

VII

Consolidated financial statements – Credit Suisse (Bank)

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

Credit Suisse AG, Zurich

As statutory auditor, we have audited the accompanying consolidated financial statements of Credit Suisse AG and subsidiaries (the "Bank"), which comprise the consolidated balance sheets as of December 31, 2011 and 2010, and the related consolidated statements of operations, changes in equity, comprehensive income and cash flows, and notes for each of the years in the three-year period ended December 31, 2011.

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, 2011 and 2010, and the results of operations and cash flows for each of the years in the three-year period ended December 31, 2011, in accordance with U.S. generally accepted accounting principles and comply with Swiss law.

As discussed in Note 2 to the consolidated financial statements, the Group changed its method of accounting for variable interest entities in 2010 due to the adoption of ASU 2009-17



Report on Other Legal and Regulatory Requirements

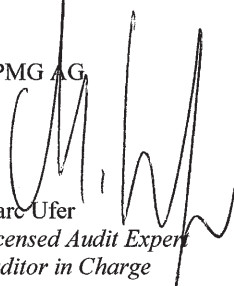
We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) (Switzerland) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

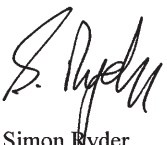
In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the board of directors.

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, 2011, 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 23, 2012 expressed an unqualified opinion on the effectiveness of the Bank's internal control over financial reporting.

KPMG AG


Marc Ufer
Licensed Audit Expert
Auditor in Charge


Simon Ryder
Licensed Audit Expert

Zurich, Switzerland
March 23, 2012

Consolidated financial statements

Consolidated statements of operations

	Reference to notes	in		
		2011	2010	2009
Consolidated statements of operations (CHF million)				
Interest and dividend income	6	22,256	24,825	24,522
Interest expense	6	(16,440)	(18,798)	(18,153)
Net interest income	6	5,816	6,027	6,369
Commissions and fees	7	11,964	13,122	12,770
Trading revenues	8	4,756	9,072	12,164
Other revenues	9	1,765	1,377	690
Net revenues		24,301	29,598	31,993
Provision for credit losses	10	97	(124)	460
Compensation and benefits	11	12,783	14,372	14,706
General and administrative expenses	12	7,214	7,088	7,622
Commission expenses		1,845	1,991	1,848
Total other operating expenses		9,059	9,079	9,470
Total operating expenses		21,842	23,451	24,176
Income from continuing operations before taxes		2,362	6,271	7,357
Income tax expense	25	433	1,258	1,794
Income from continuing operations		1,929	5,013	5,563
Income/(loss) from discontinued operations, net of tax	4	0	(19)	169
Net income		1,929	4,994	5,732
Net income/(loss) attributable to noncontrolling interests		901	802	(697)
Net income attributable to shareholder		1,028	4,192	6,429
of which from continuing operations		1,028	4,211	6,260
of which from discontinued operations		0	(19)	169

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

Consolidated balance sheets

	Reference to notes	end of	
		2011	2010
Assets (CHF million)			
Cash and due from banks		110,267	65,031
of which reported from consolidated VIEs		1,396	1,432
Interest-bearing deposits with banks		5,722	4,457
of which reported at fair value		405	0
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	13	236,487	220,708
of which reported at fair value		158,673	136,906
Securities received as collateral, at fair value		30,123	42,100
of which encumbered		20,379	21,305
Trading assets, at fair value	14	276,074	321,256
of which encumbered		73,525	87,554
of which reported from consolidated VIEs		6,399	8,717
Investment securities	15	3,513	6,331
of which reported at fair value		3,511	6,192
of which reported from consolidated VIEs		41	72
Other investments	16	12,879	16,055
of which reported at fair value		9,552	13,184
of which reported from consolidated VIEs		2,346	2,334
Net loans	17	212,271	200,748
of which reported at fair value		20,694	18,552
of which encumbered		471	783
of which reported from consolidated VIEs		5,940	3,745
allowance for loan losses		(689)	(812)
Premises and equipment	18	6,700	6,220
of which reported from consolidated VIEs		609	33
Goodwill	19	7,456	7,450
Other intangible assets	19	280	304
of which reported at fair value		70	66
Brokerage receivables		43,444	38,773
Other assets	21	77,959	79,305
of which reported at fair value		35,666	39,419
of which encumbered		2,255	2,388
of which reported from consolidated VIEs		13,001	19,569
Assets of discontinued operations held-for-sale	4	0	23
Total assets		1,023,175	1,008,761

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

Consolidated balance sheets (continued)

	Reference to notes	2011	end of 2010
Liabilities and equity (CHF million)			
Due to banks	22	51,484	47,675
of which reported at fair value		3,564	3,995
Customer deposits	22	287,699	263,767
of which reported at fair value		3,762	2,855
of which reported from consolidated VIEs		221	54
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	13	176,559	168,394
of which reported at fair value		136,483	123,697
Obligation to return securities received as collateral, at fair value		30,123	42,100
Trading liabilities, at fair value	14	126,698	133,937
of which reported from consolidated VIEs		1,286	188
Short-term borrowings		24,643	19,516
of which reported at fair value		3,547	3,308
of which reported from consolidated VIEs		6,141	4,333
Long-term debt	23	159,407	171,140
of which reported at fair value		68,256	81,474
of which reported from consolidated VIEs		14,858	19,739
Brokerage payables		68,175	61,862
Other liabilities	21	61,937	61,206
of which reported at fair value		30,838	29,040
of which reported from consolidated VIEs		745	839
Total liabilities		986,725	969,597
Common shares / Participation certificates		4,400	4,400
Additional paid-in capital		23,170	24,026
Retained earnings		10,870	10,068
Accumulated other comprehensive income/(loss)	24	(10,938)	(10,711)
Total shareholder's equity		27,502	27,783
Noncontrolling interests		8,948	11,381
Total equity		36,450	39,164
Total liabilities and equity		1,023,175	1,008,761
end of		2011	2010
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 equity

	Attributable to shareholder								Number of common shares outstanding
	Common shares/Participation certificates	Additional paid-in capital	Retained earnings	Treasury shares, at cost ¹	Accumulated other comprehensive income	Total shareholder's equity	Non-controlling interests	Total equity	
2011 (CHF million)									
Balance at beginning of period	4,400	24,026	10,068	0	(10,711)	27,783	11,381	39,164	43,996,652 ²
Purchase of subsidiary shares from non-controlling interests, changing ownership	-	(5)	-	-	-	(5)	4	(1)	-
Purchase of subsidiary shares from non-controlling interests, not changing ownership ^{3,4}	-	-	-	-	-	-	(3,369)	(3,369)	-
Sale of subsidiary shares to noncontrolling interests, not changing ownership ⁴	-	-	-	-	-	-	544	544	-
Net income/(loss)	-	-	1,028	-	-	1,028	852 ⁵	1,880	-
Gains/(losses) on cash flow hedges	-	-	-	-	(32)	(32)	-	(32)	-
Foreign currency translation	-	-	-	-	(334)	(334)	39	(295)	-
Unrealized gains/(losses) on securities	-	-	-	-	(2)	(2)	-	(2)	-
Actuarial gains/(losses)	-	-	-	-	142	142	-	142	-
Net prior service cost	-	-	-	-	(1)	(1)	-	(1)	-
Total other comprehensive income/(loss), net of tax	-	-	-	-	(227)	(227)	39	(188)	-
Issuance of common shares/notes	-	(2)	-	-	-	(2)	-	(2)	-
Sale of treasury shares	-	3	-	612	-	615	-	615	-
Repurchase of treasury shares	-	-	-	(612)	-	(612)	-	(612)	-
Share-based compensation, net of tax	-	(142) ⁶	-	-	-	(142)	(2)	(144)	-
Dividends on share-based compensation, net of tax	-	(85)	-	-	-	(85)	-	(85)	-
Cash dividends paid	-	-	(226)	-	-	(226)	(59)	(285)	-
Changes in redeemable noncontrolling interests	-	(625) ⁷	-	-	-	(625)	(140)	(765)	-
Change in scope of consolidation	-	-	-	-	-	-	(302)	(302)	-
Balance at end of period	4,400	23,170	10,870	0	(10,938)	27,502	8,948	36,450	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 on its own shares outstanding. ³ Distributions to owners in funds include the return of original capital invested and any related dividends. ⁴ Transactions with and without ownership changes related to fund activity are all displayed under "not changing ownership". ⁵ Net income attributable to noncontrolling interests excludes CHF 49 million due to redeemable noncontrolling interests. ⁶ Includes a net tax charge of CHF 277 million from the excess recognized compensation expense over fair value of shares delivered. ⁷ Represents the accrued portion of the redemption value of redeemable noncontrolling interests in Credit Suisse Hedging-Griffo Investimentos S.A. Refer to "Note 30 – Guarantees and commitments" for further information.

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

Consolidated statements of changes in equity (continued)

	Attributable to shareholder								Number of common shares outstanding
	Common shares/Participation certificates	Additional paid-in capital	Retained earnings	Treasury shares, at cost	Accumulated other comprehensive income	Total shareholder's equity	Non-controlling interests	Total equity	
2010 (CHF million)									
Balance at beginning of period	4,400	24,299	11,422	(487)	(8,406)	31,228	14,523	45,751	43,996,652
Purchase of subsidiary shares from non-controlling interests, changing ownership	-	-	-	-	-	-	(9)	(9)	-
Purchase of subsidiary shares from non-controlling interests, not changing ownership	-	-	-	-	-	-	(2,207)	(2,207)	-
Sale of subsidiary shares to noncontrolling interests, not changing ownership	-	-	-	-	-	-	471	471	-
Net income/(loss)	-	-	4,192	-	-	4,192	802	4,994	-
Cumulative effect of accounting changes, net of tax	-	-	(2,384)	-	135	(2,249)	-	(2,249)	-
Gains/(losses) on cash flow hedges	-	-	-	-	22	22	-	22	-
Foreign currency translation	-	-	-	-	(2,365)	(2,365)	(1,233)	(3,598)	-
Unrealized gains/(losses) on securities	-	-	-	-	14	14	-	14	-
Actuarial gains/(losses)	-	-	-	-	(110)	(110)	(1)	(111)	-
Net prior service cost	-	-	-	-	(1)	(1)	-	(1)	-
Total other comprehensive income/(loss), net of tax	-	-	-	-	(2,440)	(2,440)	(1,234)	(3,674)	-
Issuance of common shares/notes	-	1,567	-	-	-	1,567	-	1,567	-
Sale of treasury shares	-	(28)	-	2,110	-	2,082	-	2,082	-
Repurchase of treasury shares	-	-	-	(1,623)	-	(1,623)	-	(1,623)	-
Share-based compensation, net of tax	-	(1,725)	-	-	-	(1,725)	10	(1,715)	-
Dividends on share-based compensation, net of tax	-	(87)	-	-	-	(87)	-	(87)	-
Cash dividends paid	-	-	(3,162)	-	-	(3,162)	(143)	(3,305)	-
Change in scope of consolidation	-	-	-	-	-	-	(911)	(911)	-
Other	-	-	-	-	-	-	79	79	-
Balance at end of period	4,400	24,026	10,068	0	(10,711)	27,783	11,381	39,164	43,996,652

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

Consolidated statements of changes in equity (continued)

