from sale of other investments	2,515	2,188	1,705
Increase in loans	(10,441)	(36,137)	(26,477)
Proceeds from sales of loans	596	339	3,142
Capital expenditures for premises and equipment and other intangible assets	(1,400)	(1,296)	(1,488)
Proceeds from sale of premises and equipment and other intangible assets	4	90	34
Other, net	141	(43)	95
Net cash provided by/(used in) investing activities of continuing operations	**1,989**	**(34,493)**	**(16,233)**

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Consolidated statements of cash flows – (continued)

in	**2008**	2007	2006
Financing activities of continuing operations (CHF million)			
Increase/(decrease) in due to banks and customer deposits	(57,581)	46,290	51,154
Increase/(decrease) in short-term borrowings	(7,564)	(49)	483
Increase/(decrease) in central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(40,975)	30,590	(1,392)
Issuances of long-term debt	106,422	77,786	76,596
Repayments of long-term debt	(85,496)	(62,638)	(49,402)
Repayments of trust preferred securities	111	22	0
Issuances of common shares	2,958	0	0
Sale of treasury shares	1,040	0	(4)
Repurchase of treasury shares	(1,021)	(287)	(4,664)
Dividends paid/capital repayments	(3,002)	(1,106)	(2,528)
Other, net	5,622	7,522	1,970
Net cash provided by/(used in) financing activities of continuing operations	**(79,486)**	**98,130**	**72,213**
Effect of exchange rate changes on cash and due from banks (CHF million)			
Effect of exchange rate changes on cash and due from banks	**(2,016)**	**(1,244)**	**(468)**
Net cash provided by/(used in) discontinued operations (CHF million)			
Net cash provided by/(used in) operating activities of discontinued operations	**(18)**	**52**	**21**
Net increase in cash and due from banks (CHF million)			
Net increase in cash and due from banks	**54,217**	**8,439**	**7,920**
Cash and due from banks at beginning of period	36,304	27,865	19,945
Cash and due from banks at end of period	**90,521**	**36,304**	**27,865**

in	**2008**	2007	2006
Cash paid for income taxes and interest (CHF million)			
Cash paid for income taxes	1,820	2,541	1,481
Cash paid for interest	40,935	54,128	41,609
Assets acquired and liabilities assumed in business acquisitions (CHF million)			
Fair value of assets acquired	383	335	199
Fair value of liabilities assumed	23	300	199

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Notes to the consolidated financial statements

1 Summary of significant accounting policies

The accompanying consolidated financial statements of Credit Suisse, the Swiss bank subsidiary of the Group (the Bank), are prepared in accordance with US GAAP and are stated in CHF. The financial year for the Bank ends on December 31. Certain reclassifications have been made to the prior year's consolidated financial statements to conform to the current year's presentation and had no impact on net income/(loss) or total shareholder's equity.

In preparing the consolidated financial statements, management is required to make estimates and assumptions including, but not limited to, the fair value measurements of certain financial assets and liabilities, the allowance for loan losses, the impairment of assets other than loans, recognition of deferred tax asset, tax uncertainties, pension liabilities, as well as various contingencies. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the dates of the consolidated balance sheets and the reported amounts of revenues and expenses during the reporting period. While management evaluates its estimates and assumptions on an ongoing basis, actual results could differ materially from management's estimates. Current market conditions may increase the risk and complexity of the judgments applied in these estimates.

For a summary of significant accounting policies, with the exception of the following accounting policies, refer to Note 1 – Summary of significant accounting policies in V – Consolidated financial statements – Credit Suisse Group.

Pensions and other post-retirement benefits

Credit Suisse sponsors a Group defined benefit pension plan in Switzerland that covers eligible employees of the Bank domiciled in Switzerland. The Bank also has single-employer defined benefit pension plans and defined contribution pension plans in Switzerland and other countries around the world.

For the Bank's participation in the Group defined benefit pension plan, no retirement benefit obligation is recognized in the consolidated balance sheets of the Bank and defined contribution accounting is applied, as the Bank is not the sponsoring entity of the Group plan.

For single-employer defined benefit plans, the Bank uses the projected unit credit actuarial method to determine the present value of its PBO and the current and past service costs related to its defined benefit and other post-retirement benefit plans. In 2008 the Bank changed the measurement date used to perform the actuarial valuation from September 30 to December 31.

Certain key assumptions are used in performing the actuarial valuations. These assumptions must be made concerning the future events that will determine the amount and timing of the benefit payments and thus require significant judgment and estimate by Bank management. Among others, assumptions have to be made with regard to discount rates, expected return on plan assets and salary increases.

The assumed discount rates reflect the rates at which the pension benefits could be effectively settled. These rates are determined based on yields of high-quality corporate bonds currently available and are expected to be available during the period to maturity of the pension benefits. In countries where no deep market in high-quality corporate bonds exists, the estimate is based on governmental bonds adjusted to include a risk premium reflecting the additional risk for corporate bonds.

The expected long-term rate of return on plan assets is determined on a plan-by-plan basis, taking into account asset allocation, historical rate of return, benchmark indices for similar type pension plan assets, long-term expectations of future returns and investment strategy.

Health care cost trend rates are determined by reviewing external data and the Bank's own historical trends for health care costs. Salary increases are determined by reviewing external data and considering internal projections.

The funded status of the Bank's defined benefit post-retirement and pension plans are recognized in the consolidated balance sheets.

Actuarial gains and losses in excess of 10% of the greater of the PBO or the market value of plan assets and unrecognized prior service costs and transition obligations and assets are amortized to net periodic pension and other post-retirement cost on a straight-line basis over the average remaining service life of active employees expected to receive benefits.

The Bank records pension expense for defined contribution plans when the employee renders service to the company, essentially coinciding with the cash contributions to the plans.

Own shares and own bonds

The Bank's shares are wholly-owned by Credit Suisse Group and are not subject to trading. The Bank may buy and sell Credit Suisse Group shares, own bonds and derivatives on Credit Suisse Group shares within its normal trading and market-making activities. In addition, the Bank may hold Credit Suisse Group shares to physically hedge commitments arising from employee share-based compensation awards. Credit Suisse Group shares are reported as trading assets, unless those shares are held to economically hedge share award obligations. Hedging shares are reported as treasury shares, resulting in a reduction to total shareholder's equity. Derivatives on Credit Suisse Group shares are recorded as assets or liabilities and carried at fair value. Dividends received on Credit Suisse Group shares and unrealized and realized gains and losses on Credit Suisse Group shares are recorded according to the classification of the shares as trading assets or treasury shares. Purchases of bonds originally issued by the Bank are recorded as an extinguishment of debt.

2 Recently issued accounting standards

For recently adopted accounting standards and standards to be adopted in future periods, refer to Note 2 – Recently issued accounting standards in V – Consolidated financial statements – Credit Suisse Group. With the exception of the following standards, the impact on the Bank's and Group's financial condition, results of operations or cash flows was or is expected to be identical.

Recently adopted accounting standards

SFAS 159

As a result of the adoption of SFAS 159 and election of certain existing instruments under the fair value option as of January 1, 2007, the Bank reported a decrease in opening retained earnings of CHF 832 million, net of tax. For further information, refer to Note 32 – Financial instruments.

SFAS 157

As a result of the adoption of SFAS 157 as of January 1, 2007, the Bank reported an increase in opening retained earnings of CHF 165 million, net of tax. For further information, refer to Note 32 – Financial instruments.

SFAS 158

The cumulative effect of the Bank adopting the recognition provisions of SFAS 158 as of December 31, 2006, was an after-tax decrease in AOCI and consolidated net assets of CHF 306 million.

The cumulative effect after-tax of the Group adopting the measurement provisions of SFAS 158 as of December 31, 2008 was a decrease in retained earnings of CHF 11 million, an increase in AOCI of CHF 7 million and a decrease in consolidated net assets of CHF 4 million.

For further information, refer to Note 28 – Pension and other post-retirement benefits.

3 Business developments and subsequent events

The Bank had no significant acquisitions in 2006 and no significant divestitures in 2007 and 2006. For significant acquisitions in 2008 and 2007, significant divestitures in 2008 and subsequent events, refer to Note 3 – Business developments and subsequent events in V – Consolidated financial statements – Credit Suisse Group.

4 Discontinued operations

For further information on discontinued operations, refer to Note 4 – Discontinued operations in V – Consolidated financial statements – Credit Suisse Group.

Income/(loss) from discontinued operations

in	2008	2007	2006
Income/(loss) from discontinued operations (CHF million)			
Net revenues	**346**	**413**	**460**
Total expenses	(393)	(405)	(479)
Income/(loss) before taxes from discontinued operations	**(47)**	**8**	**(19)**
Loss on disposal	(463)	0	0
Income tax expense/(benefit)	21	2	(4)
Income/(loss) from discontinued operations, net of tax	**(531)**	**6**	**(15)**

5 Segment information

For purpose of presentation of reportable segments, the Bank has included accounts of affiliate entities wholly owned by the same parent which are managed together with the operating segments of the Bank. These affiliate entities include certain bank and trust affiliates, primarily managed by Private Banking. Income from continuing operations before taxes, minority interests, extraordinary items and cumulative effect of accounting changes of these non-consolidated affiliate entities included in the segment presentation for the years ended December 31, 2008, 2007 and 2006 were CHF 513 million, CHF 1,078 million and CHF 994 million, respectively. For the same periods net revenues of these non-consolidated affiliate entities included in the segment presentation were CHF 2,092 million, CHF 2,501 million and CHF 2,141 million, respectively, and total assets of these non-consolidated affiliate entities included in the segment presentation as of December 31, 2008 and 2007, were CHF 51.9 billion and CHF 56.2 billion, respectively. For further information, refer to Note 5 – Segment information in V – Consolidated financial statements – Credit Suisse Group.

Net revenues and income from continuing operations before taxes

in	2008	2007	2006
Net revenues (CHF million)			
Private Banking	12,907	13,522	11,678
Investment Banking	(1,835)	18,958	20,469
Asset Management	496	2,016	2,247
Adjustments [1,2]	(4,263)	2,394	1,758
Net revenues	**7,305**	**36,890**	**36,152**
Income/(loss) from continuing operations before taxes, minority interests and extraordinary items (CHF million)			
Private Banking	3,850	5,486	4,596
Investment Banking	(13,850)	3,649	5,951
Asset Management	(1,127)	197	374
Adjustments [1,3]	(4,712)	2,833	1,899
Income/(loss) from continuing operations before taxes, minority interests and extraordinary items	**(15,839)**	**12,165**	**12,820**

[1] Adjustments represent certain consolidating entries and balances, including those relating to items that are managed but are not legally owned by the Bank and vice-versa and certain expenses that were not allocated to the segments. [2] Includes minority interest-related revenues of CHF (2,806) million, CHF 5,046 million and CHF 3,788 million in 2008, 2007 and 2006, respectively, from the consolidation of certain private equity funds and other entities in which the Bank does not have a significant economic interest in such revenues. [3] Includes minority interest income of CHF (2,952) million, CHF 4,864 million and CHF 3,683 million in 2008, 2007 and 2006, respectively, from the consolidation of certain private equity funds and other entities in which the Bank does not have a significant economic interest in such income.

Total assets

end of	2008	2007
Total assets (CHF million)		
Private Banking	374,771	376,800
Investment Banking	976,713	1,140,740
Asset Management	21,580	27,784
Adjustments [1]	(221,395)	(211,582)
Total assets	**1,151,669**	**1,333,742**

[1] Adjustments represent certain consolidating entries and balances, including those relating to items that are managed but are not legally owned by the Bank and vice-versa and certain expenses that were not allocated to the segments.

Net revenues and income from continuing operations before taxes by geographic location

in	2008	2007	2006
Net revenues (CHF million)			
Switzerland	11,494	9,823	8,755
EMEA	(4,132)	9,576	8,758
Americas	(975)	14,984	16,086
Asia Pacific	918	2,507	2,553
Net revenues	**7,305**	**36,890**	**36,152**
Income/(loss) from continuing operations before taxes, minority interests and extraordinary items (CHF million)			
Switzerland	4,695	3,205	3,152
EMEA	(10,308)	2,665	2,085
Americas	(8,579)	6,329	7,242
Asia Pacific	(1,647)	(34)	341
Income/(loss) from continuing operations before taxes, minority interests and extraordinary items	**(15,839)**	**12,165**	**12,820**

The designation of net revenues and income/(loss) before taxes is based upon the location of the office recording the transactions. This presentation does not reflect the way the Bank is managed.

Total assets by geographic location

end of	2008	2007
Total assets (CHF million)		
Switzerland	166,516	163,416
EMEA	324,794	448,717
Americas	578,870	607,944
Asia Pacific	81,489	113,665
Total assets	**1,151,669**	**1,333,742**

The designation of total assets by region is based upon customer domicile.