	Attributable to shareholder								Number of common shares outstanding
	Common shares/Participation certificates	Additional paid-in capital	Retained earnings	Treasury shares, at cost	Accumulated other comprehensive income	Total shareholder's equity	Non-controlling interests	Total equity	
2009 (CHF million)									
Balance at beginning of period	4,400	25,059	5,132	18	(7,741)	26,868	19,281	46,149	43,996,652
Purchase of subsidiary shares from non-controlling interests, changing ownership	-	9	-	-	-	9	(9)	0	-
Purchase of subsidiary shares from non-controlling interests, not changing ownership	-	-	-	-	-	-	(468)	(468)	-
Sale of subsidiary shares to noncontrolling interests, changing ownership	-	(1)	-	-	-	(1)	5	4	-
Sale of subsidiary shares to noncontrolling interests, not changing ownership	-	-	-	-	-	-	1,229	1,229	-
Net income/(loss)	-	-	6,429	-	-	6,429	(697)	5,732	-
Gains/(losses) on cash flow hedges	-	-	-	-	17	17	-	17	-
Foreign currency translation	-	-	-	-	(472)	(472)	(303)	(775)	-
Unrealized gains/(losses) on securities	-	-	-	-	13	13	-	13	-
Actuarial gains/(losses)	-	-	-	-	(223)	(223)	-	(223)	-
Total other comprehensive income/(loss), net of tax	-	-	-	-	(665)	(665)	(303)	(968)	-
Issuance of common shares	-	(13)	-	-	-	(13)	-	(13)	-
Sale of treasury shares	-	50	-	1,645	-	1,695	-	1,695	-
Repurchase of treasury shares	-	-	-	(2,150)	-	(2,150)	-	(2,150)	-
Share-based compensation, net of tax	-	(797)	-	-	-	(797)	-	(797)	-
Dividends on share-based compensation, net of tax	-	(5)	-	-	-	(5)	-	(5)	-
Cash dividends paid	-	-	(141)	-	-	(141)	(111)	(252)	-
Change in scope of consolidation	-	-	-	-	-	-	(4,491)	(4,491)	-
Other	-	(3)	2	-	-	(1)	87	86	-
Balance at end of period	4,400	24,299	11,422	(487)	(8,406)	31,228	14,523	45,751	43,996,652

Consolidated statements of comprehensive income

in	2011	2010	2009
Comprehensive income (CHF million)			
Net income	1,929	4,994	5,732
Other comprehensive income/(loss), net of tax ¹	(188)	(3,674)	(968)
Comprehensive income/(loss)	1,741	1,320	4,764
Comprehensive income/(loss) attributable to noncontrolling interests	940	(432)	(1,000)
Comprehensive income/(loss) attributable to shareholder	801	1,752	5,764

¹ Refer to "Note 24 – Accumulated other comprehensive income" for details on the components of other comprehensive income.

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

Consolidated statements of cash flows

in	2011	2010	2009
Operating activities of continuing operations (CHF million)			
Net income	1,929	4,994	5,732
(Income)/loss from discontinued operations, net of tax	0	19	(169)
Income from continuing operations	1,929	5,013	5,563
Adjustments to reconcile net income/(loss) to net cash provided by/(used in) operating activities of continuing operations (CHF million)			
Impairment, depreciation and amortization	1,169	1,136	1,081
Provision for credit losses	97	(124)	460
Deferred tax provision/(benefit)	56	1,048	935
Share of net income/(loss) from equity method investments	(41)	(101)	(28)
Trading assets and liabilities, net	38,310	(10,571)	(8,623)
(Increase)/decrease in other assets	(7,638)	4,068	27,236
Increase/(decrease) in other liabilities	5,676	4,410	(40,612)
Other, net	(2,951)	3,684	1,782
Total adjustments	34,678	3,550	(17,769)
Net cash provided by/(used in) operating activities of continuing operations	36,607	8,563	(12,206)
Investing activities of continuing operations (CHF million)			
(Increase)/decrease in interest-bearing deposits with banks	(1,314)	(2,152)	1,584
(Increase)/decrease in central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	(14,480)	(28,904)	55,508
Purchase of investment securities	(196)	(241)	(67)
Proceeds from sale of investment securities	2,118	988	891
Maturities of investment securities	705	1,312	2,209
Investments in subsidiaries and other investments	(1,409)	(1,365)	(1,961)
Proceeds from sale of other investments	6,324	2,151	1,919
(Increase)/decrease in loans	(14,134)	6,492	3,690
Proceeds from sale of loans	689	817	992
Capital expenditures for premises and equipment and other intangible assets	(1,702)	(1,667)	(1,374)
Proceeds from sale of premises and equipment and other intangible assets	11	17	3
Other, net	120	249	169
Net cash provided by/(used in) investing activities of continuing operations	(23,268)	(22,303)	63,563

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

Consolidated statements of cash flows (continued)

in	2011	2010	2009
Financing activities of continuing operations (CHF million)			
Increase/(decrease) in due to banks and customer deposits	27,137	27,290	(30,327)
Increase/(decrease) in short-term borrowings	4,754	10,111	3,259
Increase/(decrease) in central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	7,182	(6,997)	(47,354)
Issuances of long-term debt	32,531	54,979	61,467
Repayments of long-term debt	(36,052)	(48,931)	(71,061)
Issuances of common shares	(2)	1,567	(13)
Sale of treasury shares	615	2,082	1,695
Repurchase of treasury shares	(612)	(1,623)	(2,150)
Dividends paid/capital repayments	(285)	(3,305)	(257)
Excess tax benefits related to share-based compensation	0	608	181
Other, net	(2,759)	(3,336)	(3,628)
Net cash provided by/(used in) financing activities of continuing operations	32,509	32,445	(88,188)
Effect of exchange rate changes on cash and due from banks (CHF million)			
Effect of exchange rate changes on cash and due from banks	(637)	(6,167)	(1,155)
Net cash provided by/(used in) discontinued operations (CHF million)			
Net cash provided by/(used in) operating activities of discontinued operations	25	(42)	0
Net increase/(decrease) in cash and due from banks (CHF million)			
Net increase/(decrease) in cash and due from banks	45,236	12,496	(37,986)
Cash and due from banks at beginning of period	65,031	52,535	90,521
Cash and due from banks at end of period	110,267	65,031	52,535

Supplemental cash flow information

in	2011	2010	2009
Cash paid for income taxes and interest (CHF million)			
Cash paid for income taxes	957	835	1,077
Cash paid for interest	17,133	18,846	19,283
Assets and liabilities sold in business divestitures (CHF million)			
Assets sold	0	0	869
Liabilities sold	0	0	799

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 AG, the Swiss bank subsidiary of the Group (the Bank), are prepared in accordance with accounting principles generally accepted in the US (US GAAP) and are stated in Swiss francs (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 evaluation of variable interest entities (VIEs), the impairment of assets other than loans, recognition of deferred tax assets, 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. Market conditions may increase the risk and complexity of the judgments applied in these estimates.

- ▶ Refer to "Note 1 – Summary of significant accounting policies" in V – Consolidated financial statements – Credit Suisse Group for a summary of significant accounting policies, with the exception of the following accounting policies.

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 projected benefit obligations (PBO) and the current and past service costs or credits related to its defined benefit and other post-retirement benefit plans. The measurement date used to perform the actuarial valuation is 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 estimates by Bank management. For example, 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 is 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 or credits 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, own bonds and financial instruments on Group shares

The Bank's shares are wholly-owned by Credit Suisse Group AG and are not subject to trading. The Bank may buy and sell Credit Suisse Group AG shares (Group shares), own bonds and financial instruments on Group shares within its normal trading and market-making activities. In addition, the Bank may hold Group shares to economically hedge commitments arising from

employee share-based compensation awards. 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. Financial instruments on Group shares are recorded as assets or liabilities and carried at fair value. Dividends received on Group shares and unrealized and realized gains and losses on 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

- ▶ Refer to "Note 2 – Recently issued accounting standards" in V – Consolidated financial statements – Credit Suisse Group for recently adopted accounting standards and standards to be adopted in future periods.

The impact on the Bank's and Group's financial condition, results of operations or cash flows was or is expected to be identical.

3 Business developments

- ▶ Refer to "Note 3 – Business developments" in V – Consolidated financial statements – Credit Suisse Group for further information.

4 Discontinued operations

- ▶ Refer to "Note 4 – Discontinued operations" in V – Consolidated financial statements – Credit Suisse Group for further information.

Income/(loss) from discontinued operations

in	2011	2010	2009
Income/(loss) from discontinued operations (CHF million)			
Net revenues	–	(19)	56
Total expenses	–	0	(167)
Income/(loss) before taxes from discontinued operations	–	(19)	(111)
Gain on disposal	–	0	261 ¹
Income tax expense/(benefit)	–	0	(19)
Income/(loss) from discontinued operations, net of tax	–	(19)	169

¹ Represents net gains from the deconsolidation of subsidiaries. The Bank did not retain any investment in the former subsidiaries.

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, noncontrolling interests, extraordinary items and the cumulative effect of accounting changes of these non-consolidated affiliate entities included in the segment presentation for the years ended December 31, 2011, 2010 and 2009 was CHF 407 million,

CHF 536 million and CHF 654 million, respectively. For the same periods, net revenues of these non-consolidated affiliate entities included in the segment presentation were CHF 1,745 million, CHF 1,782 million and CHF 1,789 million, respectively, and total assets of these non-consolidated affiliate entities included in the segment presentation as of December 31, 2011 and 2010, were CHF 51.4 billion and CHF 47.8 billion, respectively.

► Refer to “Note 5 – Segment information” in V – Consolidated financial statements – Credit Suisse Group for further information.

Net revenues and income/(loss) from continuing operations before taxes

in	2011	2010	2009
Net revenues (CHF million)			
Private Banking	10,877	11,631	11,662
Investment Banking	11,496	16,214	20,537
Asset Management	2,146	2,332	1,842
Adjustments ^{1,2}	(218)	(579)	(2,048)
Net revenues	24,301	29,598	31,993
Income/(loss) from continuing operations before taxes (CHF million)			
Private Banking	2,348	3,426	3,651
Investment Banking	79	3,531	6,845
Asset Management	553	503	35
Adjustments ^{1,3}	(618)	(1,189)	(3,174)
Income/(loss) from continuing operations before taxes	2,362	6,271	7,357

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 noncontrolling interest-related revenues of CHF 900 million, CHF 775 million and CHF (689) million in 2011, 2010 and 2009, respectively, from the consolidation of certain private equity funds and other entities in which the Bank does not have a significant economic interest (SEI) in such revenues. ³ Includes noncontrolling interest income/(loss) of CHF 816 million, CHF 702 million and CHF (872) million in 2011, 2010 and 2009, respectively, from the consolidation of certain private equity funds and other entities in which the Bank does not have an SEI in such income.

Total assets

end of	2011	2010
Total assets (CHF million)		
Private Banking	350,955	337,496
Investment Banking	804,420	803,613
Asset Management	28,667	27,986
Adjustments ¹	(160,867)	(160,334)
Total assets	1,023,175	1,008,761

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/(loss) from continuing operations before taxes by geographic location

in	2011	2010	2009
Net revenues (CHF million)			
Switzerland	7,083	7,758	9,073
EMEA	6,339	7,284	6,795
Americas	9,162	12,634	13,763
Asia Pacific	1,717	1,922	2,362
Net revenues	24,301	29,598	31,993
Income/(loss) from continuing operations before taxes (CHF million)			
Switzerland	(198)	950	1,610
EMEA	1,177	1,383	960
Americas	2,289	4,739	5,076
Asia Pacific	(906)	(801)	(289)
Income/(loss) from continuing operations before taxes	2,362	6,271	7,357

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	2011	2010
Total assets (CHF million)		
Switzerland	195,995	168,755
EMEA	273,131	266,758
Americas	467,258	474,638
Asia Pacific	86,791	98,610
Total assets	1,023,175	1,008,761

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

6 Net interest income

in	2011	2010	2009
Net interest income (CHF million)			
Loans	4,235	4,620	5,575
Investment securities	72	66	207
Trading assets	11,620	14,013	13,280
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	3,260	2,663	3,076
Other	3,069	3,463	2,384
Interest and dividend income	22,256	24,825	24,522
Deposits	(1,702)	(1,591)	(2,977)
Short-term borrowings	(80)	(80)	(232)
Trading liabilities	(7,120)	(9,010)	(7,360)
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(1,622)	(1,638)	(2,262)
Long-term debt	(5,515)	(6,134)	(4,800)
Other	(401)	(345)	(522)
Interest expense	(16,440)	(18,798)	(18,153)
Net interest income	5,816	6,027	6,369

7 Commissions and fees

in	2011	2010	2009
Commissions and fees (CHF million)			
Lending business	1,243	1,404	995
Investment and portfolio management	3,490	3,705	3,666
Other securities business	77	58	124
Fiduciary business	3,567	3,763	3,790
Underwriting	1,479	2,125	2,375
Brokerage	3,748	3,714	3,846
Underwriting and brokerage	5,227	5,839	6,221
Other services	1,927	2,116	1,764
Commissions and fees	11,964	13,122	12,770

8 Trading revenues

in	2011	2010	2009
Trading revenues (CHF million)			
Interest rate products	6,589	5,653	10,067
Foreign exchange products	(4,540)	1,959	196
Equity/index-related products	1,722	2,467	4,349
Credit products	490	(1,641)	(3,960)
Commodity, emission and energy products	362	309	542
Other products	133	325	970
Total	4,756	9,072	12,164

Represents revenues on a product basis which are not representative of business results within segments, as segment results utilize financial instruments across various product types.

- ▶ Refer to "Note 8 – Trading revenues" in V – Consolidated financial statements – Credit Suisse Group for further information.

9 Other revenues

in	2011	2010	2009
Other revenues (CHF million)			
Noncontrolling interests without SEI	794	723	(917)
Loans held-for-sale	(4)	(84)	(287)
Long-lived assets held-for-sale	(116)	(182)	13
Equity method investments	137	193	95
Other investments	331	117	907
Other	623	610	879
Other revenues	1,765	1,377	690

10 Provision for credit losses

in	2011	2010	2009
Provision for credit losses (CHF million)			
Provision for loan losses	54	(139)	271
Provision for lending-related and other exposures	43	15	189
Provision for credit losses	97	(124)	460

11 Compensation and benefits

in	2011	2010	2009
Compensation and benefits (CHF million)			
Salaries and deferred and variable compensation expense	10,839	11,885	12,857
Social security	819	884	973
Other ¹	1,125	1,603	876
Compensation and benefits	12,783²	14,372	14,706

¹ Includes pension and other post-retirement expense of CHF 869 million, CHF 905 million and CHF 641 million, in 2011, 2010 and 2009, respectively, and the UK levy on variable compensation of CHF 404 million in 2010. ² Includes severance and other compensation expense relating to headcount reductions of CHF 539 million.

12 General and administrative expenses

in	2011	2010	2009
General and administrative expenses (CHF million)			
Occupancy expenses	1,058	1,119	1,121
IT, machinery, etc.	1,422	1,320	1,191
Provisions and losses	702	491	1,434
Travel and entertainment	405	432	413
Professional services	1,984	2,082	1,759
Amortization and impairment of other intangible assets	30	34	48
Other	1,613	1,610	1,656
General and administrative expenses	7,214	7,088	7,622

13 Securities borrowed, lent and subject to repurchase agreements

end of	2011	2010
Securities borrowed or purchased under agreements to resell (CHF million)		
Central bank funds sold and securities purchased under resale agreements	171,708	149,229
Deposits paid for securities borrowed	64,779	71,479
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	236,487	220,708
Securities lent or sold under agreements to repurchase (CHF million)		
Central bank funds purchased and securities sold under repurchase agreements	161,220	147,878
Deposits received for securities lent	15,339	20,516
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	176,559	168,394

- ▶ Refer to “Note 14 – Securities borrowed, lent and subject to repurchase agreements” in V – Consolidated financial statements – Credit Suisse Group for further information.

14 Trading assets and liabilities

end of	2011	2010
Trading assets (CHF million)		
Debt securities	144,184	153,228
Equity securities ¹	65,138	101,196
Derivative instruments ²	52,070	47,776
Other	14,682	19,056
Trading assets	276,074	321,256
Trading liabilities (CHF million)		
Short positions	67,567	76,219
Derivative instruments ²	59,131	57,718
Trading liabilities	126,698	133,937

¹ Including convertible bonds. ² Amounts shown net of cash collateral receivables and payables.

Cash collateral receivables and payables

end of	2011	2010
Cash collateral receivables (CHF million)		
Receivables netted against derivative positions	36,326	28,400
Receivables not netted ¹	15,812	14,987
Total	52,138	43,387
Cash collateral payables (CHF million)		
Payables netted against derivative positions	37,883	29,480
Payables not netted ¹	11,933	14,428
Total	49,816	43,908

¹ Recorded as cash collateral on derivative instruments, refer to "Note 21 – Other assets and other liabilities".

15 Investment securities

end of	2011	2010
Investment securities (CHF million)		
Debt securities held-to-maturity	2	139
Securities available-for-sale	3,511	6,192
Total investment securities	3,513	6,331

Investment securities by type

end of	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
2011 (CHF million)				
Debt securities issued by foreign governments	2	0	0	2
Debt securities held-to-maturity	2	0	0	2
Debt securities issued by foreign governments	2,916	113	1	3,028
Corporate debt securities	352	0	0	352
Collateralized debt obligations	40	1	0	41
Debt securities available-for-sale	3,308	114	1	3,421
Banks, trust and insurance companies	68	8	0	76
Industry and all other	13	1	0	14
Equity securities available-for-sale	81	9	0	90
Securities available-for-sale	3,389	123	1	3,511
2010 (CHF million)				
Debt securities issued by foreign governments	139	0	0	139
Debt securities held-to-maturity	139	0	0	139
Debt securities issued by foreign governments	5,418	225	0	5,643
Corporate debt securities	387	0	0	387
Collateralized debt obligations	71	2	0	73
Debt securities available-for-sale	5,876	227	0	6,103
Banks, trust and insurance companies	69	10	0	79
Industry and all other	9	1	0	10
Equity securities available-for-sale	78	11	0	89
Securities available-for-sale	5,954	238	0	6,192

Gross unrealized losses on investment securities and the related fair value

end of	Less than 12 months		12 months or more		Total	
	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses
2011 (CHF million)						
Debt securities issued by foreign governments	8	1	0	0	8	1
Debt securities available-for-sale	8	1	0	0	8	1

There were no unrealized losses on investment securities in 2010. No significant impairment was recorded as the Bank does not intend to sell the investments, nor is it more likely

than not that the Bank will be required to sell the investments before the recovery of their amortized cost bases, which may be maturity.

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

in	Debt securities			Equity securities		
	2011	2010	2009	2011	2010	2009
Additional information (CHF million)						
Proceeds from sales	2,117	985	723	1	3	168
Realized gains	40	5	17	0	0	22
Realized losses	(22)	(11)	(14)	0	0	(1)

Amortized cost, fair value and average yield of debt securities

end of	Debt securities held-to-maturity			Debt securities available-for-sale		
	Amortized cost	Fair value	Average yield (in %)	Amortized cost	Fair value	Average yield (in %)
2011 (CHF million)						
Due within 1 year	2	2	5.06	1,672	1,693	3.25
Due from 1 to 5 years	0	0	–	1,580	1,669	3.63
Due from 5 to 10 years	0	0	–	0	0	–
Due after 10 years	0	0	–	56	59	5.22
Total debt securities	2	2	5.06	3,308	3,421	3.46

16 Other investments

end of	2011	2010
Other investments (CHF million)		
Equity method investments	2,508	3,909
Non-marketable equity securities ¹	7,618	9,831
Real estate held for investment	731	420
Life finance instruments ²	2,022	1,895
Total other investments	12,879	16,055

¹ Includes private equity, hedge funds 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 SPIA contracts.

Non-marketable equity securities include investments in entities that regularly calculate net asset value per share or its equivalent.

▶ Refer to “Note 32 – Financial instruments” for further information on such investments.

Substantially all non-marketable equity securities are carried at fair value. There were no 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. The carrying values of the impaired properties

were written down to their respective fair values, establishing new cost bases. For these properties, the fair values were measured based on either discounted cash flow analyses or external market appraisals. In 2011, an impairment of CHF 3 million was recorded. No impairments were recorded in 2010 and 2009.

Accumulated depreciation related to real estate held for investment amounted to CHF 278 million, CHF 273 million and CHF 326 million for 2011, 2010 and 2009, respectively.

▶ Refer to “Note 17 – Other investments” in V – Consolidated financial statements – Credit Suisse Group for further information.

17 Loans, allowance for loan losses and credit quality

end of	2011	2010
Loans (CHF million)		
Mortgages	72,980	69,953
Loans collateralized by securities	22,593	21,247
Consumer finance	3,753	2,833
Consumer	99,326	94,033
Real estate	22,000	20,115
Commercial and industrial loans	56,618	51,842
Financial institutions	32,870	33,608
Governments and public institutions	2,245	2,059
Corporate & institutional	113,733	107,624
Gross loans	213,059	201,657
of which held at amortized cost	192,365	183,105
of which held at fair value	20,694	18,552
Net (unearned income)/deferred expenses	(99)	(97)
Allowance for loan losses	(689)	(812)
Net loans	212,271	200,748
Gross loans by location (CHF million)		
Switzerland	128,525	123,506
Foreign	84,534	78,151
Gross loans	213,059	201,657
Impaired loan portfolio (CHF million)		
Non-performing loans	515	690
Non-interest-earning loans	219	298
Total non-performing and non-interest-earning loans	734	988
Restructured loans	13	52
Potential problem loans	574	438
Total other impaired loans	587	490
Gross impaired loans	1,321	1,478

Allowance for loan losses

	2011		2010	2009
	Consumer	Corporate & institutional	Total	Total
Allowance for loan losses (CHF million)				
Balance at beginning of period	143	669	812	1,184
Net movements recognized in statements of operations	(5)	59	54	(139)
Gross write-offs	(51)	(169)	(220)	(234)
Recoveries	33	4	37	57
Net write-offs	(18)	(165)	(183)	(177)
Provisions for interest	1	11	12	1
Foreign currency translation impact and other adjustments, net	6	(12)	(6)	(57)
Balance at end of period	127	562	689	1,184

Allowance for loan losses and gross loans held at amortized cost by loan portfolio

end of	2011			2010			2009
	Consumer	Corporate & institutional	Total	Consumer	Corporate & institutional	Total	Total
Allowance for loan losses (CHF million)							
Balance at end of period	127	562	689	143	669	812	1,184
of which individually evaluated for impairment	99	388	487	110	490	600	839
of which collectively evaluated for impairment	28	174	202	33	179	212	345
Gross loans held at amortized cost (CHF million)							
Balance at end of period	99,316	93,049	192,365	94,027	89,078	183,105	–
of which individually evaluated for impairment	327	850	1,177	384	903	1,287	–
of which collectively evaluated for impairment	98,989	92,199	191,188	93,643	88,175	181,818	–

Purchases, reclassifications and sales

in	2011		
	Consumer	Corporate & institutional	Total
Loans held at amortized cost (CHF million)			
Purchases	–	4,121	4,121
Reclassifications to loans held-for-sale ¹	–	1,363	1,363
Sales ¹	–	1,117	1,117

¹ All loans held at amortized cost which are sold are reclassified to loans held-for-sale on or prior to the date of the sale.