6 Net interest income

in	2008	2007	2006
Net interest income (CHF million)			
Loans	8,231	8,208	6,952
Investment securities	598	713	667
Trading assets	18,131	22,838	17,549
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	13,523	22,462	19,125
Other	6,619	7,371	5,095
Interest and dividend income	47,102	61,592	49,388
Deposits	(10,358)	(15,991)	(12,268)
Short-term borrowings	(411)	(894)	(625)
Trading liabilities	(8,516)	(8,664)	(6,604)
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(12,523)	(21,134)	(17,881)
Long-term debt	(4,806)	(4,653)	(4,337)
Other	(2,575)	(2,658)	(1,706)
Interest expense	(39,189)	(53,994)	(43,421)
Net interest income	**7,913**	**7,598**	**5,967**

7 Commissions and fees

in	2008	2007	2006
Commissions and fees (CHF million)			
Lending business	771	2,015	1,590
Investment and portfolio management	4,464	4,919	3,985
Other securities business	216	216	174
Fiduciary business	4,680	5,135	4,159
Underwriting	1,049	1,808	2,735
Brokerage	4,629	5,438	4,762
Underwriting and brokerage	5,678	7,246	7,497
Other services	2,511	3,126	2,678
Commissions and fees	**13,640**	**17,522**	**15,924**

8 Other revenues

in	2008	2007	2006
Other revenues (CHF million)			
Minority interests without SEI	(2,978)	4,915	3,670
Loans held-for-sale	(269)	(638)	31
Long-lived assets held-for-sale	41	30	20
Equity method investments	(98)	200	114
Other investments	(1,367)	732	772
Other	763	727	494
Other revenues	**(3,908)**	**5,966**	**5,101**

9 Provision for credit losses

in	2008	2007	2006
Provision for credit losses (CHF million)			
Allowance for loan losses	570	25	(116)
Provisions for lending-related and other exposures	227	202	19
Provision for credit losses	**797**	**227**	**(97)**

10 Compensation and benefits

in	2008	2007	2006
Compensation and benefits (CHF million)			
Salaries and variable compensation	11,068	13,745	13,221
Social security	731	816	821
Other	1,159	967	914
Compensation and benefits	**12,958**	**15,528**	**14,956**

11 General and administrative expenses

in	2008	2007	2006
General and administrative expenses (CHF million)			
Occupancy expenses	836	848	847
IT, machinery, etc.	486	483	496
Provisions and losses [1]	540	97	(201)
Travel and entertainment	540	577	585
Professional services	2,043	2,223	2,109
Depreciation of property and equipment	939	825	805
Goodwill impairment	82	0	0
Amortization and impairment of other intangible assets	108	34	182
Other	1,725	1,694	1,709
General and administrative expenses	**7,299**	**6,781**	**6,532**

[1] Includes CHF 508 million of credits from insurance settlements for litigation and related costs in 2006.

12 Securities borrowed, lent and subject to repurchase agreements

end of	2008	2007
Securities borrowed or purchased under agreements to resell (CHF million)		
Central bank funds sold and securities purchased under resale agreements	158,858	184,729
Deposits paid for securities borrowed	110,155	111,612
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	**269,013**	**296,341**
Securities lent or sold under agreements to repurchase (CHF million)		
Central bank funds purchased and securities sold under repurchase agreements	211,796	244,782
Deposits received for securities lent	32,174	55,694
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	**243,970**	**300,476**

For further information, refer to Note 13 – Securities borrowed, lent and subject to repurchase agreements in V – Consolidated financial statements – Credit Suisse Group.

13 Trading assets and liabilities

end of	2008	2007
Trading assets (CHF million)		
Debt securities	152,747	208,988
Equity securities [1]	72,879	194,379
Derivative instruments [2]	104,844	97,356
Other	10,911	29,402
Trading assets	**341,381**	**530,125**
Trading liabilities (CHF million)		
Short positions	59,932	122,655
Derivative instruments [2]	93,786	77,920
Trading liabilities	**153,718**	**200,575**

[1] Including convertible bonds. [2] In accordance with the provisions of FSP FIN 39-1, the Bank offset cash collateral receivables and payables of CHF 51.3 billion and CHF 36.2 billion, respectively, as of the end of 2008 against the derivative positions. Cash collateral receivables and payables of CHF 17.0 billion and CHF 27.7 billion, respectively, as of the end of 2008 were not netted. The Bank adopted the provisions of FSP FIN 39-1 on a prospective basis as of January 1, 2008.

14 Investment securities

end of	2008	2007
Investment securities (CHF million)		
Debt securities held-to-maturity	224	248
Securities available-for-sale	11,457	14,267
Total investment securities	**11,681**	**14,515**

end of	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
2008 (CHF million)				
Debt securities issued by foreign governments	224	0	0	224
Debt securities held-to-maturity	**224**	**0**	**0**	**224**
Debt securities issued by foreign governments	10,579	101	34	10,646
Corporate debt securities	707	0	0	707
Other	5	0	0	5
Debt securities available-for-sale	**11,291**	**101**	**34**	**11,358**
Equity securities available-for-sale	96	3	0	**99**
Securities available-for-sale	**11,387**	**104**	**34**	**11,457**
2007 (CHF million)				
Debt securities issued by foreign governments	248	1	0	249
Debt securities held-to-maturity	**248**	**1**	**0**	**249**
Debt securities issued by foreign governments	14,165	16	499	13,682
Corporate debt securities	358	0	0	358
Other	18	1	0	19
Debt securities available-for-sale	**14,541**	**17**	**499**	**14,059**
Equity securities available-for-sale	**163**	**45**	**0**	**208**
Securities available-for-sale	**14,704**	**62**	**499**	**14,267**

Gross unrealized losses on investment securities and the related fair value

	Less than 12 months		12 months or more		**Total**	
end of	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses
2008 (CHF million)						
Debt securities available-for-sale	**0**	**0**	**5,002**	**34**	**5,002**	**34**
2007 (CHF million)						
Debt securities available-for-sale	**11**	**0**	**12,602**	**499**	**12,613**	**499**

Management determined that the unrealized losses on debt securities are primarily attributable to general market interest rate, credit spread or exchange rate movements. No impairment charges were recorded as the Bank has the intent and ability to hold the debt securities for a reasonable period of time sufficient for a forecasted recovery of the decline in market value below cost.

Proceeds from sales, realized gains and realized losses from available-for-sale securities

	Debt securities			Equity securities		
in	**2008**	2007	2006	**2008**	2007	2006
Additional information (CHF million)						
Proceeds from sales	2	2,878	1,226	53	6	8
Realized gains	3	23	70	0	0	2
Realized losses	0	(6)	(79)	0	0	0

Amortized cost, fair value and average yield of debt securities

	Debt securities held-to-maturity			Debt securities available-for-sale		
end of	Amortized cost	Fair value	Average yield (in %)	Amortized cost	Fair value	Average yield (in %)
2008 (CHF million)						
Due within 1 year	224	224	4.69	2,240	2,232	2.58
Due from 1 to 5 years	0	0	–	7,071	7,149	3.38
Due from 5 to 10 years	0	0	–	1,980	1,977	3.54
Total debt securities	**224**	**224**	**4.69**	**11,291**	**11,358**	**3.25**

15 Other investments

end of	**2008**	2007
Other investments (CHF million)		
Equity method investments	2,863	2,558
Non-marketable equity securities [1]	21,674	24,887
Real estate held for investment	379	410
Insurance products [2]	1,992	52
Total other investments	**26,908**	**27,907**

[1] Includes private equity and restricted stock investments, as well as certain investments in non-marketable mutual funds for which the Bank has neither significant influence nor control over the investee. [2] Includes life settlement contracts at investment method and, from 2008, SPIA contracts, which were formerly classified as trading assets.

Substantially all non-marketable equity securities are carried at fair value. There were no significant non-marketable equity securities not carried at fair value that have been in a continuous unrealized loss position.

The Bank performs a regular impairment analysis of real estate portfolios. In 2008, CHF 22 million impairment charges were recorded. No significant impairment charges were recorded in 2007 and 2006.

Accumulated depreciation related to real estate held for investment amounted to CHF 320 million, CHF 313 million and CHF 329 million for 2008, 2007 and 2006, respectively. For further information, refer to Note 16 – Other investments in V – Consolidated financial statements – Credit Suisse Group.

16 Loans

end of	2008	2007
Loans (CHF million)		
Banks	2,063	2,128
Commercial	48,355	45,961
Consumer	71,072	70,197
Public authorities	929	982
Lease financings	2,912	2,604
Switzerland	125,331	121,872
Banks	8,206	9,622
Commercial	67,774	69,448
Consumer	17,996	19,021
Public authorities	2,319	2,563
Lease financings	279	115
Foreign	96,574	100,769
Gross loans	**221,905**	**222,641**
Net (unearned income)/deferred expenses	(85)	(71)
Allowance for loan losses	(1,428)	(1,000)
Net loans	**220,392**	**221,570**
Impaired loan portfolio (CHF million)		
Gross impaired loans	**2,327**	**1,540**
of which with a specific allowance	2,170	1,185
of which without a specific allowance	157	355

in	2008	2007	2006
Allowance for loan losses (CHF million)			
Balance at beginning of period	**1,000**	**1,305**	**1,965**
Change in accounting	0	(61) [1]	0
Change in scope of consolidation	0	(92)	0
Net movements recognized in statements of operations	570	25	(116)
Gross write-offs	(181)	(236)	(696)
Recoveries	82	83	140
Net write-offs	(99)	(153)	(556)
Provisions for interest	16	3	47
Foreign currency translation impact and other adjustments, net	(59)	(27)	(35)
Balance at end of period	**1,428**	**1,000**	**1,305**
of which a specific allowance	1,018	640	936
of which an inherent credit loss allowance	410	360	369

[1] Related to the adoption of SFAS 159.

As of December 31, 2008 and 2007, the Bank did not have any material commitments to lend additional funds to debtors whose loan terms have been modified in troubled debt restructurings.

in / end of	**2008**	2007	2006
Additional loan information (CHF million)			
Average balance of impaired loans	2,130	1,480	2,014
Interest income recognized	11	18	23
Interest income recognized on a cash basis	11	18	35
Net gains/(losses) on the sale of loans	(269)	(638)	31
Total non-performing and non-interest-earning loans	1,599	1,037	1,373

17 Premises and equipment

end of	**2008**	2007
Premises and equipment (CHF million)		
Buildings and improvements	3,365	3,337
Land	708	781
Leasehold improvements	1,852	1,746
Software	2,584	2,228
Equipment	2,942	2,904
Premises and equipment	**11,451**	**10,996**
Accumulated depreciation	(5,662)	(5,406)
Total premises and equipment, net	**5,789**	**5,590**

The carrying value of the Bank's premises and equipment is tested for impairment on a regular basis. This revaluation process identifies premises and equipment to be written down to their fair values, establishing a new cost base. In 2008, CHF 100 million of impairment charges, including CHF 92 million on software, were recorded. The impairment charges were primarily in connection with the accelerated implementation of the Bank's strategic plan. No significant impairment charges were recorded in 2007 and 2006.

18 Goodwill

	Private Banking	Investment Banking	Asset Management	**Credit Suisse (Bank)**
2008 (CHF million)				
Balance at beginning of period	**564**	**6,744**	**2,438**	**9,746**
Goodwill acquired during the year	1	15	76	92
Discontinued operations	0	0	(577)	(577)
Impairment	0	(82)	0	(82)
Other	(210)	(426)	(348)	(984)
Balance at end of period	**355**	**6,251**	**1,589**	**8,195**
2007 (CHF million)				
Balance at beginning of period	**382**	**7,088**	**2,419**	**9,889**
Goodwill acquired during the year	206	157	197	560
Other	(24)	(501)	(178)	(703)
Balance at end of period	**564**	**6,744**	**2,438**	**9,746**

For further information, refer to Note 19 – Goodwill in V – Consolidated financial statements – Credit Suisse Group.

19 Other intangible assets

			2008			2007
end of	Gross carrying amount	Accumulated amortization	**Net carrying amount**	Gross carrying amount	Accumulated amortization	**Net carrying amount**
Other intangible assets (CHF million)						
Tradenames/trademarks	29	(22)	7	31	(23)	8
Client relationships	514	(264)	250	357	(226)	131
Other	103	(103)	0	110	(109)	1
Total amortizing other intangible assets	**646**	**(389)**	**257**	**498**	**(358)**	**140**
Non-amortizing other intangible assets	155	–	155	281	–	281
Total other intangible assets	**801**	**(389)**	**412**	**779**	**(358)**	**421**

The aggregate amortization expenses for 2008, 2007 and 2006 were CHF 58 million, CHF 28 million and CHF 43 million, respectively. As part of the ongoing assessment related to other intangible assets, the Bank determined that the carrying amount of certain other intangible assets exceeded the expected future cash flows. As such, the Bank recorded an impairment charge of CHF 50 million in 2008, primarily on client relationships in Asset Management. For further information, refer to Note 20 – Other intangible assets in V – Consolidated financial statements – Credit Suisse Group.

Estimated amortization expenses (CHF million)	
2009	38
2010	30
2011	28
2012	27
2013	26

20 Life settlement contracts

2008	within 1 year	within 1-2 years	within 2-3 years	within 3-4 years	within 4-5 years	Thereafter	Total
Fair value method							
Number of contracts	350	322	899	387	766	5,946	8,670
Carrying value, in CHF million	18	16	42	22	54	1,452	1,604
Face value, in CHF million	19	16	48	30	85	6,702	6,900
Investment method							
Number of contracts	–	–	–	–	–	4	4
Carrying value, in CHF million	–	–	–	–	–	50	50
Face value, in CHF million	–	–	–	–	–	76	76
2007							
Fair value method							
Number of contracts	178	332	259	268	378	4,919	6,334
Carrying value, in CHF million	10	21	15	16	26	1,113	1,201
Face value, in CHF million	11	22	15	17	38	4,926	5,029
Investment method							
Number of contracts	–	–	–	–	–	4	4
Carrying value, in CHF million	–	–	–	–	–	52	52
Face value, in CHF million	–	–	–	–	–	81	81

For further information, refer to Note 21 – Life settlement contracts in V – Consolidated financial statements – Credit Suisse Group.

21 Other assets and other liabilities

end of	2008	2007
Other assets (CHF million)		
Cash collateral on derivative instruments	16,994	18,766
Cash collateral on non-derivative transactions	3,152	0
Derivative instruments used for hedging	3,326	1,039
Assets held-for-sale	23,329	48,206
of which loans	23,166	47,975
of which real estate	163	231
Interest and fees receivable	7,430	10,700
Deferred tax assets	10,415	5,728
Prepaid expenses	524	521
Failed purchases	2,045	0
Other	17,993	18,119
Other assets	**85,208**	**103,079**
Other liabilities (CHF million)		
Cash collateral on derivative instruments	27,739	48,968
Cash collateral on non-derivative transactions	1,333	0
Derivative instruments used for hedging	274	73
Provisions [1]	1,709	2,219
of which off-balance sheet risk	483	266
Interest and fees payable	9,468	11,737
Current tax liabilities	1,812	3,083
Deferred tax liabilities	584	537
Failed sales	9,251	10,627
Other	30,919	29,286
Other liabilities	**83,089**	**106,530**

[1] Includes provision for bridge commitments.