Gross loans held at amortized cost by internal counterparty rating

end of	AAA	AA	A	BBB	BB	B	CCC	CC	C	D	Total
2011 (CHF million)											
Mortgages	151	560	8,023	47,769	15,815	487	8	16	0	151	72,980
Loans collateralized by securities	0	15	376	20,667	1,429	84	0	0	0	22	22,593
Consumer finance	0	4	43	2,990	504	20	0	9	23	150	3,743
Consumer	151	579	8,442	71,426	17,748	591	8	25	23	323	99,316
Real estate	340	193	893	11,209	8,784	267	0	3	0	40	21,729
Commercial and industrial loans	398	159	1,675	20,128	18,225	2,922	171	26	117	647	44,468
Financial institutions	3,906	2,204	11,092	5,462	1,622	760	3	43	0	119	25,211
Governments and public institutions	55	84	320	444	158	104	470	0	0	6	1,641
Corporate & institutional	4,699	2,640	13,980	37,243	28,789	4,053	644	72	117	812	93,049
Gross loans held at amortized cost	4,850	3,219	22,422	108,669	46,537	4,644	652	97	140	1,135	192,365
Value of collateral ¹	3,920	1,672	13,203	99,341	38,159	2,694	96	80	0	726	159,891
2010 (CHF million)											
Mortgages	137	1,193	9,412	41,393	16,938	699	15	3	0	163	69,953
Loans collateralized by securities	1	66	330	19,681	1,116	9	0	0	0	44	21,247
Consumer finance	0	2	104	2,113	384	18	0	28	1	177	2,827
Consumer	138	1,261	9,846	63,187	18,438	726	15	31	1	384	94,027
Real estate	22	269	1,561	8,645	8,894	398	0	0	0	52	19,841
Commercial and industrial loans	350	615	1,891	19,896	14,917	2,863	95	239	159	687	41,712
Financial institutions	2,183	5,492	8,070	7,028	1,850	1,293	0	0	20	88	26,024
Governments and public institutions	57	140	209	425	87	60	517	0	0	6	1,501
Corporate & institutional	2,612	6,516	11,731	35,994	25,748	4,614	612	239	179	833	89,078
Gross loans held at amortized cost	2,750	7,777	21,577	99,181	44,186	5,340	627	270	180	1,217	183,105
Value of collateral ¹	2,476	3,645	12,975	91,558	38,036	3,416	66	0	0	545	152,717

¹ Includes the value of collateral up to the amount of the outstanding related loans. For mortgages, collateral values are generally values at the time of granting the loan.

Gross loans held at amortized cost – aging analysis

end of	Current				Past due		Total	Total
		Up to 30 days	31-60 days	61-90 days	More than 90 days	Total		
2011 (CHF million)								
Mortgages	72,799	46	11	3	121	181	72,980	
Loans collateralized by securities	22,449	129	4	1	10	144	22,593	
Consumer finance	3,302	371	29	26	15	441	3,743	
Consumer	98,550	546	44	30	146	766	99,316	
Real estate	21,673	41	3	1	11	56	21,729	
Commercial and industrial loans	43,751	441	87	48	141	717	44,468	
Financial institutions	25,061	78	2	48	22	150	25,211	
Governments and public institutions	1,640	1	0	0	0	1	1,641	
Corporate & institutional	92,125	561	92	97	174	924	93,049	
Gross loans held at amortized cost	190,675	1,107	136	127	320	1,690	192,365	
2010 (CHF million)								
Mortgages	69,713	80	14	8	138	240	69,953	
Loans collateralized by securities	21,184	46	2	0	15	63	21,247	
Consumer finance	2,484	267	37	9	30	343	2,827	
Consumer	93,381	393	53	17	183	646	94,027	
Real estate	19,780	35	0	1	25	61	19,841	
Commercial and industrial loans	40,493	715	94	42	368	1,219	41,712	
Financial institutions	25,886	125	3	0	10	138	26,024	
Governments and public institutions	1,497	3	1	0	0	4	1,501	
Corporate & institutional	87,656	878	98	43	403	1,422	89,078	
Gross loans held at amortized cost	181,037	1,271	151	60	586	2,068	183,105	

Gross impaired loans by category

end of	Non-performing and non-interest-earning loans			Other impaired loans			Total
	Non-performing loans	Non-interest-earning loans	Total	Restructured loans	Potential problem loans	Total	
2011 (CHF million)							
Mortgages	124	5	129	0	44	44	173
Loans collateralized by securities	25	11	36	0	0	0	36
Consumer finance	113	28	141	0	24	24	165
Consumer	262	44	306	0	68	68	374
Real estate	11	6	17	0	25	25	42
Commercial and industrial loans	193	111	304	13	424	437	741
Financial institutions	49	52	101	0	57	57	158
Governments and public institutions	0	6	6	0	0	0	6
Corporate & institutional	253	175	428	13	506	519	947
Gross impaired loans	515	219	734	13	574	587	1,321
2010 (CHF million)							
Mortgages	135	15	150	0	43	43	193
Loans collateralized by securities	37	11	48	0	1	1	49
Consumer finance	146	29	175	0	3	3	178
Consumer	318	55	373	0	47	47	420
Real estate	34	10	44	0	14	14	58
Commercial and industrial loans	329	187	516	52	305	357	873
Financial institutions	9	40	49	0	72	72	121
Governments and public institutions	0	6	6	0	0	0	6
Corporate & institutional	372	243	615	52	391	443	1,058
Gross impaired loans	690	298	988	52	438	490	1,478

Gross impaired loan details

end of	2011			2010		
	Recorded investment	Unpaid principal balance	Associated specific allowance	Recorded investment	Unpaid principal balance	Associated specific allowance
Gross impaired loan details (CHF million)						
Mortgages	138	131	17	168	158	26
Loans collateralized by securities	36	34	22	49	45	36
Consumer finance	153	151	60	167	166	48
Consumer	327	316	99	384	369	110
Real estate	27	22	16	55	45	29
Commercial and industrial loans	675	650	283	724	667	366
Financial institutions	142	141	83	118	117	89
Governments and public institutions	6	4	6	6	4	6
Corporate & institutional	850	817	388	903	833	490
Gross impaired loans with a specific allowance	1,177	1,133	487	1,287	1,202	600
Mortgages	33	33	–	25	25	–
Loans collateralized by securities	1	1	–	0	0	–
Consumer finance	13	13	–	11	12	–
Consumer	47	47	–	36	37	–
Real estate	14	14	–	3	3	–
Commercial and industrial loans	67	67	–	149	146	–
Financial institutions	16	16	–	3	4	–
Governments and public institutions	0	0	–	0	0	–
Corporate & institutional	97	97	–	155	153	–
Gross impaired loans without specific allowance	144	144	–	191	190	–
Gross impaired loans	1,321	1,277	487	1,478	1,392	600
of which consumer loans	374	363	99	420	406	110
of which corporate and institutional loans	947	914	388	1,058	986	490

Gross impaired loan details (continued)

	2011			2010		
	Average recorded investment	Interest income recognized	Interest income recognized on a cash basis	Average recorded investment	Interest income recognized	Interest income recognized on a cash basis
in						
Gross impaired loan details (CHF million)						
Mortgages	139	1	0	169	1	1
Loans collateralized by securities	35	0	0	48	1	0
Consumer finance	135	2	1	191	8	4
Consumer	309	3	1	408	10	5
Real estate	28	0	0	52	0	0
Commercial and industrial loans	812	7	6	701	5	5
Financial institutions	147	0	0	133	0	0
Governments and public institutions	6	0	0	6	0	0
Corporate & institutional	993	7	6	892	5	5
Gross impaired loans with a specific allowance	1,302	10	7	1,300	15	10
Mortgages	68	0	0	77	0	0
Loans collateralized by securities	4	0	0	3	0	0
Consumer finance	19	0	0	14	0	0
Consumer	91	0	0	94	0	0
Real estate	74	5	5	14	0	0
Commercial and industrial loans	130	0	0	238	0	0
Financial institutions	19	0	0	4	0	0
Governments and public institutions	0	0	0	0	0	0
Corporate & institutional	223	5	5	256	0	0
Gross impaired loans without specific allowance	314	5	5	350	0	0
Gross impaired loans	1,616	15	12	1,650	15	10
of which consumer loans	400	3	1	502	10	5
of which corporate and institutional loans	1,216	12	11	1,148	5	5

As of December 31, 2011 and 2010, the Bank did not have any material commitments to lend additional funds to debtors whose loan terms have been modified in troubled debt restructurings.

- ▶ Refer to "Note 18 – Loans, allowance for loan losses and credit quality" in V – Consolidated financial statements – Credit Suisse Group for further information.

18 Premises and equipment

end of	2011	2010
Premises and equipment (CHF million)		
Buildings and improvements	3,671	3,524
Land	732	734
Leasehold improvements	2,198	1,930
Software	4,603	3,793
Equipment	3,055	2,967
Premises and equipment	14,259	12,948
Accumulated depreciation	(7,559)	(6,728)
Total premises and equipment, net	6,700	6,220

Depreciation and impairment

in	2011	2010	2009
CHF million			
Depreciation	1,053	1,085	988
Impairment	84	16	45

In 2011, the estimated useful lives for leasehold and building improvements in Switzerland were increased from five to ten years, based on a change in estimate. The cumulative effect of adopting this change in estimate on January 1, 2011 was a decrease in depreciation expense of CHF 57 million (CHF 50 million after tax).

19 Goodwill and other intangible assets

Goodwill

end of	2011				2010			
	Private Banking	Investment Banking	Asset Management	Credit Suisse (Bank)	Private Banking	Investment Banking	Asset Management	Credit Suisse (Bank)
Gross amount of goodwill (CHF million)								
Balance at beginning of period	339	5,707	1,486	7,532	379	6,203	1,632	8,214
Foreign currency translation impact	(8)	16	(4)	4	(40)	(496)	(145)	(681)
Other	2	0	0	2	0	0	(1)	(1)
Balance at end of period	333	5,723	1,482	7,538	339	5,707	1,486	7,532
Accumulated impairment (CHF million)								
Balance at beginning of period	0	82	0	82	0	82	0	82
Balance at end of period	0	82	0	82	0	82	0	82
Net book value (CHF million)								
Net book value	333	5,641	1,482	7,456	339	5,625	1,486	7,450

- ▶ Refer to "Note 20 – Goodwill and other intangible assets" in V – Consolidated financial statements – Credit Suisse Group for further information.

Other intangible assets

end of	2011			2010		
	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
Other intangible assets (CHF million)						
Tradenames/trademarks	26	(21)	5	26	(21)	5
Client relationships	357	(189)	168	365	(165)	200
Other	7	(1)	6	0	0	0
Total amortizing other intangible assets	390	(211)	179	391	(186)	205
Non-amortizing other intangible assets	101	–	101	99	–	99
of which mortgage servicing rights, at fair value	70	–	70	66	–	66
Total other intangible assets	491	(211)	280	490	(186)	304

Additional information

in	2011	2010	2009
Aggregate amortization and impairment (CHF million)			
Aggregate amortization	30	33	41
Impairment	0	1	7

Estimated amortization

Estimated amortization (CHF million)	
2012	27
2013	24
2014	23
2015	22
2016	18

- ▶ Refer to “Note 20 – Goodwill and other intangible assets” in V – Consolidated financial statements – Credit Suisse Group for further information.

20 Life settlement contracts

2011	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	563	986	1,943	2,005	2,330	614	8,441
Carrying value (CHF million)	19	32	59	68	67	550	795
Face value (CHF million)	20	35	67	88	94	2,580	2,884
Investment method							
Number of contracts	–	–	–	–	–	8	8
Carrying value (CHF million)	–	–	–	–	–	54	54
Face value (CHF million)	–	–	–	–	–	74	74
2010							
Fair value method							
Number of contracts	929	500	1,002	1,789	1,850	2,804	8,874
Carrying value (CHF million)	30	27	42	80	134	545	858
Face value (CHF million)	31	51	67	137	316	2,877	3,479
Investment method							
Number of contracts	–	–	–	–	–	8	8
Carrying value (CHF million)	–	–	–	–	–	51	51
Face value (CHF million)	–	–	–	–	–	70	70

Realized and unrealized gains and losses on life settlement contracts accounted for under the fair value method

in	2011	2010	2009
CHF million			
Realized gains/(losses)	12	44	(39)
Unrealized gains/(losses)	(30)	(105)	(8)

- ▶ Refer to “Note 21 – Life settlement contracts” in V – Consolidated financial statements – Credit Suisse Group for further information.

21 Other assets and other liabilities

end of	2011	2010
Other assets (CHF million)		
Cash collateral on derivative instruments	15,812	14,987
Cash collateral on non-derivative transactions	2,083	1,792
Derivative instruments used for hedging	3,607	2,682
Assets held-for-sale	21,205	26,886
of which loans ¹	20,457	24,925
of which real estate	732	1,946
Assets held for separate accounts	14,407	13,815
Interest and fees receivable	6,013	5,098
Deferred tax assets	8,843	9,350
Prepaid expenses	592	442
Failed purchases	1,513	1,279
Other	3,884	2,974
Other assets	77,959	79,305
Other liabilities (CHF million)		
Cash collateral on derivative instruments	11,933	14,428
Cash collateral on non-derivative transactions	1,002	20
Derivative instruments used for hedging	1,745	1,059
Provisions ²	1,035	1,606
of which off-balance sheet risk	64	551
Liabilities held for separate accounts	14,407	13,815
Interest and fees payable	6,875	6,685
Current tax liabilities	782	1,104
Deferred tax liabilities	219	267
Failed sales	6,888	7,354
Other	17,051	14,868
Other liabilities	61,937	61,206

¹ Included as of December 31, 2011 and 2010 were CHF 6,299 million and CHF 7,818 million, respectively, in restricted loans, which represented collateral on secured borrowings, and CHF 1,386 million and CHF 1,223 million, respectively, in loans held in trusts, which are consolidated as a result of failed sales under US GAAP. ² Includes provision for bridge commitments.

22 Deposits

end of	2011			2010		
	Switzer-land	Foreign	Total	Switzer-land	Foreign	Total
Deposits (CHF million)						
Non-interest-bearing demand deposits	7,557	3,500	11,057	7,849	2,612	10,461
Interest-bearing demand deposits	107,953	20,577	128,530	95,440	18,478	113,918
Savings deposits	46,576	38	46,614	45,423	27	45,450
Time deposits	15,257	137,725	152,982 ¹	17,669	123,944	141,613 ¹
Total deposits	177,343	161,840	339,183 ²	166,381	145,061	311,442 ²
of which due to banks	–	–	51,484	–	–	47,675
of which customer deposits	–	–	287,699	–	–	263,767

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

¹ Included as of December 31, 2011 and 2010 were CHF 152,575 million and CHF 141,169 million, respectively, of individual time deposits issued in Switzerland and in foreign offices in the Swiss franc equivalent amounts of USD 100,000 or more. ² Not included as of December 31, 2011 and 2010 were CHF 51 million and CHF 48 million, respectively, of overdrawn deposits reclassified as loans.

23 Long-term debt

end of	2011	2010
Long-term debt (CHF million)		
Senior	118,551	126,441
Subordinated	25,998	24,960
Non-recourse liabilities from consolidated VIEs	14,858	19,739
Long-term debt	159,407	171,140
of which reported at fair value	68,256	81,474
of which structured notes	33,412	36,201

Long-term debt by maturities

end of	2012	2013	2014	2015	2016	Thereafter	Total
Long-term debt (CHF million)							
Senior debt							
Fixed rate	9,935	12,669	9,341	11,492	3,785	19,879	67,101
Variable rate	13,363	10,475	7,709	5,447	3,806	10,650	51,450
Interest rates (range in %) ¹	0.0-16.0	0.0-13.6	0.0-13.7	0.0-13.2	0.0-11.9	0.0-7.1	–
Subordinated debt							
Fixed rate	184	3,664	121	424	39	17,493	21,925
Variable rate	3,000	–	200	20	30	823	4,073
Interest rates (range in %) ¹	0.4-8.0	3.7-7.9	–	4.2-10.3	4.8	0.0-13.1	–
Non-recourse liabilities from consolidated VIEs							
Fixed rate	129	2	–	399	2	948	1,480
Variable rate	538	17	369	625	1,451	10,378	13,378
Interest rates (range in %) ¹	0.0-2.7	–	0.0-13.2	0.0-12.6	0.0-12.8	0.0-11.3	–
Total long-term debt	27,149	26,827	17,740	18,407	9,113	60,171	159,407
of which structured notes	8,732	4,434	4,694	3,784	3,239	8,529	33,412

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.

- ▶ Refer to “Note 24 – Long-term debt” in V – Consolidated financial statements – Credit Suisse Group for further information.

24 Accumulated other comprehensive income

	Gains/ (losses) on cash flow hedges	Cumulative translation adjustments	Unrealized gains/ (losses) on securities	Actuarial gains/ (losses)	Net prior service credit/ (cost)	Accumu- lated other compre- hensive income
2011 (CHF million)						
Balance at beginning of period	32	(9,975)	98	(871)	5	(10,711)
Increase/(decrease)	(5)	(350)	22	103	0	(230)
Reclassification adjustments, included in net income	(27)	16	(24)	39	(1)	3
Balance at end of period	0	(10,309)	96	(729)	4	(10,938)
2010 (CHF million)						
Balance at beginning of period	10	(7,745)	84	(761)	6	(8,406)
Increase/(decrease)	45	(2,352)	8	(134)	0	(2,433)
Reclassification adjustments, included in net income	(23)	(13)	6	24	(1)	(7)
Cumulative effect of accounting changes, net of tax	0	135	0	0	0	135
Balance at end of period	32	(9,975)	98	(871)	5	(10,711)
2009 (CHF million)						
Balance at beginning of period	(7)	(7,273)	71	(538)	6	(7,741)
Increase/(decrease)	30	(522)	28	(238)	0	(702)
Reclassification adjustments, included in net income	(13)	50	(15)	15	0	37
Balance at end of period	10	(7,745)	84	(761)	6	(8,406)

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

25 Tax

Income/(loss) from continuing operations before taxes in Switzerland and foreign countries

in	2011	2010	2009
Income/(loss) from continuing operations before taxes (CHF million)			
Switzerland	(198)	950	1,610
Foreign	2,560	5,321	5,747
Income from continuing operations before taxes	2,362	6,271	7,357

Details of current and deferred taxes

in	2011	2010	2009
Current and deferred taxes (CHF million)			
Switzerland	(53)	(25)	99
Foreign	430	235	760
Current income tax expense	377	210	859
Switzerland	(252)	(293)	32
Foreign	308	1,341	903
Deferred income tax expense	56	1,048	935
Income tax expense	433	1,258	1,794
Income tax expense/(benefit) on discontinued operations	0	0	(19)
Income tax expense/(benefit) reported in shareholder's equity related to:			
Gains/(losses) on cash flow hedges	(4)	4	0
Cumulative translation adjustment	16	32	(164)
Unrealized gains/(losses) on securities	16	0	7
Actuarial gains/(losses)	29	(46)	(81)
Net prior service cost	(1)	0	(1)
Share-based compensation and treasury shares	274	(608)	(169)

Reconciliation of taxes computed at the Swiss statutory rate

in	2011	2010	2009
Reconciliation of taxes computed at the Swiss statutory rate (CHF million)			
Income tax expense computed at the statutory tax rate of 22%	520	1,380	1,619
Increase/(decrease) in income taxes resulting from			
Foreign tax rate differential	(5)	569	887
Non-deductible amortization of other intangible assets and goodwill impairment	0	1	3
Other non-deductible expenses	443	619	502
Additional taxable income	6	22	70
Lower taxed income ¹	(470)	(760)	(575)
Income taxable to noncontrolling interests	(312)	(282)	313
Changes in tax law and rates	170	119	3
Changes in deferred tax valuation allowance ¹	464	54	(91)
Other ¹	(383)	(464)	(937)
Income tax expense	433	1,258	1,794

¹ See explanation below.

Lower taxed income

2011 included a tax benefit of CHF 55 million in respect of the Swiss tax effect relating to the reduction in the valuation of an investment in a subsidiary.

2011 and 2010 included a tax benefit of CHF 116 million and CHF 130 million, respectively, 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.

2010 included a tax benefit of CHF 380 million in respect of a legal entity merger that reflected regulatory concerns about complex holding structures.

Changes in deferred tax valuation allowance

2011 included an increase to the valuation allowance of CHF 428 million in respect of three of the Bank's operating entities, two in the UK and one in Asia, mainly relating to deferred tax assets on tax loss carry-forwards.

2011, 2010 and 2009 included a tax benefit of CHF 7 million, CHF 199 million and CHF 567 million, respectively, resulting from the release of valuation allowances on deferred tax assets for one of the Bank's operating entities in the US. The 2009 tax benefit was partially offset by a net increase to the valuation allowance on deferred tax assets on net tax loss carry-forwards of CHF 433 million.

2010 included an increase to the valuation allowance of CHF 193 million in respect of one of the Bank's operating entities in the UK relating to deferred tax assets on tax loss carry-forwards.

Other

2011 included a tax benefit of CHF 261 million relating to the increase of deferred tax assets in two of the Bank's operating entities, one in Switzerland and one in the US.

2011, 2010 and 2009 included an amount of CHF 125 million, CHF 301 million and CHF 156 million, respectively, relating to the release of tax contingency accruals following the favorable resolution of tax matters.

2009 included foreign exchange translation gains of CHF 460 million relating to deferred tax assets on tax loss carry-forwards recorded in UK entities. The foreign exchange movements arose due to tax loss carry-forwards denominated in British pounds, which differs from the functional currency of the reporting entities. UK tax law was enacted during 2009 which had the effect of removing these foreign exchange movements going forward.

2009 included a tax benefit of CHF 91 million relating to the increase of deferred tax assets on net operating loss carry-forwards, which was offset by an equivalent increase of valuation allowance on deferred tax assets on net operating loss carry-forwards.