For further information, refer to Note 22 – Other assets and other liabilities in V – Consolidated financial statements – Credit Suisse Group.

22 Deposits

	2008			2007		
end of	Switzer-land	Foreign	**Total**	Switzer-land	Foreign	**Total**
Deposits (CHF million)						
Non-interest-bearing demand deposits	5,047	1,508	6,555	7,385	1,581	8,966
Interest-bearing demand deposits	52,949	22,263	75,212	45,957	29,919	75,876
Savings deposits	34,754	38	34,792	32,943	38	32,981
Time deposits	41,732	183,667	225,399	63,970	232,784	296,754
Total deposits	**134,482**	**207,476**	**341,958**	**150,255**	**264,322**	**414,577**
of which due to banks	–	–	74,948	–	–	106,979
of which customer deposits	–	–	267,010	–	–	307,598

The designation of deposits in Switzerland versus foreign deposits is based upon the location of the office where the deposit is recorded.

As of December 31, 2008 and 2007, CHF 174 million and CHF 126 million, respectively, of overdrawn deposits were reclassified as loans. As of December 31, 2008 and 2007, the Bank had CHF 222.7 billion and CHF 294.5 billion, respectively, of individual time deposits issued in Switzerland and in foreign offices in the Swiss franc equivalent amounts of USD 100,000 or more.

23 Long-term debt

end of	**2008**	2007
Long-term debt (CHF million)		
Senior	121,858	138,237
Subordinated	26,692	19,045
Long-term debt	**148,550**	**157,282**
of which reported at fair value	76,069	107,290

end of	2009	2010	2011	2012	2013	Thereafter	**Total**
Long-term debt (CHF million)							
Senior debt							
Fixed rate	4,338	5,586	8,491	3,774	12,488	13,869	48,546
Variable rate	19,536	15,504	11,829	9,588	5,002	11,853	73,312
Interest rates (range in %) [1]	0.2-4.8	1.1-6.0	0-6.1	1.5-11.5	1.8-8.5	1.9-8.8	–
Subordinated debt							
Fixed rate	1,860	1,504	1,198	273	1,231	19,633	25,699
Variable rate	281	–	–	–	–	712	993
Interest rates (range in %) [1]	4.0-8.3	2.2-8.3	4.3-6.9	3.2-7.8	6.6	1.8-11.0	–
Total long-term debt	**26,015**	**22,594**	**21,518**	**13,635**	**18,721**	**46,067**	**148,550**
of which structured notes	12,258	10,074	7,585	5,274	3,512	9,503	48,206

[1] Excludes structured notes for which fair value has been elected as the related coupons are dependent upon the embedded derivatives and prevailing market conditions at the time each coupon is paid.

For further information, refer to Note 24 – Long-term debt in V – Consolidated financial statements – Credit Suisse Group.

24 Accumulated other comprehensive income

	Gains/ (losses) on cash flow hedges	Cumulative translation adjustments	Unrealized gains/ (losses) on securities	Minimum pension liability adjustment	Actuarial gains/ (losses)	Net prior service cost	**Accumulated other comprehensive income**
2008 (CHF million)							
Balance at beginning of period	**7**	**(3,979)**	**125**	**–**	**(450)**	**7**	**(4,290)**
Increase/(decrease)	(14)	(3,294)	(63)	–	(127)	0	(3,498)
Reclassification adjustments, included in net income	0	0	9	–	32	(1)	40
Adoption of SFAS 158, net of tax	0	0	0	–	7	0	7
Balance at end of period	**(7)**	**(7,273)**	**71**	**–**	**(538)**	**6**	**(7,741)**
2007 (CHF million)							
Balance at beginning of period	**(1)**	**(2,811)**	**106**	**–**	**(754)**	**9**	**(3,451)**
Increase/(decrease)	6	(1,168)	19	–	248	0	(895)
Reclassification adjustments, included in net income	(4)	0	(4)	–	56	(2)	46
Adoption of SFAS 159, net of tax	6	0	4	–	0	0	10
Balance at end of period	**7**	**(3,979)**	**125**	**–**	**(450)**	**7**	**(4,290)**
2006 (CHF million)							
Balance at beginning of period	**35**	**(2,082)**	**55**	**(540)**	**–**	**–**	**(2,532)**
Increase/(decrease)	(33)	(728)	70	101	–	–	(590)
Reclassification adjustments, included in net income	(3)	(1)	(19)	0	–	–	(23)
Adoption of SFAS 158, net of tax	0	0	0	439	(754)	9	(306)
Balance at end of period	**(1)**	**(2,811)**	**106**	**0**	**(754)**	**9**	**(3,451)**

For income tax expense/(benefit) on the movements of accumulated other comprehensive income, refer to Note 25 – Tax and Note 28 – Pension and other post-retirement benefits.

25 **Tax**

Income from continuing operations before taxes in Switzerland and foreign countries

in	2008	2007	2006
Income from continuing operations before taxes (CHF million)			
Switzerland	4,695	3,205	3,152
Foreign	(20,534)	8,960	9,668
Income/(loss) from continuing operations before taxes, minority interests and extraordinary items	**(15,839)**	**12,165**	**12,820**

Details of current and deferred taxes

in	2008	2007	2006
Current and deferred taxes (CHF million)			
Switzerland	7	578	570
Foreign	204	1,459	987
Current income tax expense/(benefit)	**211**	**2,037**	**1,557**
Switzerland	(277)	128	76
Foreign	(4,856)	(1,321)	508
Deferred income tax expense/(benefit)	**(5,133)**	**(1,193)**	**584**
Income tax expense/(benefit)	**(4,922)**	**844**	**2,141**
Income tax expense/(benefit) on discontinued operations	21	2	(4)
Income tax expense/(benefit) reported in shareholder's equity related to:			
Gains/(losses) on cash flow hedges	1	0	(4)
Cumulative translation adjustment	(132)	(97)	(56)
Unrealized gains/(losses) on securities	(41)	7	23
Minimum pension liability adjustment	–	–	67
Actuarial gains/(losses)	(71)	124	(159)
Net prior service cost/(credit)	(1)	0	5
Dividends	(15)	(5)	0
Cumulative effect of accounting changes	0	(265)	(3)
Share-based compensation and treasury shares	89	(56)	(259)

Reconciliation of taxes computed at the Swiss statutory rate

in	**2008**	2007	2006
Reconciliation of taxes computed at the Swiss statutory rate (CHF million)			
Income tax expense/(benefit) computed at the statutory tax rate of 22%	(3,485)	2,676	2,820
Increase/(decrease) in income taxes resulting from			
Foreign tax rate differential	(2,870)	(337)	347
Non-deductible amortization of other intangible assets and goodwill impairment	29	8	59
Other non-deductible expenses	257	373	312
Additional taxable income	171	288	317
Lower taxed income [1]	(1,645)	(1,106)	(733)
Income taxable to minority interests	1,000	(1,050)	(783)
Changes in tax law and rates	2	31	3
Changes in deferred tax valuation allowance [2]	1,707	692	(35)
Other [3]	(88)	(731)	(166)
Income tax expense/(benefit)	**(4,922)**	**844**	**2,141**

[1] Included in 2008 there was a tax benefit of CHF 588 million in respect of the Swiss tax effect of the valuation reduction in the investment in subsidiaries. 2008 also included a tax benefit of CHF 290 million in respect of the reversal of the deferred tax liability recorded to cover estimated recapture of loss deductions arising from foreign branches of the Bank. [2] In 2008, 2007 and 2006 there was a tax benefit of CHF 125 million, CHF 39 million and CHF 115 million, respectively, resulting from the release of valuation allowance on deferred tax assets on net tax loss carry-forwards, offset by additions. [3] Included in 2008 is CHF 467 million foreign exchange translation loss relating to deferred tax assets recorded in UK entities under enacted UK tax law and denominated in British pounds, which differs from the functional currency of the reporting entities. Included in 2008 and 2006 is an amount of CHF 163 million and CHF 109 million, respectively, relating to the release of tax contingency accruals following the favorable resolution of tax matters. 2008 and 2007 included a charge of CHF 25 million and CHF 11 million, respectively, relating to the reversal of deferred tax assets on net operating loss carry-forwards, which was offset by an equivalent release of valuation allowance on deferred tax assets on net operating loss carry-forwards. Included in 2007 is a CHF 512 million benefit related to previously unrecognized deferred tax assets due to changes in the assessment of certain US state and local tax positions.

As of December 31, 2008, the Bank had accumulated undistributed earnings from foreign subsidiaries of CHF 6.0 billion. No deferred tax was recorded in respect of those amounts as these earnings are considered indefinitely reinvested. It is not practicable to estimate the amount of unrecognized deferred tax liabilities for these undistributed foreign earnings.

Details of the tax effect of temporary differences

end of	2008	2007
Tax effect of temporary differences (CHF million)		
Compensation and benefits	2,415	2,309
Loans	1,583	780
Investment securities	29	29
Provisions	836	523
Derivatives	455	121
Real estate	135	62
Net operating loss carry-forwards	9,598	3,669
Other	88	159
Gross deferred tax assets before valuation allowance	**15,139**	**7,652**
Less valuation allowance	(2,922)	(1,378)
Gross deferred tax assets net of valuation allowance	**12,217**	**6,274**
Compensation and benefits	(46)	(119)
Loans	(9)	(13)
Investment securities	(1,262)	(272)
Business combinations	(433)	(361)
Derivatives	(447)	(109)
Leasing	(79)	(92)
Real estate	(61)	(61)
Other	(49)	(56)
Gross deferred tax liabilities	**(2,386)**	**(1,083)**
Net deferred tax assets	**9,831**	**5,191**

The most significant net deferred tax assets arise in the US and UK and these increased from CHF 5,009 million as of the end of 2007 to CHF 9,328 million, net of a valuation allowance of CHF 1,674 million in respect of the deferred tax assets held in a US entity, as of the end of 2008. During 2008, CHF 467 million foreign exchange translation losses arose on deferred tax assets on tax loss carry forwards recorded in UK entities. Under enacted UK tax law, tax loss carry-forwards are denominated in British pounds, which differs from the functional currency of the reporting entities.

Amounts and expiration dates of net operating loss carry-forwards

end of 2008	Total
Net operating loss carry-forwards (CHF million)	
Due to expire within 1 year	52
Due to expire within 2 to 5 years	388
Due to expire within 6 to 10 years	7,233
Due to expire within 11 to 20 years	14,097
Amount due to expire	**21,770**
Amount not due to expire	11,050
Total net operating loss carry-forwards	**32,820**

Movements in the valuation allowance

in	2008	2007	2006
Movements in the valuation allowance (CHF million)			
Balance at beginning of period	**1,378**	**721**	**891**
Discontinued operations	(13)	0	0
Net changes	1,557	657	(170)
Balance at end of period	**2,922**	**1,378**	**721**

Tax benefits associated with share-based compensation

Tax benefits associated with share-based compensation recorded in the consolidated statements of operations were CHF 936 million, CHF 819 million and CHF 513 million in 2008, 2007 and 2006, respectively. For further information on share-based compensation, refer to Note 26 – Employee share-based compensation and other compensation benefits.

The Bank incurred a shortfall tax charge of CHF 93 million in 2008 and realized windfall tax benefits of CHF 73 million and CHF 252 million in 2007 and 2006, respectively, upon settlement of share-based compensation. In 2008 and 2007, CHF 16 million and CHF 13 million, respectively, of tax benefits were recognized in respect of tax on dividend equivalent payments, in accordance with EITF 06-11, which was early adopted by the Bank. However, windfall deductions and dividend equivalents aggregating CHF 1.6 billion and CHF 1.4 billion for 2008 and 2007 did not result in a reduction of income taxes payable because certain entities are in a net operating loss position. When the income tax benefit of these deductions is realized, an estimated CHF 606 million tax benefit will be recorded in additional paid-in capital.

FIN 48

The Bank adopted the provisions of FIN 48 on January 1, 2007. As a result of applying FIN 48, an increase in the liability for unrecognized tax benefits of approximately CHF 13 million was recognized as a reduction to the January 1, 2007 balance of retained earnings.

Interest and penalties are reported as tax expense. The amount of interest and penalties recognized in the consolidated statements of operations was zero and CHF 29 million for 2008 and 2007, respectively, and the amount of interest and penalties recognized in the consolidated balance sheets was CHF 246 million and CHF 340 million, respectively.

Reconciliation of the beginning and ending amount of gross unrecognized tax benefits

	2008	2007
Movements in gross unrecognized tax benefits (CHF million)		
Balance at beginning of period	**1,350**	**1,475**
Increases in unrecognized tax benefits as a result of tax positions taken during a prior period	51	180
Decreases in unrecognized tax benefits as a result of tax positions taken during a prior period	(206)	(255)
Increases in unrecognized tax benefits as a result of tax positions taken during the current period	81	233
Decreases in unrecognized tax benefits relating to settlements with tax authorities	(19)	(130)
Reductions to unrecognized tax benefits as a result of a lapse of the applicable statute of limitations	(12)	(32)
Other (including foreign currency translation)	(109)	(121)
Balance at end of period	**1,136**	**1,350**

The total amount of net unrecognized tax benefits that, if recognized, would affect the effective tax rate was CHF 1,186 million and CHF 1,058 million on December 31, 2007 and December 31, 2008, respectively.

It is reasonably possible that there will be a decrease of between zero and CHF 145 million in unrecognized tax benefits within 12 months of the reporting date.

The Bank remains open to examination from federal, state, provincial or similar local jurisdictions from the following years onward in these major countries: Japan – 2005; Switzerland – 2004; the US – 1999; and the UK –1997.

For further information, refer to Note 26 – Tax in V – Consolidated financial statements – Credit Suisse Group.

26 Employee share-based compensation and other compensation benefits

Total compensation expense for share-based compensation and other awards recognized in compensation and benefits in the consolidated statements of operations was CHF 3,475 million (includes CHF 450 million of PAF), CHF 2,564 million and CHF 1,597 million for 2008, 2007 and 2006, respectively. As of December 31, 2008, the total estimated unrecognized compensation expense of CHF 2,505 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.

The Group generally repurchases its own shares in the open market to satisfy obligations in connection with share-based compensation but it can also issue new shares out of available conditional capital. For 2008, 2007 and 2006, the Bank delivered approximately 17.2 million, 22.1 million and 19.5 million Group shares, respectively, to employees.

Share-based compensation

For further information, refer to Note 27 – Employee share-based compensation and other compensation benefits in V – Consolidated financial statements – Credit Suisse Group.

Fair value assumptions for share-based compensation

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

end of	**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

On January 22, 2008 and January 23, 2007, the Bank granted 45.7 million and 26.2 million ISUs, respectively.

The compensation expense recognized in 2008 and 2007 related to ISUs was CHF 2,329 million and CHF 1,128 million, respectively. The estimated unrecognized compensation expense related to these awards as of December 31, 2008 was CHF 1,831 million and will be recognized over the term of the award, subject to early retirement rules.

On January 21, 2009, the Bank granted 25.9 million ISUs. The recognition of accounting expense for the ISUs granted on January 21, 2009 began in 2009 and thus had no impact on the 2008 consolidated financial statements. The estimated unrecognized compensation expense of CHF 794 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	46.5	27.2
Settled	(9.9)	(0.4)
Forfeited	(2.7)	(1.4)
Balance at end of period	**59.3**	**25.4**
of which vested	1.4	0.0
of which unvested	57.9	25.4

Performance Incentive Plan

The compensation expense recognized in 2008, 2007 and 2006 related to PIP I and PIP II was CHF 111 million, CHF 432 million and CHF 450 million, respectively. The estimated unrecognized compensation expense related to PIP I and PIP II as of December 31, 2008 was CHF 50 million and the majority thereof 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	**6.2**	**11.9**	**5.9**	**12.0**	**–**	**12.2**
Granted	0.1	0.0	0.4	0.0	6.1	0.0
Settled	0.0	0.0	0.0	0.0	0.0	0.0
Forfeited	(0.2)	(0.1)	(0.1)	(0.1)	(0.2)	(0.2)
Balance at end of period	**6.1**	**11.8**	**6.2**	**11.9**	**5.9**	**12.0**
of which vested	3.1	7.9	1.5	5.2	0.0	2.6
of which unvested	3.0	3.9	4.7	6.7	5.9	9.4

Share awards

The compensation expense recognized in 2008, 2007 and 2006 related to shares awarded under phantom share, LPA and special awards was CHF 585 million, CHF 1,004 million and CHF 1,147 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	**28.5**	**65.13**	**50.7**	**60.70**	**46.5**	**47.73**
Granted	8.4	46.93	4.3	81.49	26.2	72.51
Settled	(14.9)	61.66	(24.2)	59.03	(18.8)	45.98
Forfeited	(1.5)	82.82	(2.3)	62.66	(3.2)	55.62
Balance at end of period	**20.5**	**58.90**	**28.5**	**65.13**	**50.7**	**60.70**
of which vested	0.2	–	0.3	–	2.7	–
of which unvested	20.3	–	28.2	–	48.0	–

Share options

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 2.6 years. As of the exercise date, the total intrinsic value of options exercised during 2008, 2007 and 2006 was CHF 7 million, CHF 302 million and CHF 232 million, respectively. Cash received from option exercises during 2008, 2007 and 2006 was CHF 17 million, CHF 336 million and CHF 327 million, respectively.

As of December 31, 2008, there were 1.6 million fully vested and exercisable options outstanding containing a cash settlement feature. These options had a weighted-average exercise price of CHF 68.10 and a weighted-average remaining contractual term of 0.8 years. During 2008, there was no material movement 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	**37.2**	**61.07**	**45.6**	**59.01**	**53.9**	**56.84**
Granted	–	–	–	–	0.1	71.60
Exercised	(0.5)	38.00	(7.2)	47.45	(7.3)	44.56
Settled	0.0	0.00	(0.3)	61.49	(0.4)	59.49
Forfeited	0.0	0.00	(0.7)	75.31	(0.6)	51.55
Expired	(0.1)	42.00	(0.2)	35.52	(0.1)	17.65
Balance at end of period	**36.6**	**61.41**	**37.2**	**61.07**	**45.6**	**59.01**
Exercisable at end of period	35.6	60.83	36.1	60.43	41.2	59.58

Other compensation benefits

Partner Asset Facility

On January 21, 2009, the Bank granted PAF awards to employees with a total notional value of CHF 676 million. Total compensation expense recognized in 2008 related to PAF was CHF 450 million. The estimated unrecognized compensation expense as of December 31, 2008 of CHF 226 million will be recognized during 2009.

Cash Retention Awards

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 expenses of CHF 1,567 million will be recognized over a period of two years.

27 Related parties

The Group owns all of the Bank's outstanding voting registered shares. The Bank is involved in significant financing and other transactions with subsidiaries and affiliates of the Group. The Bank generally enters into these transactions in the ordinary course of business and believes that these transactions are generally on market terms that could be obtained from unrelated third parties.

For further information, refer to Note 28 – Related parties in V – Consolidated financial statements – Credit Suisse Group.

Related party assets and liabilities

end of	**2008**	2007
Assets (CHF million)		
Cash and due from banks	1,668	2,815
Interest-bearing deposits with banks	1,930	2,348
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	504	498
Securities received as collateral	370	542
Trading assets	238	141
Net loans	10,681	8,609
Other assets	115	177
Total assets	**15,506**	**15,130**
Liabilities (CHF million)		
Due to banks/customer deposits	19,273	18,696
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	600	100
Obligation to return securities received as collateral	370	542
Trading liabilities	443	296
Long-term debt	9,017	10,028
Other liabilities	670	542
Total liabilities	**30,373**	**30,204**

Related party revenues and expenses

in	2008	2007	2006
Revenues (CHF million)			
Interest and dividend income	501	444	295
Interest expense	(1,177)	(1,277)	(753)
Net interest income	**(676)**	**(833)**	**(458)**
Commissions and fees	(11)	(5)	(4)
Other revenues	264	246	238
Net revenues	**(423)**	**(592)**	**(224)**
Expenses (CHF million)			
Total operating expenses	**19**	**(226)**	**(486)**

Related party guarantees

end of	2008	2007
Guarantees (CHF million)		
Credit guarantees and similar instruments	64	62
Performance guarantees and similar instruments	0	1
Derivatives	33	376
Other guarantees	70	59
Total guarantees	**167**	**498**

Loans to members of the Board and the Executive Board

in	2008	2007	2006
Loans to members of the Board (CHF million) [1]			
Balance at beginning of period	**15**	**22**	**17**
Additions	1	0	5
Reductions	(2)	(7)	0
Balance at end of period	**14**	**15**	**22**
Loans to members of the Executive Board (CHF million) [2]			
Balance at beginning of period	**22**	**22**	**12**
Additions	11	3	12
Reductions	(9)	(3)	(2)
Balance at end of period	**24**	**22**	**22**

[1] The number of individuals at the beginning and end of the year was five. [2] The number of individuals at the beginning and end of the year was eight and seven, respectively.

Liabilities due to own pension funds

Liabilities due to the Bank's own pension funds as of December 31, 2008 and 2007 of CHF 1,229 million and CHF 678 million, respectively, are reflected in various liability accounts in the Bank's consolidated balance sheets.

28 Pension and other post-retirement benefits

Pension plans

The Bank participates in a defined benefit pension plan sponsored by the Group and has single-employer defined benefit pension plans, defined contribution pension plans and other post-retirement defined benefit plans. The Bank's principal plans are located in Switzerland, the US and the UK. In 2008, the Bank changed the measurement date used to perform the actuarial valuation from September 30 to December 31.

Group pension plan

The Bank covers pension requirements for its employees in Switzerland through the participation in a defined benefit pension plan sponsored by the Group (Group plan). Various legal entities within the Group participate in the plan, which is set up as an independent trust domiciled in Zurich. The Group accounts for the Group plan as a single-employer defined benefit pension plan and uses the projected unit credit actuarial method to determine the net periodic pension expense, the PBO and the ABO. The Bank accounts for the defined benefit pension plan sponsored by the Group as a Group pension plan because other legal entities within the Group also participate in the plan and the assets contributed by the Bank are not segregated into a separate account or restricted to provide benefits only to employees of the Bank. The assets contributed by the Bank are commingled with the assets contributed by the other legal entities of the Group and can be used to provide benefits to any employee of any participating legal entity. The Bank's contributions to the Group plan comprise approximately 90% of the total assets contributed to the Group plan by all participating legal entities on an annual basis.

The Bank accounts for the Group plan on a defined contribution basis whereby it only recognizes the amounts required to be contributed to the Group plan during the period as net periodic pension expense and only recognizes a liability for any contributions due and unpaid. No other expenses or balance sheet amounts related to the Group plan were recognized by the Bank. The Bank's contributions are determined using a predetermined formula based on each employee's salary level and age and approximates 167% of each employee's contribution.

During 2008, 2007 and 2006, the Bank contributed and recognized as expense approximately CHF 579 million, CHF 333 million and CHF 285 million, respectively. The Bank expects to contribute CHF 387 million to the Group plan during 2009. If the Bank had accounted for the Group plan as a single-employer defined benefit plan, the net periodic pension expense recognized by the Bank during 2008, 2007 and 2006 would have been lower by CHF 477 million, CHF 186 million and CHF 150 million, respectively, and the Bank would have recognized CHF 35 million, CHF 74 million and CHF 69 million, respectively, as amortization of actuarial losses and prior service cost for the Group plan.

As of the measurement date, the ABO of the Group plan was CHF 11.2 billion, the PBO was CHF 12.4 billion and the fair value of plan assets was CHF 11.5 billion. As of December 31, 2008, the Group plan was overfunded on an ABO basis by CHF 283 million and underfunded on a PBO basis by CHF 948 million. If the Bank had accounted for the Group plan as a defined benefit pension plan, the Bank would have had to recognize the funded status of the Group plan on a PBO basis of CHF 853 million as of December 31, 2008, as a liability in the consolidated balance sheets, resulting in a decrease in AOCI within total shareholder's equity.

The calculation of the expense and liability associated with the defined benefit pension plan requires an extensive use of assumptions, which include the expected long-term rate of return on plan assets and discount rate as determined by the Group. If the Bank had accounted for the Group plan as a defined benefit plan, the expected long-term rate of return on plan assets used in the net periodic pension costs for 2008 would have been 5.0% and the discount rate used in the measurement of the benefit obligation as of December 31, 2008 and the net periodic pension cost for 2008 would have been 3.9% and 4.0%, respectively.

International pension plans

Various pension plans cover the Bank's employees outside of Switzerland, including both single-employer defined benefit and defined contribution pension plans. Retirement benefits under the plans depend on age, contributions and salary. The Bank's funding policy with respect to these plans is consistent with local government and tax requirements. The assumptions used are derived based on local economic conditions. These plans provide defined benefits in the event of retirement, death, disability or employment termination.

Other post-retirement defined benefit plans

In the US, the Bank sponsors post-retirement defined benefit plans, that provide health and welfare benefits for certain retired employees. In exchange for the current services provided by the employee, the Bank promises to provide health benefits after the employee retires. The Bank's obligation for that compensation is incurred as employees render the services necessary to earn their post-retirement benefits.

Pension costs

The net periodic pension cost for defined benefit pension and other post-retirement defined benefit plans is the cost of the respective plan for a period during which an employee renders services. The actual amount to be recognized is determined using an actuarial formula which considers, among others, current service cost, interest cost, expected return on plan assets and the amortization of both prior service costs and actuarial gains or losses recognized in AOCI.

Components of total pension costs

	International single-employer defined benefit pension plans			Other post-retirement defined benefit plans		
in	**2008**	2007	2006	**2008**	2007	2006
Total pension costs (CHF million)						
Service costs on benefit obligation	44	46	51	1	1	2
Interest costs on benefit obligation	139	149	129	8	9	9
Expected return on plan assets	(170)	(158)	(139)	–	–	–
Amortization of recognized transition obligation/(asset)	–	–	(1)	–	–	–
Amortization of recognized prior service cost	1	1	1	(2)	(3)	–
Amortization of recognized actuarial (gains)/losses	39	75	71	9	11	9
Net periodic pension costs	**53**	**113**	**112**	**16**	**18**	**20**
Settlement (gains)/losses	–	–	(5)	–	–	–
Curtailment (gains)/losses	–	–	(9)	–	–	–
Total pension costs	**53**	**113**	**98**	**16**	**18**	**20**

Total pension costs reflected in compensation and benefits – other in the consolidated statements of operations for 2008, 2007 and 2006 were CHF 69 million, CHF 131 million and CHF 118 million, respectively.

Benefit obligation

As of December 31, 2008, the Bank adopted the measurement date provisions of SFAS 158, which requires the Bank to measure the plan assets and the benefit obligations as of the date of the employer's fiscal year-end statement of financial position. For further information on SFAS 158, refer to Note 2 – Recently issued accounting standards.

The following table shows the changes in the PBO, the fair value of plan assets and the amounts recognized in the consolidated balance sheets for the international single-employer defined benefit pension plans and other post-retirement defined benefit plans and as well as the ABO for the defined benefit pension plans.