As of December 31, 2011, the Bank had accumulated undistributed earnings from foreign subsidiaries of CHF 7.5 billion. No deferred tax liability was recorded in respect of those amounts as these earnings are considered indefinitely rein-

vested. 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	2011	2010
Tax effect of temporary differences (CHF million)		
Compensation and benefits	2,172	2,189
Loans	392	602
Investment securities	1,480	1,470
Provisions	1,943	1,530
Business combinations	101	96
Derivatives	385	264
Real estate	211	200
Net operating loss carry-forwards	7,276	7,195
Other	174	142
Gross deferred tax assets before valuation allowance	14,134	13,688
Less valuation allowance	(2,674)	(2,255)
Gross deferred tax assets net of valuation allowance	11,460	11,433
Compensation and benefits	(129)	(62)
Loans	(147)	(135)
Investment securities	(1,192)	(733)
Provisions	(342)	(535)
Business combinations	(227)	(277)
Derivatives	(392)	(420)
Leasing	(58)	(66)
Real estate	(67)	(68)
Other	(282)	(54)
Gross deferred tax liabilities	(2,836)	(2,350)
Net deferred tax assets	8,624	9,083

The decrease in net deferred tax assets from 2010 to 2011 of CHF 459 million was primarily due to the recognition of a valuation allowance against deferred tax assets, mainly in the UK and Asia, of CHF 419 million, a write-down of CHF 172 million as a result of changes to corporation tax rates in the UK and Japan and foreign exchange translation losses of CHF 30 million, which are included within the currency translation adjustment recorded in accumulated other comprehensive income/(loss) (AOCI). These decreases were partially offset by an increase in net deferred tax asset balances following a re-measurement of deferred tax balances in Switzerland and the US of CHF 377 million. The remaining movement, a reduction of net deferred tax assets of CHF 215 million,

mainly represents the impact of temporary differences and taxable income in 2011.

The most significant net deferred tax assets arise in the US and UK and these decreased from CHF 8,406 million, net of a valuation allowance of CHF 1,302 million as of the end of 2010 to CHF 7,766 million, net of a valuation allowance of CHF 1,643 million as of the end of 2011.

Due to uncertainty concerning its ability to generate the necessary amount and mix of taxable income in future periods, the Bank recorded a valuation allowance against deferred tax assets in the amount of CHF 2.7 billion as of December 31, 2011 compared to CHF 2.3 billion as of December 31, 2010.

Amounts and expiration dates of net operating loss carry-forwards

end of 2011	Total
Net operating loss carry-forwards (CHF million)	
Due to expire within 1 year	31
Due to expire within 2 to 5 years	8,331
Due to expire within 6 to 10 years	3,654
Due to expire within 11 to 20 years	8,199
Amount due to expire	20,215
Amount not due to expire	11,324
Total net operating loss carry-forwards	31,539

Movements in the valuation allowance

in	2011	2010	2009
Movements in the valuation allowance (CHF million)			
Balance at beginning of period	2,255	2,790	2,922
Net changes	419	(535)	(132)
Balance at end of period	2,674	2,255	2,790

Tax benefits associated with share-based compensation

in	2011	2010	2009
Tax benefits associated with share-based compensation (CHF million)			
Tax benefits recorded in the consolidated statements of operations	464	536	623
Windfall tax benefits/(shortfall tax charges) recorded in additional paid-in capital	(277)	615	179
Tax benefits in respect of tax on dividend equivalent payments	1	26	0

- ▶ Refer to “Note 26 – Employee deferred compensation” for further information on share-based compensation.

However, windfall deductions and dividend equivalents aggregating CHF 1.1 billion and CHF 1.0 billion for 2011 and

2010, respectively, did not result in a reduction of income taxes payable because certain entities were in a net operating loss position. When the income tax benefit of these deductions is realized, an estimated CHF 278 million tax benefit will be recorded in additional paid-in capital.

Uncertain tax positions

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

in	2011	2010	2009
Movements in gross unrecognized tax benefits (CHF million)			
Balance at beginning of period	578	944	1,136
Increases in unrecognized tax benefits as a result of tax positions taken during a prior period	54	53	18
Decreases in unrecognized tax benefits as a result of tax positions taken during a prior period	(177)	(286)	(197)
Increases in unrecognized tax benefits as a result of tax positions taken during the current period	29	37	25
Decreases in unrecognized tax benefits relating to settlements with tax authorities	(65)	(12)	(48)
Reductions to unrecognized tax benefits as a result of a lapse of the applicable statute of limitations	(19)	(88)	(6)
Other (including foreign currency translation)	(30)	(70)	16
Balance at end of period	370	578	944
of which, if recognized, would affect the effective tax rate	364	553	895

Interest and penalties

in	2011	2010	2009
Interest and penalties (CHF million)			
Interest and penalties recognized in the consolidated statements of operations	(19)	(42)	(16)
Interest and penalties recognized in the consolidated balance sheets	82	206	267

Interest and penalties are reported as tax expense. The Bank is currently subject to ongoing tax audits and inquiries with the tax authorities in a number of jurisdictions, including the US, the UK and Switzerland. Although the timing of the completion of these audits is uncertain, it is reasonably possible that some of these audits and inquiries will be resolved within 12 months of the reporting date.

It is reasonably possible that there will be a decrease of between zero and CHF 26 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: Switzerland – 2008; the US – 2006; Japan – 2005; the Netherlands – 2005; and the UK – 2003.

► Refer to “Note 26 – Tax” in V – Consolidated financial statements – Credit Suisse Group for further information.

26 Employee deferred compensation

Deferred compensation for employees

- ▶ Refer to “Note 27 – Employee deferred compensation” in V – Consolidated financial statements – Credit Suisse Group for further information.

The following tables show the compensation expense for deferred compensation awards granted in 2011 and prior

years that was recognized in the consolidated statements of operations during 2011, 2010, and 2009, the total shares delivered, the estimated unrecognized compensation expense for deferred compensation awards granted in 2011 and prior years outstanding as of December 31, 2011 and the remaining requisite service period over which the estimated unrecognized compensation expense will be recognized.

Deferred compensation expense

in	2011	2010	2009
Deferred compensation expense (CHF million)			
Share awards	758	293	330
Adjustable Performance Plan awards	1,086	948	–
Restricted Cash Awards	252	–	–
Scaled Incentive Share Units	404	552	–
Incentive Share Units	172	713	1,498
Cash Retention Awards	0	574	819
Performance Incentive Plans (PIP I and PIP II) ¹	0	(2)	18
2008 Partner Asset Facility awards ²	3	45	628
Other cash awards	325	410	420
Total deferred compensation expense	3,000	3,533	3,713
Total shares delivered (million)			
Total shares delivered	23.6	46.7	38.1

¹ Includes claw backs. ² Represents the change in the underlying fair value of the indexed assets during the period. 2009 also included the vesting of the remaining 33.3% in the first quarter.

Additional information

end of	2011
Estimated unrecognized compensation expense (CHF million)	
Share awards	1,089
Adjustable Performance Plan awards	559
Restricted cash awards	167
Scaled Incentive Share Units	208
Incentive Share Units	85
Other cash awards	77
Total	2,185
Aggregate remaining weighted-average requisite service period (years)	
Aggregate remaining weighted-average requisite service period	1.5

Does not include the estimated unrecognized compensation expense relating to grants made in 2012 for 2011.

Fair value assumptions for share-based compensation

The following table illustrates the significant assumptions used to estimate the fair value of Scaled Incentive Share Units

(SISUs) and Incentive Share Units (ISUs) granted in 2010 and 2009, based on the annual deferred compensation process.

Significant fair value assumptions

	2010		2009
	SISU	ISU	ISU
Significant fair value assumptions			
Expected volatility, in %	33.42	33.52	62.97
Expected dividend cash flows, in CHF			
2009	–	–	0.10
2010	1.45	1.45	0.60
2011	1.55	1.55	1.00
2012	1.65	1.65	–
2013	1.75	–	–
Expected risk-free interest rate, in %	1.26	1.00	1.24
Expected term, in years	4	3	3

Share awards

On January 19, 2012, the Bank granted 19.7 million share awards with a total value of CHF 432 million. The estimated unrecognized compensation expense of CHF 457 million was determined based on the fair value of the award as of the grant date, including the current estimate of future forfeitures, and will be recognized over the three-year vesting period, subject to early retirement rules. On January 20, 2011, the Bank granted 34.0 million share awards with a total value of CHF 1,408 million.

On January 19, 2012, the Bank granted 0.4 million blocked shares for approximately CHF 9 million that vested immediately upon grant, have no future service requirements and were attributed to services performed in 2011. On January 20, 2011, the Bank granted 0.7 million blocked shares for approximately CHF 30 million.

Performance share awards

On January 19, 2012, the Bank granted 23.2 million performance share awards with a total value of CHF 509 million. The fair value of each share award was CHF 23.90, equivalent to the Group's closing share price on the grant date. The estimated unrecognized compensation expense of CHF 539 million was determined based on the fair value of the award as of the grant date, including the current estimated outcome of the relevant performance criteria and estimated future forfeitures, and will be recognized over the three-year vesting period, subject to early retirement rules.

Share award activities

	2011		2010		2009	
	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	17.3	43.86	15.5	45.67	20.5	58.90
Granted	39.8	41.03	7.1	45.30	8.1	40.35
Settled	(7.4)	43.39	(4.9)	48.39	(12.5)	69.36
Forfeited	(2.1)	43.39	(0.4)	51.65	(0.6)	53.33
Balance at end of period	47.6	41.91	17.3	43.86	15.5	45.67
of which vested	1.8		1.3	–	1.2	–
of which unvested	45.8		16.0	–	14.3	–

2011 Partner Asset Facility

In January 2012, the Bank awarded 2011 Partner Asset Facility (PAF2) units with a total value of CHF 497 million. As of the grant date, March 1, 2012, the estimated unrecognized expense was CHF 538 million, which will be recognized in the first quarter of 2012 as the awards will have fully vested as of March 31, 2012. Compensation expense will continue to be updated at each reporting period date to reflect any change in the underlying fair value of the PAF2 awards until the awards are finally settled.

Adjustable Performance Plan Awards

On January 20, 2011 and January 21, 2010, the Bank granted Adjustable Performance Plan awards with a total value of CHF 1,099 million and CHF 1,186 million, respectively.

Restricted Cash Award

On January 20, 2011, the Bank granted Restricted Cash Awards with a total value of CHF 465 million.

Scaled Incentive Share Unit

On January 21, 2010, the Bank granted 20.7 million SISUs.

Scaled Incentive Share Unit activities

	2011	2010
Number of awards (million)		
Balance at beginning of period	20.0	–
Granted	–	20.7
Settled	(5.0)	(0.2)
Forfeited	(0.6)	(0.5)
Balance at end of period	14.4	20.0
of which vested	1.0	0.2
of which unvested	13.4	19.8

Incentive Share Unit

On January 21, 2010 and January 21, 2009, the Bank granted 6.0 million and 25.9 million ISUs, respectively.

The ISU leverage units granted in 2007 were settled in the first quarter of 2011 and did not have a value at settlement as the Group share price performance was below the minimum predefined target of CHF 58.45.

Incentive Share Unit activities

	2011	2010	2009
Number of awards (million)			
Balance at beginning of period	37.2	40.2	59.3
Granted ¹	–	6.0	25.9
Settled	(23.0)	(8.2)	(42.8)
Forfeited	(1.0)	(0.8)	(2.2)
Balance at end of period	13.2	37.2	40.2
of which vested	1.4	3.9	2.7
of which unvested	11.8	33.3	37.5

¹ Includes ISUs granted in January and through out the year.