Obligations and funded status of the plans

	International single-employer defined benefit pension plans		Other post-retirement defined benefit plans	
in	**2008**	2007	**2008**	2007
PBO (CHF million) [1]				
Beginning of the measurement period	**2,580**	**2,894**	**145**	**137**
Service cost	44	46	1	1
Interest cost	139	149	8	9
Change in measurement date (SFAS158)	40	–	2	–
Curtailments	(8)	–	(1)	–
Actuarial (gains)/losses	(188)	(255)	(2)	15
Benefit payments	(85)	(63)	(10)	(7)
Exchange rate (gains)/losses	(569)	(191)	(9)	(10)
End of the measurement period	**1,953**	**2,580**	**134**	**145**
Fair value of plan assets (CHF million)				
Beginning of the measurement period	**2,549**	**2,163**	**–**	**–**
Actual return on plan assets	(244)	260	–	–
Employer contributions	185	366	10	7
Change in measurement date (SFAS 158)	36	–	–	–
Benefit payments	(85)	(63)	(10)	(7)
Exchange rate gains/(losses)	(626)	(177)	–	–
End of the measurement period	**1,815**	**2,549**	**–**	**–**
Total amount recognized (CHF million)				
Funded status of the plan – over/(underfunded)	(138)	(31)	(134)	(145)
Fourth quarter employer contributions	–	6	–	2
Total amount recognized in the consolidated balance sheet at December 31	**(138)**	**(25)**	**(134)**	**(143)**
Total amount recognized (CHF million)				
Noncurrent assets	201	162	–	–
Current liabilities	(9)	(8)	(8)	(7)
Noncurrent liabilities	(330)	(179)	(126)	(136)
Total amount recognized in the consolidated balance sheet at December 31	**(138)**	**(25)**	**(134)**	**(143)**
ABO (CHF million) [2]				
End of the measurement period	**1,891**	**2,463**	**–**	**–**

The rollforward reports 15 months and 12 months for 2008 and 2007, respectively.
[1] Including estimated future salary increase. [2] Exclusive of estimated future salary increases.

On December 4, 2008, the Group announced the accelerated implementation of its strategic plan and, as part of this plan, a headcount reduction. This resulted in a curtailment impact which reflected the reduction in the benefit obligation for the years of service no longer expected to be rendered. The curtailment related to the UK and US plans.

The total net amount recognized in other assets and other liabilities – other in the consolidated balance sheets as of December 31, 2008 and 2007 was an underfunding of CHF 272 million and CHF 168 million, respectively.

In 2008, the Bank made contributions of approximately CHF 179 million to the international single-employer defined benefit pension plans, including approximately CHF 140 million as a special contribution to the UK defined benefit plan. In 2009, the Bank expects to contribute CHF 29 million to the international single-employer defined benefit pension plans and CHF 7 million to other post-retirement defined benefit plans.

PBO and ABO in excess of plan assets

The following table discloses the aggregate PBO and ABO, as well as the aggregate fair value of plan assets for those plans with PBO in excess of plan assets and those plans with ABO in excess of plan assets as of December 31, 2008 and September 30, 2007, respectively. The significant increase from 2007 to 2008 primarily relates to the underfunded US pension plans as of the measurement date on December 31, 2008.

Defined benefit pension plans where PBO and ABO are in excess of plan assets

	PBO exceeds fair value of plan assets [1]		ABO exceeds fair value of plan assets [1]	
Measurement date	**2008**	2007	**2008**	2007
CHF million				
PBO	1,061	287	1,024	179
ABO	1,024	249	997	168
Fair value of plan assets	722	96	686	3

[1] Includes only those defined benefit pension plans where the PBO/ABO exceeded the fair value of plan assets.

Amount recognized in AOCI and other comprehensive income

The following table discloses the actuarial gains/(losses) and prior service costs which were recorded in AOCI and subsequently recognized as components of net periodic pension cost.

Amounts recognized in AOCI, net of tax

	International single-employer defined benefit pension plans		Other post-retirement defined benefit plans		**Total**	
in	**2008**	2007	**2008**	2007	**2008**	2007
Amounts recognized in AOCI (CHF million)						
Actuarial gains/(losses)	(501)	(404)	(37)	(46)	(538)	(450)
Prior service cost	(2)	(3)	8	10	6	7
Total	**(503)**	**(407)**	**(29)**	**(36)**	**(532)**	**(443)**

The following tables disclose the changes in other comprehensive income due to actuarial gains/(losses) and prior service costs recognized in AOCI during 2008 and 2007 and the amortization of the aforementioned items as components of net periodic pension cost for these periods.

Amounts recognized in other comprehensive income

	International single-employer defined benefit pension plans			Other post-retirement defined benefit plans			
in 2008	Gross	Tax	**Net**	Gross	Tax	**Net**	**Total net**
Amounts recognized in other comprehensive income (CHF million)							
Actuarial gains/(losses)	(226)	92	(134)	2	(1)	1	(133)
Amortization of actuarial gains/(losses)	39	(13)	26	9	(3)	6	32
Amortization of prior service cost	1	(1)	0	(2)	1	(1)	(1)
Immediate recognition due to curtailment	8	(3)	5	1	0	1	6
Total	**(178)**	**75**	**(103)**	**10**	**(3)**	**7**	**(96)**

in 2007	Gross	Tax	**Net**	Gross	Tax	**Net**	**Total net**
Amounts recognized in other comprehensive income (CHF million)							
Actuarial gains/(losses)	357	(103)	254	(15)	9	(6)	248
Amortization of actuarial gains/(losses)	75	(25)	50	11	(5)	6	56
Amortization of prior service cost	1	(1)	0	(3)	1	(2)	(2)
Total	**433**	**(129)**	**304**	**(7)**	**5**	**(2)**	**302**

Amounts in AOCI, net of tax, expected to be amortized in 2009

in 2009	International single-employer defined benefit pension plans	Other post-retirement defined benefit plans
CHF million		
Amortization of actuarial (gains)/losses	10	4
Amortization of prior service cost	0	(1)
Total	**10**	**3**

Assumptions

Weighted-average assumptions used to determine net periodic pension cost and benefit obligation

	International single-employer defined benefit pension plans		Other post-retirement defined benefit plans	
Measurement date	**2008**	2007	**2008**	2007
Net benefit pension cost (%)				
Discount rate	5.9	5.2	6.2	5.8
Salary increases	4.5	4.4	–	–
Expected long-term rate of return on plan assets	7.6	7.3	–	–
Benefit obligation (%)				
Discount rate	6.3	5.9	6.4	6.2
Salary increases	4.0	4.5	–	–

The health care cost trend is used to determine the appropriate other post-retirement defined benefit costs. In determining other post-retirement defined benefit costs, an annual weighted-average rate of 11% in the cost of covered health care benefits was assumed for both 2008 and 2007. The rate is assumed to decrease gradually to 5% by 2013 and remain at that level thereafter. A 1% increase or decrease in the health care cost trend rate assumption would not have had a material impact on the amount of the accumulated post-retirement defined benefit obligation or expense in 2008 or 2007.

Plan assets and investment strategy

For further information, refer to Note 29 – Pension and other post-retirement benefits in V – Consolidated financial statements – Credit Suisse Group.

As of December 31, 2008 and September 30, 2007, there were no material amounts of Group debt and equity securities included in plan assets for the international single-employer defined benefit pension plans and other post-retirement defined benefit plans.

The following table shows the asset distribution as of the measurement date calculated based on the fair value at that date including the performance of each asset's category.

Weighted-average asset allocation as of the measurement date

Measurement date	**2008**	2007
Weighted-average asset allocation (%)		
Equity securities	39.1	58.3
Debt securities	34.7	20.4
Real estate	2.0	3.7
Alternative investments	21.2	14.6
Insurance	2.1	2.5
Liquidity	0.9	0.5
Total	**100.0**	**100.0**

The following table shows the expected target asset allocation for 2009 in accordance with the Bank's investment strategy. The target asset allocation is used to determine the expected return on plan's assets to be considered in the net periodic pension costs for 2009.

Weighted-average target asset allocation to be applied prospectively

December 31, 2008 (%)	
Equity securities	51
Debt securities	33
Real estate	0
Alternative investments	14
Insurance	2
Liquidity	0
Total	**100**

Estimated future benefit payments for defined benefit pension and other post-retirement defined benefit plans

	International single-employer defined benefit pension plans	Other post-retirement defined benefit plans
Estimated future benefit payments (CHF million)		
2009	71	8
2010	75	8
2011	77	8
2012	80	9
2013	83	9
Thereafter	456	50

Defined Contribution Pension Plans

The Bank contributes to various defined contribution pension plans primarily in the US and the UK as well as other countries throughout the world. The Bank's contributions to these plans during 2008, 2007 and 2006 were CHF 249 million, CHF 256 million and CHF 247 million, respectively.

29 Derivatives and hedging activities

Details of fair value, cash flow and net investment hedges

in	2008	2007	2006
Fair value, cash flow and net investment hedges (CHF million)			
Fair value hedges			
Net gain/(loss) on the ineffective portion	68	14	2
Cash flow hedges			
Net gain/(loss) on the ineffective portion	(1)	0	0
Expected reclassification from AOCI into earnings during the next 12 months	(7)	7	0
Net investment hedges			
Net gain/(loss) on hedges included in AOCI	3,029	121	(93)

For further information, refer to Note 30 – Derivatives and hedging activities in V – Consolidated financial statements – Credit Suisse Group.

Credit derivatives

Credit derivative maximum potential payout by maturity

end of	Maturity less than 1 year	Maturity between 1 to 5 years	Maturity greater than 5 years	**Total**
2008 (CHF million)				
Single name instruments	97,483	675,455	164,925	937,863
Multiname instruments	11,578	477,487	151,306	640,371
Total	**109,061**	**1,152,942**	**316,231**	**1,578,234**

Credit derivative exposure on sold protection

end of 2008	Maximum potential payout	Fair value	Recoveries
Single name instruments (CHF million)			
Investment grade [1]	706,014	(47,541)	688,352
Non-investment grade	231,849	(48,822)	225,008
Total single name instruments	**937,863**	**(96,363)**	**913,360**
of which sovereigns	123,702	(13,274)	121,276
of which non-sovereigns	814,161	(83,089)	792,084
Multiname instruments (CHF million)			
Investment grade [1]	527,971	(49,471)	519,432
Non-investment grade	112,400	(19,225)	109,399
Total multiname instruments	**640,371**	**(68,696)**	**628,831**
of which sovereigns	299	(139)	89
of which non-sovereigns	640,072	(68,557)	628,742

[1] Based on internal ratings BBB and above.

For further information, refer to Note 30 – Derivatives and hedging activities in V – Consolidated financial statements – Credit Suisse Group.

30 Guarantees and commitments

Guarantees

end of	Maturity less than 1 year	Maturity between 1 to 3 years	Maturity between 3 to 5 years	Maturity greater than 5 years	**Total gross amount**	Total net amount [1]	Carrying value	Collateral received
2008 (CHF million)								
Credit guarantees and similar instruments	3,151	1,599	1,285	1,190	7,225	6,043	464	4,013
Performance guarantees and similar instruments	5,859	4,005	1,302	1,043	12,209	10,466	95	3,716
Securities lending indemnifications	28,541	0	0	0	28,541	28,541	0	28,541
Derivatives [2]	141,438	47,240	13,988	10,696	213,362	213,362	15,993	– [3]
Other guarantees	3,559	413	209	221	4,402	4,322	7	1,888
Total guarantees	**182,548**	**53,257**	**16,784**	**13,150**	**265,739**	**262,734**	**16,559**	**38,158**
2007 (CHF million)								
Credit guarantees and similar instruments	3,181	2,007	1,153	2,822	9,163	7,777	223	5,064
Performance guarantees and similar instruments	4,249	3,851	1,338	2,806	12,244	10,494	141	3,469
Securities lending indemnifications	40,006	0	0	0	40,006	40,006	0	40,006
Derivatives	127,332	234,805	522,879	233,832	1,118,848	1,118,848	37,853	– [3]
Other guarantees	2,942	322	243	365	3,872	3,838	0	1,564
Total guarantees	**177,710**	**240,985**	**525,613**	**239,825**	**1,184,133**	**1,180,963**	**38,217**	**50,103**

[1] Total net amount is computed as the gross amount less any participations. [2] Excludes credit derivatives within the scope of SFAS 133 and hybrid instruments that have embedded credit derivatives, as a result of the adoption of FSP FAS 133-1 and FIN 45-4. For further information, refer to Note 2 – Recently issued accounting standards in V – Consolidated financial statements – Credit Suisse Group. [3] Collateral for derivatives accounted for as guarantees is not considered significant.

Lease commitments

Lease commitments (CHF million)	
2009	451
2010	417
2011	376
2012	335
2013	298
Thereafter	1,728
Future operating lease commitments	**3,605**
Less minimum non-cancellable sublease rentals	578
Total net future minimum lease commitments	**3,027**

Rental expense for operating leases

in	**2008**	2007	2006
Rental expense for operating leases (CHF million)			
Minimum rental expense	459	680	673
Sublease rental income	(118)	(142)	(158)
Total net expenses for operating leases	**341**	**538**	**515**

Other commitments

end of	Maturity less than 1 year	Maturity between 1 to 3 years	Maturity between 3 to 5 years	Maturity greater than 5 years	**Total gross amount**	Total net amount [1]	Collateral received
2008 (CHF million)							
Irrevocable commitments under documentary credits	4,130	21	1	54	4,206	3,515	1,706
Loan commitments	175,075	19,911	23,889	7,502	226,377	220,243	149,121
Forward reverse repurchase agreements	28,139	0	0	0	28,139	28,139	28,139
Other commitments	4,625	516	921	714	6,776	6,776	184
Total other commitments	**211,969**	**20,448**	**24,811**	**8,270**	**265,498**	**258,673**	**179,150**
2007 (CHF million)							
Irrevocable commitments under documentary credits	5,854	76	19	1	5,950	5,221	2,439
Loan commitments	180,390	14,946	30,742	11,251	237,329	237,077	160,978
Forward reverse repurchase agreements	40,403	0	0	0	40,403	40,403	40,403
Other commitments	2,603	593	465	1,205	4,866	4,866	346
Total other commitments	**229,250**	**15,615**	**31,226**	**12,457**	**288,548**	**287,567**	**204,166**

[1] Total net amount is computed as the gross amount less any participations.

For further information, refer to Note 31 – Guarantees and commitments in V – Consolidated financial statements – Credit Suisse Group.

31 Transfers of financial assets and variable interest entities

In December 2008, the FASB issued FSP FAS 140-4 and FIN 46(R)-8. This FSP changed and expanded the disclosure requirements for the Bank's involvement with transfers of financial assets and VIEs for December 31, 2008, but did not require retrospective application of the new disclosure. The disclosures for 2007 and 2006 have not been restated for the new disclosure requirements and therefore are not comparable to the 2008 disclosures.

Transfers of financial assets

Securitizations

For further information, refer to Note 32 – Transfers of financial assets and variable interest entities in V – Consolidated financial statements – Credit Suisse Group.

The following table provides the gains or losses and proceeds from the transfer of assets relating to the 2008 securitizations of financial assets treated as sales, along with the cash flows between the Bank and the QSPEs/SPEs used in any securitizations in which the Bank still has continuing involvement, regardless of when the securitization occurred. Only those transactions which qualify for sales accounting and subsequent derecognition of the transferred assets under SFAS 140 and in which the Bank has continuing involvement with the entity as of December 31, 2008 are included in the table.

Securitizations

in 2008	QSPE	SPE
Gains/(losses) and cash flows (CHF million)		
CMBS		
Net gain/(loss) [1]	(4)	36
Proceeds from transfer of assets	674	463
Purchases of previously transferred financial assets or its underlying collateral	(173)	0
Servicing fees	2	0
Cash received on interests that continue to be held	273	0
RMBS		
Net gain/(loss) [1]	56	0
Proceeds from transfer of assets	20,998	0
Purchases of previously transferred financial assets or its underlying collateral	(3)	0
Servicing fees	4	0
Cash received on interests that continue to be held	230	1
ABS [2]		
Cash received on interests that continue to be held	3	19
CDO		
Net gain/(loss) [1]	7	56
Proceeds from transfer of assets	929	683
Cash received on interests that continue to be held	0	44

[1] Includes underwriting revenues, deferred origination fees, gains or losses on the sale of collateral to the QSPE and gains or losses on the sale of newly issued securities to third parties, but excludes net interest revenues on assets prior to securitization. The gains or losses on the sale of the collateral is the difference between the fair value on the day prior to the securitization pricing date and the sale price of the loans. [2] Primarily home equity loans.

Securitizations (continued)

in	2007	2006
Gains/(losses) and proceeds from transfer of assets (CHF million)		
CMBS		
Net gain/(loss) [1]	527	704
Proceeds from transfer of assets	24,735	30,089
RMBS		
Net gain/(loss) [1]	79	84
Proceeds from transfer of assets	37,562	46,023
ABS [2]		
Net gain/(loss) [1]	11	50
Proceeds from transfer of assets	3,844	5,503
CDO		
Net gain/(loss) [1]	60	120
Proceeds from transfer of assets	3,758	10,343

[1] Includes underwriting revenues, deferred origination fees, gains or losses on the sale of collateral to the QSPE and gains or losses on the sale of newly issued securities to third parties, but excludes net interest revenues on assets prior to securitization. The gains or losses on the sale of the collateral is the difference between the fair value on the day prior to the securitization pricing date and the sale price of the loans. [2] Primarily home equity loans.

Other structuring and financing activities

The following table provides the gains or losses relating to the 2008 transfers of financial assets treated as sales which were not securitizations, along with the cash flows between the Bank and the SPEs used in such transfers in which the Bank had continuing involvement as of December 31, 2008 regardless of when the transfer of assets occurred.

Other structuring and financing activities

in 2008	SPE
Gains/(losses) and cash flows (CHF million)	
Other structuring	
Net gain/(loss) [1]	1
Proceeds from transfer of assets	574 [2]
Cash received on interests that continue to be held	254
Financing	
Net gain/(loss) [1]	21
Proceeds from transfer of assets	5,489
Cash received on interests that continue to be held	1,061

[1] Includes underwriting revenues, deferred origination fees, gains or losses on the sale of collateral to the QSPE and gains or losses on the sale of newly issued securities to third parties, but excludes net interest revenues on assets prior to structuring or financing activity. The gains or losses on the sale of the collateral is the difference between the fair value on the day prior to the structuring or financing activity pricing date and the sale price of the loans. [2] Includes CHF 38 million relating to QSPEs.

Continuing involvement in transferred financial assets

For further information, refer to Note 32 – Transfers of financial assets and variable interest entities in V – Consolidated financial statements – Credit Suisse Group.

The following table provides the outstanding principal balance of assets to which the Bank continues to be exposed after the transfer of the financial assets to any QSPE/SPE and the total assets of the QSPE/SPE, regardless of when the transfer of assets occurred.

Principal amounts outstanding and total assets of QSPEs/SPEs resulting from continuing involvement

end of 2008	QSPE	SPE
CHF million		
CMBS		
Principal amount outstanding	57,606 [1]	2,247
Total assets of QSPE/SPE	70,769	2,247
RMBS		
Principal amount outstanding	102,515	1,515
Total assets of QSPE/SPE	102,515	1,515
ABS		
Principal amount outstanding	6,282	1,614
Total assets of QSPE/SPE	6,282	1,614
CDO		
Principal amount outstanding	1,624	36,807 [1]
Total assets of QSPE/SPE	1,624	37,404
Other structuring		
Principal amount outstanding	1,456	6,372 [1, 2]
Total assets of QSPE/SPE	1,456	8,238 [2]
Financing		
Principal amount outstanding	0	16,040
Total assets of QSPE/SPE	0	16,040

[1] Principal amount outstanding relates to assets transferred from the Bank and does not include principle amounts for assets transferred from third parties. [2] Includes CHF 39 million relating to fund-linked products.

The following table provides the sensitivity analysis of key economic assumptions used in measuring the fair value of beneficial interests held in SPEs as of December 31, 2008.

Sensitivity analysis of key economic assumptions used in measuring fair value of beneficial interests held in SPEs as of December 31

end of 2008	CMBS [1]	RMBS	ABS	CDO [2]	Other structuring	Financing
CHF million, except where indicated						
Fair value of beneficial interests	1,581	810	32	548	2,424	2,887
of which non-investment grade	44	65	2	40	2,300	1,930
Weighted-average life, in years	2.2	3.5	3.0	9.0	2.5	3.9
Prepayment speed assumption (rate per annum), in % [3]	–	0.1-60.4	8.0	5.0-20.0	–	–
Impact on fair value from 10% adverse change	–	(14.3)	(3.8)	(0.4)	–	–
Impact on fair value from 20% adverse change	–	(28.5)	(4.4)	(0.7)	–	–
Cash flow discount rate (rate per annum), in % [4]	5.1-55.2	2.2-51.8	21.6-50.5	2.7-59.3	0.8-10.4	2.9-7.7
Impact on fair value from 10% adverse change	(27.7)	(19.5)	(4.3)	(3.3)	(7.9)	(6.2)
Impact on fair value from 20% adverse change	(54.8)	(38.9)	(5.2)	(6.6)	(15.2)	(12.5)
Expected credit losses (rate per annum), in %	2.8-52.3	2.9-46.1	4.5	4.6-56.7	4.6-15.8	–
Impact on fair value from 10% adverse change	(25.3)	(15.5)	(4.0)	(2.2)	(17.1)	–
Impact on fair value from 20% adverse change	(50.0)	(30.9)	(4.2)	(4.2)	(26.9)	–

[1] To deter prepayment, commercial mortgage loans typically have prepayment protection in the form of prepayment lockouts and yield maintenances. [2] CDOs are generally structured to be protected from prepayment risk. [3] PSA is an industry standard prepayment speed metric used for projecting prepayments over the life of a residential mortgage loan. PSA utilizes the CPR assumptions. A 100% prepayment assumption assumes a prepayment rate of 0.2% per annum of the outstanding principal balance of mortgage loans in the first month. This increases by 0.2% thereafter during the term of the mortgage loan, leveling off to a CPR of 6% per annum beginning in the 30th month and each month thereafter during the term of the mortgage loan. 100 PSA equals 6 CPR. [4] The rate is based on the weighted-average yield on the beneficial interests.

Secured borrowings

The following table provides the carrying amounts of transferred financial assets and the related liabilities where sale treatment under SFAS 140 was not achieved.

Carrying amounts of transferred financial assets and liabilities where sale treatment was not achieved

end of 2008	
CHF million	
RMBS	
Other assets	768
Liability to SPE, included in Other liabilities	(768)
ABS	
Trading assets	19
Other assets	520
Liability to SPE, included in Other liabilities	(539)
CDO	
Trading assets	139
Other assets	1,868
Liability to SPE, included in Other liabilities	(2,007)
Other structuring	
Trading assets	430
Liability to SPE, included in Other liabilities	(430)
Financing	
Other assets	50
Liability to SPE, included in Other liabilities	(50)

Variable interest entities

For further information, refer to Note 32 – Transfers of financial assets and variable interest entities in V – Consolidated financial statements – Credit Suisse Group.

Financial intermediation

The Bank has significant involvement with VIEs in its role as a financial intermediary on behalf of clients. The Bank has consolidated all VIEs related to financial intermediation for which it is the primary beneficiary. Approximately 55% of the total assets related to investment structures which the Bank sponsors, manages and distributes.

The Bank's involvement in tailored lending arrangements accounted for approximately 11% of the total assets and approximately 3% of the maximum exposure to loss for non-consolidated financial intermediation VIEs.

The Bank acts as an underwriter and market maker, liquidity provider, derivative counterparty or provider of credit enhancements to VIEs related to certain securitization transactions. In addition, the Bank has exposure to third-party securitization VIEs as a result of the securities purchased from its money market funds in 2008 and 2007. In 2008, such VIEs accounted for approximately 43% of the total assets and approximately 63% of the maximum exposure to loss of non-consolidated financial intermediation VIEs.

The Bank's involvement in investment structures and other financial intermediation activities which the Bank sponsors, manages and distributes accounted for approximately 46% of the total assets and approximately 34% of the maximum exposure to loss of non-consolidated financial intermediation VIEs.

Consolidated and non-consolidated VIEs

The following tables provide the carrying amount and classification of assets and liabilities of variable interests of consolidated VIEs where the Bank is considered the primary beneficiary in 2008 and the total assets of consolidated VIEs by type of VIE in 2008 and 2007.

Consolidated VIEs

end of 2008	CDO	Financial inter-mediation
Assets of consolidated VIEs (CHF million)		
Cash and due from banks	413	631
Trading assets	1,255	10,538
Investment securities	0	114
Other investments	0	2,467
Net loans	649	939
Other assets	1,114	2,310
Total assets	**3,431**	**16,999**
Liabilities of consolidated VIEs (CHF million)		
Trading liabilities	202	1,148
Long-term debt	1,211	4,063
Other liabilities	1,603	6,627
Total liabilities	**3,016**	**11,838**

end of 2007	CDO	CP Conduit	Financial inter-mediation
Assets of consolidated VIEs (CHF million)			
Total assets of consolidated VIEs	**6,672**	**1**	**17,397**

The following tables provide the carrying amounts and classification of the assets and liabilities of variable interests recorded in the Bank's consolidated balance sheets, the maximum exposure to loss and the total assets of the non-consolidated VIEs. For 2008, the table includes all VIEs in which the Bank held a variable interest. For 2007, the table includes only those VIEs in which the Bank held a significant variable interest. The increase in 2008 in the total assets of non-consolidated VIEs and the maximum exposure to loss was due to the inclusion of all VIEs in which the Bank held a variable interest rather than only those in which the Bank held a significant variable interest.

Non-consolidated VIEs

end of 2008	CDO	CP Conduit	Financial intermediation
Assets of variable interests (CHF million)			
Trading assets	9,387	0	28,277
Loans	605	1,162	8,393
Other assets	0	6	79
Total assets of variable interests	**9,992**	**1,168**	**36,749**
Liabilities of variable interests (CHF million)			
Trading liabilities	9,177	88	20,004
Other liabilities	0	118	0
Total liabilities of variable interests	**9,177**	**206**	**20,004**
Maximum exposure to loss (CHF million)			
Maximum exposure to loss	**10,988**	**11,696**	**124,099**
Assets of non-consolidated VIEs (CHF million)			
Total assets of non-consolidated VIEs	**136,410**	**9,099**	**771,640**

end of 2007	CDO	CP Conduit	Financial intermediation
Maximum exposure to loss and assets of non-consolidated VIEs (CHF million)			
Maximum exposure to loss	2,453	17,347	20,556
Total assets	16,360	12,642	99,288

32 Financial instruments

For further information, refer to Note 33 – Financial instruments in V – Consolidated financial statements – Credit Suisse Group.

Assets and liabilities measured at fair value on a recurring basis

end of 2008	Quoted prices in active markets for identical assets or liabilities (level1)	Significant other observable inputs (level 2)	Significant unobserv-able inputs (level 3)	Impact of netting [1]	**Total at fair value**
Assets (CHF million)					
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	0	164,743	0	0	164,743
Securities received as collateral	28,476	1,279	0	0	29,755
Trading assets	151,801	1,161,348	51,093	(1,022,861)	341,381
Investment securities	10,526	931	0	0	11,457
Other investments	1,181	4,808	18,831	0	24,820
Loans	0	18,005	14,309	0	32,314
Other intangible assets	0	0	113	0	113
Other assets	4,017	16,504	13,645	(100)	34,066
Total assets at fair value	**196,001**	**1,367,618**	**97,991**	**(1,022,961)**	**638,649**
Liabilities (CHF million)					
Due to banks	0	3,573	3	0	3,576
Customer deposits	0	1,975	0	0	1,975
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	0	174,975	0	0	174,975
Obligation to return securities received as collateral	28,476	1,279	0	0	29,755
Trading liabilities	61,039	1,076,261	23,593	(1,007,175)	153,718
Short-term borrowings	0	2,195	350	0	2,545
Long-term debt	0	52,216	23,853	0	76,069
Other liabilities	0	21,673	3,249	(647)	24,275
Total liabilities at fair value	**89,515**	**1,334,147**	**51,048**	**(1,007,822)**	**466,888**
Net assets/liabilities at fair value	**106,486**	**33,471**	**46,943**	**(15,139)** [2]	**171,761**

[1] Derivative contracts are reported on a gross basis by level. The impact of netting represents an adjustment related to counterparty netting. [2] In accordance with the provisions of FSP FIN 39-1, the Bank offset cash collateral receivables and payables of CHF 51.3 billion and CHF 36.2 billion, respectively, as of the end of 2008 against the derivative positions. The Bank adopted the provisions of FSP FIN 39-1 on a prospective basis as of January 1, 2008.