Performance Incentive Plan

The Performance Incentive Plan (PIP) I units granted in 2005 were settled in April 2010 in accordance with the terms and conditions of the plan and each outstanding PIP I unit settled for approximately 4.8 Group shares. The PIP II units granted

in 2006 were settled in March 2011 and each outstanding PIP unit had no value at settlement as the Group share price performance was below the minimum predefined target of CHF 47.

Performance Incentive Plan activities

	2011		2010		2009
	PIP II	PIP II	PIP I	PIP II	PIP I
Number of awards (million)					
Balance at beginning of period	6.0	6.1	11.8	6.1	11.8
Settled	(6.0)	0.0	(11.6)	0.0	0.0
Forfeited	0.0	(0.1)	(0.2)	0.0	0.0
Balance at end of period	0.0	6.0	0.0	6.1	11.8
of which vested	–	5.2	–	4.3	10.1
of which unvested	–	0.8	–	1.8	1.7

2008 Partner Asset Facility

On January 21, 2009, the Bank granted Partner Asset Facility awards to employees with a total notional value of CHF 676 million.

Share options

There were no options granted during 2011, 2010 and 2009. As of December 31, 2011, there was no aggregate intrinsic

value of options outstanding or exercisable and the weighted-average remaining contractual term was 0.6 year. As of the exercise date, the total intrinsic value of options exercised during 2011, 2010 and 2009 was CHF 1 million, CHF 8 million and CHF 9 million, respectively. Cash received from option exercises during 2011, 2010 and 2009 was CHF 2 million, CHF 32 million and CHF 27 million, respectively. During January 2012, 8.5 million options expired.

Share option activities

	2011		2010		2009	
	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
Balance at beginning of period	28.3	63.94	32.8	62.68	36.6	61.41
Exercised	(0.1)	31.74	(0.8)	40.12	(0.7)	41.60
Settled	0.0	0.0	0.0	0.0	(0.1)	62.05
Expired	(11.7)	82.41	(3.7)	57.98	(3.0)	51.89
Balance at end of period	16.5	50.99	28.3	63.94	32.8	62.68
Exercisable at end of period	16.5	50.99	28.3	63.94	32.8	62.68

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.

- ▶ Refer to "Note 28 – Related parties" in V – Consolidated financial statements – Credit Suisse Group for further information.

Related party assets and liabilities

end of	2011	2010
Assets (CHF million)		
Cash and due from banks	2,466	533
Interest-bearing deposits with banks	3,440	3,035
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	0	541
Trading assets	320	185
Net loans	8,000	9,339
Other assets	80	100
Total assets	14,306	13,733
Liabilities (CHF million)		
Due to banks/customer deposits	12,895	12,135
Trading liabilities	90	93
Long-term debt	7,241	7,906
Other liabilities	386	430
Total liabilities	20,612	20,564

Related party revenues and expenses

in	2011	2010	2009
Revenues (CHF million)			
Interest and dividend income	70	86	120
Interest expense	(274)	(317)	(514)
Net interest income	(204)	(231)	(394)
Commissions and fees	(15)	(33)	(42)
Other revenues	326	330	248
Total non-interest revenues	311	297	206
Net revenues	107	66	(188)
Expenses (CHF million)			
Total operating expenses	(299)	(389)	(101)

Related party guarantees

end of	2011	2010
Guarantees (CHF million)		
Credit guarantees and similar instruments	62	16
Performance guarantees and similar instruments	12	0
Derivatives	66	29
Other guarantees	239	220
Total guarantees	379	265

Loans to members of the Executive Board and the Board of Directors

in	2011	2010	2009
Loans to members of the Executive Board (CHF million)			
Balance at beginning of period	18 ¹	19	24
Additions	5	5	4
Reductions	(1)	(6)	(9)
Balance at end of period	22 ¹	18	19
Loans to members of the Board of Directors (CHF million)			
Balance at beginning of period	34 ²	24	14
Additions	2	14	11
Reductions	(3)	(4)	(1)
Balance at end of period	33 ²	34	24

¹ The number of individuals with outstanding loans at the beginning and end of the year was six. ² The number of individuals with outstanding loans at the beginning and end of the year was seven and six, respectively.

Liabilities due to own pension funds

Liabilities due to the Bank's own pension funds as of December 31, 2011 and 2010 of CHF 1,897 million and CHF 1,308 million, respectively, were 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.

Group pension plan

The Bank covers pension requirements for its employees in Switzerland by participating in a defined benefit pension plan sponsored by the Group (Group plan). The plan provides benefits in the event of retirement, death and disability. Various legal entities within the Group participate in the plan, which is set up as an independent trust domiciled in Zurich. On January 1, 2010, in addition to the annuity section (defined benefit), a new savings section (defined contribution) was introduced in the Swiss main plan and a partial changeover from the annuity section to the savings section has been processed. Furthermore, on December 20, 2011, the Group announced the complete changeover to the savings section of the plan, effective as of January 1, 2013. In accordance with US GAAP, the Group accounts for the Group plan as a single-employer defined benefit pension plan, for both the annuity section and the savings section, and uses the projected unit credit actuarial method to determine the net periodic pension expense, the PBO and the accumulated benefit obligation (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 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. In the annuity section of the plan, the Bank's contributions are determined using a predetermined formula based on each employee's salary level, age and funding level and

amount to at least 200% of each employee's contribution. In the savings section of the plan, the Bank's contribution varies between 7.5% and 25% of the pensionable salary depending on the employees' age.

During 2011, 2010 and 2009, the Bank contributed and recognized as expense CHF 611 million, CHF 619 million and CHF 394 million to the Group plan, respectively. The Bank expects to contribute CHF 403 million to the Group plan during 2012. 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 2011, 2010 and 2009 would have been lower by CHF 450 million, CHF 447 million and CHF 274 million, respectively, and the Bank would have recognized CHF 91 million, CHF 93 million and CHF 38 million, respectively, as amortization of actuarial losses and prior service cost for the Group plan.

As of December 31, 2011 and 2010, the ABO of the Group plan was CHF 13.5 billion and CHF 12.8 billion, the PBO was CHF 13.9 billion and CHF 13.8 billion and the fair value of plan assets was CHF 13.6 billion and CHF 13.4 billion, respectively. As of December 31, 2011 and 2010, the Group plan was overfunded on an ABO basis by CHF 137 million and CHF 581 million and underfunded on a PBO basis by CHF 340 million and CHF 385 million, respectively. 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 306 million and CHF 347 million as of December 31, 2011 and 2010, respectively, 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 Group plan requires an extensive use of assumptions, which include the expected long-term rate of return on plan assets and the 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 2011 and 2010 would have been 4.8%. As of December 31, 2011 and 2010, the discount rate used in the measurement of the benefit obligation would have been 2.8% and 3.1% and the discount rate used in the measurement of the net periodic pension cost would have been 3.1% and 3.5%, 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. These plans provide defined benefits in the event of retirement, death, disability or employment termination. 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.

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 and welfare 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 other factors, current service cost, interest cost, expected return on plan assets and the amortization of both prior service cost/(credit) and actuarial losses/(gains) recognized in AOCI.

Components of total pension costs

in	International single-employer defined benefit pension plans			Other post- retirement defined benefit plans		
	2011	2010	2009	2011	2010	2009
Total pension costs (CHF million)						
Service costs on benefit obligation	33	30	33	–	1	1
Interest costs on benefit obligation	123	134	129	7	9	9
Expected return on plan assets	(160)	(163)	(166)	–	–	–
Amortization of recognized prior service cost/(credit)	–	1	1	(2)	(2)	(2)
Amortization of recognized actuarial losses/(gains)	51	36	17	9	6	8
Net periodic pension costs	47	38	14	14	14	16
Settlement losses/(gains)	–	(2)	1	–	–	–
Curtailement losses/(gains)	–	–	(2)	–	–	–
Total pension costs	47	36	13	14	14	16

Total pension costs reflected in compensation and benefits – other for 2011, 2010 and 2009 were CHF 61 million, CHF 50 million and CHF 29 million, respectively.

In December 2008, the Group announced a headcount reduction, which resulted in settlement payments of CHF 1 million in 2009 for the US pension plans. The discontinuance of a Japanese plan in 2009 resulted in a curtailment gain of CHF 2 million in 2009, due to the reduction in the benefit obligation, and a gain of CHF 2 million in 2010 from the related settlement of the obligation.

Benefit obligation

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

in / end of	International single-employer defined benefit pension plans		Other post- retirement defined benefit plans	
	2011	2010	2011	2010
PBO (CHF million) ¹				
Beginning of the measurement period	2,373	2,299	160	141
Service cost	33	30	–	1
Interest cost	123	134	7	9
Plan amendments	(2)	–	–	–
Settlements	(1)	(3)	–	–
Curtailments	1	–	–	–
Special termination benefits	4	3	–	–
Actuarial losses/(gains)	199	220	15	31
Plans added	–	9	–	–
Benefit payments	(56)	(52)	(8)	(8)
Exchange rate losses/(gains)	1	(267)	–	(14)
End of the measurement period	2,675	2,373	174	160
Fair value of plan assets (CHF million)				
Beginning of the measurement period	2,121	2,036	–	–
Actual return on plan assets	485	218	–	–
Employer contributions	33	172	8	8
Settlements	(1)	(3)	–	–
Benefit payments	(56)	(52)	(8)	(8)
Exchange rate gains/(losses)	4	(250)	–	–
End of the measurement period	2,586	2,121	–	–
Total funded status recognized (CHF million)				
Funded status of the plan – over/(underfunded)	(89)	(252)	(174)	(160)
Total funded status recognized in the consolidated balance sheet at December 31	(89)	(252)	(174)	(160)
Total amount recognized (CHF million)				
Noncurrent assets	498	166	–	–
Current liabilities	(8)	(13)	(8)	(8)
Noncurrent liabilities	(579)	(405)	(166)	(152)
Total amount recognized in the consolidated balance sheet at December 31	(89)	(252)	(174)	(160)
ABO (CHF million) ²				
End of the measurement period	2,584	2,287	–	–

¹ Including estimated future salary increases. ² Exclusive of estimated future salary increases.

The total net amount recognized in other assets – other and other liabilities – other in the consolidated balance sheets as of December 31, 2011 and 2010 was an underfunding of CHF 263 million and CHF 412 million, respectively.

In 2011 and 2010, the Bank made contributions of CHF 33 million and CHF 172 million, respectively, to the international single-employer defined benefit pension plans. The contributions for 2010 included CHF 135 million relating to a special contribution to the UK defined benefit plan. In 2012, the Bank expects to contribute CHF 183 million to the inter-

national single-employer defined benefit pension plans and CHF 8 million to other post-retirement defined benefit plans.

PBO or 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, 2011 and 2010, respectively.

Defined benefit pension plans in which PBO or ABO were in excess of plan assets

December 31	PBO exceeds fair value of plan assets ¹		ABO exceeds fair value of plan assets ¹	
	2011	2010	2011	2010
CHF million				
PBO	1,340	1,212	1,326	1,128
ABO	1,304	1,163	1,296	1,099
Fair value of plan assets	753	794	741	717

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 credit/(cost) which were recorded in AOCI and subsequently recognized as components of net periodic pension cost.