Assets and liabilities measured at fair value on a recurring basis (continued)

end of 2007	Quoted prices in active markets for identical assets or liabilities (level1)	Significant other observable inputs (level 2)	Significant unobserv-able inputs (level 3)	Impact of netting [1]	**Total at fair value**
Assets (CHF million)					
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	0	183,719	0	0	183,719
Securities received as collateral	25,576	3,152	0	0	28,728
Trading assets	253,052	562,940	60,622	(346,489)	530,125
Investment securities	13,393	874	0	0	14,267
Other investments	565	6,893	17,622	0	25,080
Loans	0	25,409	5,638	0	31,047
Other intangible assets	0	0	179	0	179
Other assets	4,091	37,221	8,080	(94)	49,298
Total assets at fair value	**296,677**	**820,208**	**92,141**	**(346,583)**	**862,443**
Liabilities (CHF million)					
Due to banks	0	6,342	6	0	6,348
Customer deposits	0	5,551	0	0	5,551
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	0	140,424	0	0	140,424
Obligation to return securities received as collateral	25,576	3,152	0	0	28,728
Trading liabilities	111,632	415,885	19,599	(346,541)	200,575
Short-term borrowings	0	7,426	694	0	8,120
Long-term debt	0	76,053	31,237	0	107,290
Other liabilities	0	24,090	173	(42)	24,221
Total liabilities at fair value	**137,208**	**678,923**	**51,709**	**(346,583)**	**521,257**
Net assets/liabilities at fair value	**159,469**	**141,285**	**40,432**	**0**	**341,186**

[1] Derivative contracts are reported on a gross basis by level. The impact of netting represents an adjustment related to counterparty netting.

Assets and liabilities measured at fair value on a recurring basis for level 3

2008	Derivatives, net	Private equity and other investments	Other	Total
Assets (CHF million)				
Balance at beginning of period	**5,633**	**17,622**	**49,556**	**72,811**
Net realized/unrealized gains/(losses) included in net revenues	5,920	(2,147)	(20,580)	(16,807)
Purchases, sales, issuances and settlements	(6,638)	3,662	152	(2,824)
Transfers in and/or out of level 3	(3,302)	813	27,675	25,186
Foreign currency translation impact included in net revenues	(277)	(1,119)	(2,436)	(3,832)
Balance at end of period	**1,336**	**18,831** [1]	**54,367** [2]	**74,534**
Liabilities (CHF million)				
Balance at beginning of period	**–**	**–**	**32,379**	**32,379**
Net realized/unrealized gains/(losses) included in net revenues	–	–	(5,795)	(5,795)
Purchases, sales, issuances and settlements	–	–	(4,123)	(4,123)
Transfers in and/or out of level 3	–	–	7,029	7,029
Foreign currency translation impact included in net revenues	–	–	(1,899)	(1,899)
Balance at end of period	**–**	**–**	**27,591** [3]	**27,591**
Net	**1,336**	**18,831**	**26,776**	**46,943**
Total realized/unrealized gains/(losses) included in net revenues	**5,920**	**(2,147)**	**(14,785)**	**(11,012)**

[1] Substantially all in private equity investments; includes also life finance contracts. [2] Includes primarily RMBS, CMBS, CDO and certain corporate, syndicated and leveraged lending. [3] Includes primarily structured notes.

2007	Derivatives, net	Private equity and other investments	Other	Total
Assets (CHF million)				
Balance at beginning of period	**192**	**14,722**	**10,701**	**25,615**
Net realized/unrealized gains/(losses) included in net revenues	7,354	5,080	(4,058)	8,376
Purchases, sales, issuances and settlements	523	(557)	27,444	27,410
Transfers in and/or out of level 3	(1,932)	(195)	17,800	15,673
Foreign currency translation impact included in net revenues	(504)	(1,428)	(2,331)	(4,263)
Balance at end of period	**5,633**	**17,622** [1]	**49,556** [2]	**72,811**
Liabilities (CHF million)				
Balance at beginning of period	**–**	**–**	**27,939**	**27,939**
Net realized/unrealized gains/(losses) included in net revenues	–	–	1,345	1,345
Purchases, sales, issuances and settlements	–	–	14,793	14,793
Transfers in and/or out of level 3	–	–	(8,388)	(8,388)
Foreign currency translation impact included in net revenues			(3,310)	(3,310)
Balance at end of period	**–**	**–**	**32,379** [3]	**32,379**
Net	**5,633**	**17,622**	**17,177**	**40,432**
Total realized/unrealized gains/(losses) included in net revenues	**7,354**	**5,080**	**(5,403)**	**7,031**

[1] Substantially all in private equity investments. [2] Includes primarily RMBS, CMBS and CDO. [3] Includes primarily structured notes.

Gains and losses on assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (level 3)

			2008			2007
in	Trading revenues	Other revenues	**Total revenues**	Trading revenues	Other revenues	**Total revenues**
Gains and losses on assets and liabilities (CHF million)						
Net realized/unrealized gains/(losses) included in net revenues	(8,767) [1]	(2,245)	(11,012)	2,145	4,886	7,031
Whereof:						
Unrealized gains/(losses) relating to assets and liabilities still held as of the reporting date	(2,729)	(2,982)	(5,711)	1,852	2,588	4,440

[1] Excludes net realized/unrealized gains/(losses) attributable to foreign currency translation impact.

Non-recurring fair value changes

Certain assets and liabilities are measured at fair value on a non-recurring basis; that is, they are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances (for example, when there is evidence of impairment). As of December 31, 2008 and 2007, CHF 3.0 billion and CHF 6.3 billion, respectively, of loans were recorded at fair value, of which CHF 0.3 billion and CHF 5.7 billion, respectively, were classified as level 2 and CHF 2.6 billion and CHF 0.6 billion, respectively, were classified as level 3.

Difference between the aggregate fair value and the aggregate unpaid principal balances of loans and financial instruments

			2008			2007
end of	Aggregate fair value	Aggregate unpaid principal	Difference	Aggregate fair value	Aggregate unpaid principal	Difference
Loans (CHF million)						
Non-performing loans (90 days or more past due)	131	229	(98)	0	0	0
Non-accrual loans	843	2,017	(1,174)	232	459	(227)
Financial instruments (CHF million)						
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	164,743	163,683	1,060	183,719	183,303	416
Loans	32,314	37,327	(5,013)	31,047	31,517	(470)
Other assets	16,644	27,557	(10,913)	33,936	35,420	(1,484)
Due to banks and customer deposits	(1,351)	(1,397)	46	(5,805)	(5,798)	(7)
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(174,975)	(174,631)	(344)	(140,424)	(140,436)	12
Short-term borrowings	(2,545)	(3,146)	601	(8,120)	(8,409)	289
Long-term debt	(76,069)	(85,872)	9,803	(107,290)	(107,323)	33
Other liabilities	(2,637)	(5,184)	2,547	(3,648)	(3,646)	(2)

Gains and losses on financial instruments

in	2008 Net gains/ (losses)	2007 Net gains/ (losses)
Financial instruments (CHF million)		
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	11,399 [1]	19,466 [1]
Trading loans	108 [2]	117 [1]
of which related to credit risk	40	(113)
Other investments	(404) [3]	44 [2]
of which related to credit risk	10	0
Loans	(4,028) [2]	1,345 [1]
of which related to credit risk	(5,146)	(408)
Other assets	(6,509) [2]	955 [1]
of which related to credit risk	(8,914)	(1,264)
Due to banks and customer deposits	(49) [1]	(258) [1]
of which related to credit risk	57	5
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(8,537) [1]	(21,151) [1]
Short-term borrowings	93 [2]	0
of which related to credit risk	9	0
Long-term debt	10,674 [2]	(5,567) [2]
of which related to credit risk	4,655	1,038
Other liabilities	(1,542) [2]	(1,402) [2]
of which related to credit risk	(631)	(1,402)

[1] Primarily recognized in net interest income. [2] Primarily recognized in trading revenues. [3] Primarily recognized in other revenues.

Book and estimated fair values of financial instruments

	2008		2007	
end of	Book value	Fair value	Book value	Fair value
Financial assets (CHF million)				
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	269,013	269,013	296,341	296,366
Securities received as collateral	29,755	29,755	28,728	28,728
Trading assets	341,381	341,381	530,125	530,125
Investment securities	11,681	11,680	14,515	14,516
Loans	220,392	222,072	221,570	221,995
Other financial assets [1]	253,073	253,020	220,337	220,328
Financial liabilities (CHF million)				
Due to banks and deposits	341,958	341,623	414,577	418,441
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	243,970	243,936	300,476	300,451
Obligation to return securities received as collateral	29,755	29,755	28,728	28,728
Trading liabilities	153,718	153,718	200,575	200,575
Short-term borrowings	10,182	10,151	14,398	14,396
Long-term debt	148,550	144,116	157,282	157,404
Other financial liabilities [2]	175,931	175,923	161,815	161,857

[1] Primarily includes cash and due from banks, interest-bearing deposits with banks, brokerage receivables, loans held-for-sale, cash collateral on derivative instruments, interest and fee receivables and non-marketable equity securities. [2] Primarily includes brokerage payables, cash collateral on derivative instruments and interest and fee payables.

33 Assets pledged or assigned

end of	2008	2007
Assets pledged or assigned (CHF million)		
Book value of assets pledged and assigned as collateral	161,624	267,493
of which assets provided with the right to sell or repledge	90,215	180,475
Fair value of collateral received with the right to sell or repledge	515,031	619,913
of which sold or repledged	454,152	508,442
Other information (CHF million)		
Cash and securities restricted under foreign banking regulations	40,870	16,220
Swiss National Bank required minimum liquidity reserves	1,819	1,699

34 Capital adequacy

The Bank is subject to regulation by the FINMA. Since January 1, 2008, the Bank has operated under the international capital adequacy standards set forth by the Basel Committee on Banking Supervision, known as Basel II, as implemented by the FINMA. These standards affect the measurement of both risk-weighted assets and eligible capital. The Bank has based its capital adequacy calculations on US GAAP, as permitted by the FINMA circular 2008/34. The FINMA has advised the Bank that it may continue to include as tier 1 capital CHF 4.6 billion of equity from special purpose entities which are deconsolidated under FIN 46(R) as of December 31, 2008.

As of December 31, 2008 and 2007, the Bank was adequately capitalized under the regulatory provisions outlined under both FINMA and BIS guidelines.

For further information, refer to Note 35 – Capital adequacy in V – Consolidated financial statements – Credit Suisse Group.

BIS data (risk-weighted assets, capital and ratios)

		Basel II	Basel I	Basel II % change
end of	**2008**	2007	2007	08 / 07
Risk-weighted assets (CHF million)				
Credit risk	169,561	240,843	253,313	(30)
Non-counterparty-related risk	6,370	6,648	6,602	(4)
Market risk	39,108	33,869	33,680	15
Operational risk	30,137	29,197	–	3
Risk-weighted assets	**245,176**	**310,557**	**293,595**	(21)
Eligible capital (CHF million)				
Tier 1 capital	**34,192**	**29,828**	**32,254**	15
Tier 2 capital	**13,647**	**11,064**	**13,104**	23
Less reductions	–	–	(1,040)	–
Total eligible capital	**47,839**	**40,892**	**44,318**	17
Capital ratios (%)				
Tier 1 ratio	13.9	9.6	11.0	–
Total capital ratio	19.5	13.2	15.1	–

Broker-dealer operations

Certain Bank broker-dealer subsidiaries are also subject to capital adequacy requirements. As of December 31, 2008, the Bank and its subsidiaries complied with all applicable regulatory capital adequacy requirements.

Dividend restrictions

Certain of the Bank's subsidiaries are subject to legal restrictions governing the amount of dividends they can pay (for example, pursuant to corporate law as defined by the Swiss Code of Obligations). As of December 31, 2008, the Bank was not subject to restrictions on its ability to pay dividends.

35 Litigation

For further information, refer to Note 37 – Litigation in V – Consolidated financial statements – Credit Suisse Group.

36 Significant subsidiaries and equity method investments

Significant subsidiaries

Equity interest in %	Company name	Domicile	Currency	Nominal capital in million
as of December 31, 2008				
100	AJP Cayman Ltd.	George Town, Cayman Islands	JPY	8,025.6
100	Banco Credit Suisse (Brasil) S.A.	São Paulo, Brazil	BRL	53.6
100	Banco Credit Suisse (México), S.A.	Mexico City, Mexico	MXN	679.4
100	Banco de Investimentos Credit Suisse (Brasil) S.A.	São Paulo, Brazil	BRL	164.8
100	Boston Re Ltd.	Hamilton, Bermuda	USD	2.0
100	Casa de Bolsa Credit Suisse (México), S.A. de C.V.	Mexico City, Mexico	MXN	274.1
100	CJSC Bank Credit Suisse (Moscow)	Moscow, Russia	USD	37.8
100	Column Financial, Inc.	Wilmington, United States	USD	0.0
100	Credit Suisse (Australia) Limited	Sydney, Australia	AUD	34.1
100	Credit Suisse (Brasil) Distribuidora de Titulos e Valores Mobiliários S.A.	São Paulo, Brazil	BRL	5.0
100	Credit Suisse (Brasil) S.A. Corretora de Titulos e Valores Mobiliários	São Paulo, Brazil	BRL	98.4
100	Credit Suisse (Deutschland) AG	Frankfurt, Germany	EUR	74.8
100	Credit Suisse (France)	Paris, France	EUR	52.9
100	Credit Suisse (Gibraltar) Limited	Gibraltar, Gibraltar	GBP	5.0
100	Credit Suisse (Guernsey) Limited	St. Peter Port, Guernsey	USD	6.1
100	Credit Suisse (Hong Kong) Limited	Hong Kong, China	HKD	3,809.9
100	Credit Suisse (International) Holding AG	Zug, Switzerland	CHF	42.1
100	Credit Suisse (Italy) S.p.A.	Milan, Italy	EUR	74.6
100	Credit Suisse (Monaco) S.A.M.	Monte Carlo, Monaco	EUR	12.0
100	Credit Suisse (Singapore) Limited	Singapore, Singapore	SGD	621.3
100	Credit Suisse (UK) Limited	London, United Kingdom	GBP	102.3
100 [1]	Credit Suisse (USA), Inc.	Wilmington, United States	USD	0.0
100	Credit Suisse Asset Finance Limited	George Town, Cayman Islands	CHF	0.0
100	Credit Suisse Asset Management (Australia) Limited	Sydney, Australia	AUD	0.3
100	Credit Suisse Asset Management (France) S.A.	Paris, France	EUR	31.6
100	Credit Suisse Asset Management (Polska) S.A.	Warsaw, Poland	PLN	5.6
100	Credit Suisse Asset Management (UK) Holding Limited	London, United Kingdom	GBP	144.1
100	Credit Suisse Asset Management Fund Holding (Luxembourg) S.A.	Luxembourg, Luxembourg	CHF	29.6
100	Credit Suisse Asset Management Fund Service (Luxembourg) S.A.	Luxembourg, Luxembourg	CHF	1.5
100	Credit Suisse Asset Management Funds AG	Zurich, Switzerland	CHF	7.0
100	Credit Suisse Asset Management Funds S.p.A: S.R.G.	Milan, Italy	EUR	5.0
100	Credit Suisse Asset Management Funds UK Limited	London, United Kingdom	GBP	15.5
100	Credit Suisse Asset Management Holding Europe (Luxembourg) S.A.	Luxembourg, Luxembourg	CHF	32.6
100	Credit Suisse Asset Management International Holding Ltd	Zurich, Switzerland	CHF	20.0
100	Credit Suisse Asset Management Investments Ltd	Zurich, Switzerland	CHF	0.1
100	Credit Suisse Asset Management Ltd	London, United Kingdom	GBP	45.0
100	Credit Suisse Asset Management, LLC	Wilmington, United States	USD	925.5
100	Credit Suisse Bond Fund Management Company	Luxembourg, Luxembourg	CHF	0.3
100	Credit Suisse Capital (Guernsey) I Limited	St. Peter Port, Guernsey	CHF	0.0
100	Credit Suisse Capital Funding, Inc.	Wilmington, United States	USD	0.0
100	Credit Suisse Capital LLC	Wilmington, United States	USD	737.6

Significant subsidiaries (continued)

Equity interest in %	Company name	Domicile	Currency	Nominal capital in million
100	Credit Suisse Energy LLC	Wilmington, United States	USD	0.0
100	Credit Suisse Equities (Australia) Limited	Sydney, Australia	AUD	62.5
100	Credit Suisse Equity Fund Management Company	Luxembourg, Luxembourg	CHF	0.3
100	Credit Suisse Finance (Guernsey) Limited	St. Peter Port, Guernsey	USD	0.2
100	Credit Suisse First Boston (Latam Holdings) LLC	George Town, Cayman Islands	USD	23.8
100	Credit Suisse First Boston Finance B.V.	Amsterdam, The Netherlands	EUR	0.0
100	Credit Suisse First Boston Mortgage Capital LLC	Wilmington, United States	USD	356.6
100	Credit Suisse Fund Management S.A.	Luxembourg, Luxembourg	CHF	0.3
100	Credit Suisse Futures (Hong Kong) Limited	Hong Kong, China	HKD	265.8
100	Credit Suisse Holdings (Australia) Limited	Sydney, Australia	AUD	3.0
100	Credit Suisse Holdings (USA), Inc.	Wilmington, United States	USD	4,184.7
100	Credit Suisse Investment Products (Asia Pacific) Limited	George Town, Cayman Islands	USD	0.0
100	Credit Suisse Leasing 92A, L.P.	New York, United States	USD	85.0
100	Credit Suisse Life & Pensions AG	Vaduz, Liechtenstein	CHF	15.0
100	Credit Suisse Life (Bermuda) Ltd.	Hamilton, Bermuda	USD	1.0
100	Credit Suisse Loan Funding LLC	Wilmington, United States	USD	0.0
100	Credit Suisse Management LLC	Wilmington, United States	USD	896.1
100	Credit Suisse Money Market Fund Management Company	Luxembourg, Luxembourg	CHF	0.3
100	Credit Suisse Portfolio Fund Management Company	Luxembourg, Luxembourg	CHF	0.3
100	Credit Suisse Principal Investments Limited	George Town, Cayman Islands	JPY	3,324.0
100	Credit Suisse Private Equity, Inc.	Wilmington, United States	USD	0.0
100	Credit Suisse Securities (Canada), Inc.	Toronto, Canada	CAD	3.4
100	Credit Suisse Securities (Europe) Limited	London, United Kingdom	USD	3,527.0
100	Credit Suisse Securities (Hong Kong) Limited	Hong Kong, China	HKD	530.9
100	Credit Suisse Securities (India) Private Limited	Mumbai, India	INR	2,214.7
100	Credit Suisse Securities (Japan) Limited	Tokyo, Japan	JPY	78,100.0
100	Credit Suisse Securities (Singapore) Pte Limited	Singapore, Singapore	SGD	30.0
100	Credit Suisse Securities (Thailand) Limited	Bangkok, Thailand	THB	331.0
100	Credit Suisse Securities (USA) LLC	Wilmington, United States	USD	3,311.8
100	CS Non-Traditional Products Ltd.	Nassau, Bahamas	USD	0.1
100	DLJ Capital Corporation	Wilmington, United States	USD	4.0
100	DLJ Mortgage Capital, Inc.	Wilmington, United States	USD	0.0
100	Glenstreet Corporation N.V.	Curaçao, Netherlands Antilles	GBP	20.0
100	J O Hambro Investment Management Limited	London, United Kingdom	GBP	0.0
100	Pearl Investment Management Limited	Nassau, Bahamas	USD	0.1
100	SPS Holding Corporation	Wilmington, United States	USD	0.1
92 [2]	Credit Suisse International	London, United Kingdom	USD	3,132.0
83	Asset Management Finance LLC	Wilmington, United States	USD	341.0
58 [3]	Credit Suisse (Luxembourg) S.A.	Luxembourg, Luxembourg	CHF	43.0
50 [4]	Credit Suisse Hedging-Griffo Investimentos S.A.	São Paulo, Brazil	BRL	49.2

[1] 43% of voting rights held by Credit Suisse Group AG, Guernsey Branch. [2] 20% of voting rights and 8% of equity interest held directly by Credit Suisse Group AG. [3] 42% of voting rights held directly by Credit Suisse Group AG. [4] Majority interest.

Significant equity method investments

Equity interest in %	Company name	Domicile
as of December 31, 2008		
14 [1]	Absolute Invest Ltd.	Zug, Switzerland
25	E.L. & C. Baillieu Stockbroking (Holdings) Pty Ltd	Melbourne, Australia
33	Credit Suisse Founder Securities Limited	Beijing, China
25	ICBC Credit Suisse Asset Management Co., Ltd.	Beijing, China
30	Woori Credit Suisse Asset Management Co., Ltd.	Seoul, South Korea

[1] The Bank retains significant influence through Board of Directors representation.

37 Significant valuation and income recognition differences between US GAAP and Swiss GAAP (true and fair view)

For further information, refer to Note 41 – Significant valuation and income recognition differences between US GAAP and Swiss GAAP (true and fair view) in V – Consolidated financial statements – Credit Suisse Group.

38 Risk assessment

In accordance with the Swiss Code of Obligations the following disclosure provides information regarding the risk assessment process, which was in place for the reporting period and followed by the Board of Directors.

The primary objectives of risk management are to protect the financial strength and reputation of the Bank, while ensuring that capital is well deployed to support business activities and grow shareholder value. The risk management organization reflects the specific nature of the various risks in order to ensure that risks are managed within set limits in a transparent and timely manner.

The Board of Directors is responsible for the strategic direction, supervision and control of the Bank and for defining our overall tolerance for risk. The Board of Directors has delegated certain responsibilities regarding risk management and oversight to the Risk Committee and to the Executive Board.

The Risk Committee of the Board of Directors is responsible for assisting the Board in fulfilling their oversight responsibilities by providing guidance regarding risk governance and the development of the risk profile and capital structure, including the regular assessment and review of major risk exposures and the approval of risk limits.

Within the Executive Board of the Bank, the CRO is responsible for providing risk management oversight and for establishing an organizational basis to manage all risk management matters. The CARMC and the Risk Processes and Standards Committee have been established to assist the Executive Board and the CRO, and certain responsibilities regarding risk management and oversight have been delegated to these committees. The CRO provided periodic risk reports to the CARMC and the Executive Board, which formed the basis of their risk assessments and reviews.

During the reporting period the Board of Directors and its Risk Committee performed risk assessments in accordance with established policies and procedures.

Controls and procedures

Evaluation of disclosure controls and procedures

The Bank has evaluated the effectiveness of the design and operation of its disclosure controls and procedures as of the end of the period covered by this report under the supervision and with the participation of management, including the Bank CEO and CFO, pursuant to Rule 13(a)-15(a) under the Securities Exchange Act of 1934 (the Exchange Act). There are inherent limitations to the effectiveness of any system of controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective controls and procedures can only provide reasonable assurance of achieving their control objectives.

As of December 31, 2007, the controls over the valuation of ABS positions in the CDO trading business in Investment Banking relating to the supervision and monitoring of the initial valuations of these positions by trading personnel and the related price testing and supervision by product control, which is segregated from trading, were not effective. The Bank's price testing of these positions included modeling techniques that failed to accurately value these positions. This material weakness was remediated by the end of 2008 as described under Remediation of prior material weakness in internal control over financial reporting below. A material weakness is a deficiency or combination of deficiencies in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Bank's annual or interim financial statements will not be prevented or detected on a timely basis.

The CEO and CFO concluded that, as of December 31, 2008, the design and operation of the Bank's disclosure controls and procedures were effective, in all material respects, to ensure that information required to be disclosed in reports filed and submitted under the Exchange Act is recorded, processed, summarized and reported as and when required.

Management report on internal control over financial reporting

The management of the Bank is responsible for establishing and maintaining adequate internal control over financial reporting. The Bank's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with US GAAP. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

Management has made an evaluation and assessment of the Bank's internal control over financial reporting as of December 31, 2008 using the criteria issued by the COSO in "Internal Control – Integrated Framework".

Based upon its review and evaluation, management, including the Bank CEO and CFO, has concluded that the Bank's internal control over financial reporting is effective as of December 31, 2008.

KPMG Klynveld Peat Marwick Goerdeler SA, the Bank's independent auditors, have issued an unqualified opinion on the effectiveness of the Bank's internal control over financial reporting as of December 31, 2008, as stated in their report, which follows.

Remediation of prior material weakness in internal control over financial reporting

In 2008, the Bank was actively engaged in the implementation of remediation efforts to address the material weakness relating to mismarks and pricing errors by a small number of traders in certain ABS positions in CDO trading in our structured product business within Investment Banking that existed as of the end of 2007.

The Executive Board assigned the highest priority to the prompt remediation of this material weakness. The Bank's remediation efforts were governed by a steering committee, under the direction of the Bank CRO and included other members of the Executive Board as well as senior management staff. During 2008, the status of remediation was reviewed by the Audit Committee, which received regular reports on issues encountered and key decisions reached by Bank's management.

During 2008, Bank's management took the following key actions to remediate this material weakness:

Front office Investment Banking: supervisory framework

- Reassigned certain trading responsibilities;
- Enhanced and completed supervisory mandates, including orientation and training on changes in supervisory responsibilities and escalation procedures;
- Implemented supervisory responsibility monitoring processes, including IT tracking tools; and
- Rolled out mandatory firm-wide training on effective supervision.

Product control: valuation governance

- Established an additional senior valuation governance Bank to, among other things, improve coordination among trading, product control and RMM;
- Developed a review process to further integrate valuation processes;
- Improved the scope and granularity of price testing reports;
- Defined additional benchmarks for all key unobservable inputs; and
- Strengthened the formal price testing methodology approval process.

RMM: Improved integration of RMM view and trading profit and loss

- Designed and implemented a daily risk-based valuation and profit and loss estimation processes.

We also strengthened personnel and added other resources. By the end of 2008, these key controls were designed and tested to ensure they were operating effectively.

Changes in internal control over financial reporting

Changes in the Bank's internal control over financial reporting during the period covered by this report that have materially affected, or are reasonably likely to materially affect the Bank's internal control over financial reporting have been described above.

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Report of the Independent Registered Public Accounting Firm to the General Meeting of

Credit Suisse, Zurich

We have audited Credit Suisse and subsidiaries' (the "Bank") internal control over financial reporting as of December 31, 2008, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Bank's board of directors and management are responsible for maintaining effective internal control over financial reporting and the Bank's management is responsible for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Bank's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Bank maintained, in all material respects, effective internal control over financial reporting as of December 31, 2008, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) and Swiss Auditing Standards, the consolidated balance sheets of the Bank as of December 31, 2008 and 2007, and the related consolidated statements of operations, changes in shareholder's equity, comprehensive income, and cash flows, and notes thereto, for each of the years in the three-year period ended December 31, 2008 and our report dated March 18, 2009, expressed an unqualified opinion on those consolidated financial statements.

KPMG Klynveld Peat Marwick Goerdeler SA

David L. Jahnke
Licensed Audit Expert

Robert S. Overstreet
Licensed Audit Expert

Zurich, Switzerland
March 18, 2009