Amounts recognized in AOCI, net of tax

in	International single-employer defined benefit pension plans		Other post-retirement defined benefit plans		Total	
	2011	2010	2011	2010	2011	2010
Amounts recognized in AOCI (CHF million)						
Actuarial gains/(losses)	(674)	(819)	(55)	(52)	(729)	(871)
Prior service credit/(cost)	0	(1)	4	6	4	5
Total	(674)	(820)	(51)	(46)	(725)	(866)

The following tables disclose the changes in other comprehensive income due to actuarial gains/(losses) and prior service credit/(cost) recognized in AOCI during 2011 and 2010 and the amortization of the aforementioned items as components of net periodic pension cost for these periods as well as the amounts expected to be amortized in 2012.

Amounts recognized in other comprehensive income

in	International single-employer defined benefit pension plans			Other post-retirement defined benefit plans			Total net
	Gross	Tax	Net	Gross	Tax	Net	
2011 (CHF million)							
Actuarial gains/(losses)	126	(14)	112	(15)	6	(9)	103
Amortization of actuarial losses/(gains)	51	(17)	34	9	(4)	5	39
Amortization of prior service cost/(credit)	0	0	0	(2)	1	(1)	(1)
Total amounts recognized in other comprehensive income	177	(31)	146	(8)	3	(5)	141
2010 (CHF million)							
Actuarial gains/(losses)	(165)	50	(115)	(31)	12	(19)	(134)
Amortization of actuarial losses/(gains)	36	(13)	23	6	(3)	3	26
Amortization of prior service cost/(credit)	1	(1)	0	(2)	1	(1)	(1)
Immediate recognition due to curtailment/settlement	(2)	0	(2)	–	–	–	(2)
Total amounts recognized in other comprehensive income	(130)	36	(94)	(27)	10	(17)	(111)

Amounts in AOCI, net of tax, expected to be amortized in 2012

in 2012	International single-employer defined benefit pension plans	Other post-retirement defined benefit plans
CHF million		
Amortization of actuarial losses/(gains)		47
Amortization of prior service cost/(credit)		0
Total		47

Assumptions

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

December 31	International single-employer defined benefit pension plans			Other post- retirement defined benefit plans		
	2011	2010	2009	2011	2010	2009
Net benefit pension cost (%)						
Discount rate	5.5	6.0	6.3	5.5	6.1	6.4
Salary increases	4.2	4.3	4.0	–	–	–
Expected long-term rate of return on plan assets	7.3	7.2	7.5	–	–	–
Benefit obligation (%)						
Discount rate	4.8	5.5	6.0	4.7	5.5	6.1
Salary increases	4.0	4.2	4.3	–	–	–

Health care cost assumptions

The health care cost trend is used to determine the appropriate other post-retirement defined benefit costs. In determining those costs, an annual weighted-average rate of 9.00% for 2011 and 9.75% for 2010 and 2009 was assumed in the cost of covered health care benefits. As of December 31, 2011, the rate is assumed to decrease gradually to 5% by 2020 and remain at that level thereafter. As of December 31, 2011, 2010 and 2009, a 1% increase in the health care cost trend rate assumption would have resulted in an increase in post-retirement expenses of CHF 1.3 million, CHF 1.5 million and CHF 1.3 million, and an increase in accumulated post-retirement defined benefit obligation of CHF 23 million, CHF 26 million and CHF 19 million, respectively. A 1% decrease in the health care cost trend assumption would result in a decrease in post-retirement expenses of CHF 1.1 million, CHF 1.2 million and CHF 1.0 million, and a decrease in post-retirement defined benefit obligation of CHF 19 million, CHF 21 million and CHF 16 million as of December 31, 2011, 2010 and 2009.

Plan assets and investment strategy

- ▶ Refer to “Note 29 – Pension and other post-retirement benefits” in V – Consolidated financial statements – Credit Suisse Group for further information.

As of December 31, 2011 and 2010, there were no material amounts of Group debt or equity securities included in plan assets for the international single-employer defined benefit pension plans.

Fair value of plan assets

The following tables present the plan assets measured at fair value on a recurring basis as of December 31, 2011 and 2010, for the Bank’s defined benefits plans.

Plan assets measured at fair value on a recurring basis

end of	2011				2010			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Plan assets at fair value (CHF million)								
Cash and cash equivalents	51	18	–	69	138	19	–	157
Debt securities	130	792	90	1,012	65	644	122	831
of which governments	128	2	–	130	57	1	–	58
of which corporates	2	790	90	882	8	643	122	773
Equity securities	82	807	–	889	–	1,006	–	1,006
Real estate – indirect	–	–	84	84	–	–	52	52
Alternative investments	3	351	90	444	–	(97)	94	(3)
of which private equity	–	–	9	9	–	–	8	8
of which hedge funds	–	–	81	81	–	3	81	84
of which other	3	351 ¹	0	354	–	(100) ¹	5	(95)
Other investments	–	88	–	88	–	78	–	78
Total plan assets at fair value	266	2,056	264	2,586	203	1,650	268	2,121

¹ Primarily related to derivative instruments.

Plan assets measured at fair value on a recurring basis for level 3

	Balance at beginning of period	Transfers in	Transfers out	Actual return on plan assets		Purchases, sales, settlements	Foreign currency translation impact	Balance at end of period
				On assets still held at reporting date	On assets sold during the period			
2011 (CHF million)								
Debt securities – corporates	122	30	(2)	(4)	5	(61)	0	90
Real estate – indirect	52	–	–	11	0	21	0	84
Alternative investments	94	3	(4)	(2)	3	(4)	0	90
of which private equity	8	–	–	1	0	0	0	9
of which hedge funds	81	3	–	(3)	3	(3)	0	81
of which other	5	–	(4)	0	0	(1)	0	0
Total plan assets at fair value	268	33	(6)	5	8	(44)	0	264
2010 (CHF million)								
Debt securities – corporates	176	0	–	16	1	(56)	(15)	122
Real estate – indirect	14	–	–	3	–	37	(2)	52
Alternative investments	57	–	–	0	3	39	(5)	94
of which private equity	12	–	–	0	1	(4)	(1)	8
of which hedge funds	45	–	–	0	2	38	(4)	81
of which other	–	–	–	0	0	5	–	5
Total plan assets at fair value	247	0	–	19	4	20	(22)	268

The following table shows the plan asset allocation as of the measurement date calculated based on the fair value at that date including the performance of each asset class.

Weighted-average plan asset allocation as of the measurement date

December 31	2011	2010
Weighted-average plan asset allocation (%)		
Cash and cash equivalents	2.7	7.4
Debt securities	39.1	39.1
Equity securities	34.4	47.4
Real estate	3.2	2.5
Alternative investments	17.2	0.0
Insurance	3.4	3.6
Total	100.0	100.0

The following table shows the target plan asset allocation for 2012 in accordance with the Bank's investment strategy. The target plan asset allocation is used to determine the expected return on plan assets to be considered in the net periodic pension costs for 2012.

Weighted-average target plan asset allocation to be applied prospectively

2012 (%)	
Cash and cash equivalents	1
Debt securities	56
Equity securities	21
Real estate	3
Alternative investments	16
Insurance	3
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)		
2012	54	8
2013	55	8
2014	64	9
2015	72	10
2016	78	10
For five years thereafter	554	54

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. During 2011, 2010, and 2009, the

Bank contributed to these plans and recognized as expense CHF 244 million, CHF 263 million and CHF 235 million, respectively.

29 Derivatives and hedging activities

- ▶ Refer to “Note 30 – Derivatives and hedging activities” in V – Consolidated financial statements – Credit Suisse Group for further information.

Hedge accounting**Cash flow hedges**

As of the end of 2011, the maximum length of time over which the Bank hedged its exposure to the variability in future cash flows for forecasted transactions, excluding those forecasted transactions related to the payment of variable interest on existing financial instruments, was 20 months.

Fair value of derivative instruments

	Trading			Hedging ¹		
	Notional amount	Positive replacement value (PRV)	Negative replacement value (NRV)	Notional amount	Positive replacement value (PRV)	Negative replacement value (NRV)
end of 2011						
Derivative instruments (CHF billion)						
Forwards and forward rate agreements	7,210.5	4.5	4.2	0.0	0.0	0.0
Swaps	28,752.3	658.0	649.8	66.6	3.7	2.0
Options bought and sold (OTC)	2,902.5	65.9	66.3	0.0	0.0	0.0
Futures	2,534.5	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	962.3	0.4	0.3	0.0	0.0	0.0
Interest rate products	42,362.1	728.8	720.6	66.6	3.7	2.0
Forwards	2,125.5	29.4	30.6	17.4	0.1	0.0
Swaps	1,231.7	34.0	51.5	0.0	0.0	0.0
Options bought and sold (OTC)	829.9	12.3	12.6	0.0	0.0	0.0
Futures	25.6	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	3.7	0.0	0.0	0.0	0.0	0.0
Foreign exchange products	4,216.4	75.7	94.7	17.4	0.1	0.0
Forwards	16.2	1.4	1.5	0.0	0.0	0.0
Options bought and sold (OTC)	33.5	0.9	0.9	0.0	0.0	0.0
Precious metals products	49.7	2.3	2.4	0.0	0.0	0.0
Forwards	4.1	0.9	0.0	0.0	0.0	0.0
Swaps	211.4	5.8	5.8	0.0	0.0	0.0
Options bought and sold (OTC)	238.9	14.4	14.5	0.2	0.0	0.0
Futures	57.7	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	362.2	18.1	21.0	0.0	0.0	0.0
Equity/index-related products	874.3	39.2	41.3	0.2	0.0	0.0
Credit derivatives ²	2,041.4	63.3	60.0	0.0	0.0	0.0
Forwards	8.7	0.9	0.8	0.0	0.0	0.0
Swaps	63.6	8.3	7.8	0.0	0.0	0.0
Options bought and sold (OTC)	29.9	2.2	1.7	0.0	0.0	0.0
Futures	177.1	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	63.2	3.9	3.8	0.0	0.0	0.0
Other products ³	342.5	15.3	14.1	0.0	0.0	0.0
Total derivative instruments	49,886.4	924.6	933.1	84.2	3.8	2.0

The notional amount for derivative instruments (trading and hedging) was CHF 49,970.6 billion as of December 31, 2011.

¹ Relates to derivative contracts that qualify for hedge accounting under US GAAP. ² Primarily credit default swaps. ³ Primarily commodity, energy and emission products.

Fair value of derivative instruments (continued)

	Trading			Hedging ¹		
	Notional amount	Positive replacement value (PRV)	Negative replacement value (NRV)	Notional amount	Positive replacement value (PRV)	Negative replacement value (NRV)
end of 2010						
Derivative instruments (CHF billion)						
Forwards and forward rate agreements	8,073.9	6.3	5.9	0.0	0.0	0.0
Swaps	24,105.2	429.5	422.4	66.0	2.4	1.6
Options bought and sold (OTC)	2,420.1	44.9	46.1	0.0	0.0	0.0
Futures	2,765.7	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	1,365.6	0.5	0.3	0.0	0.0	0.0
Interest rate products	38,730.5	481.2	474.7	66.0	2.4	1.6
Forwards	2,053.6	35.2	37.7	19.4	0.4	0.1
Swaps	1,060.7	34.9	46.1	0.0	0.0	0.0
Options bought and sold (OTC)	794.7	14.3	15.0	0.0	0.0	0.0
Futures	13.5	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	5.6	0.1	0.1	0.0	0.0	0.0
Foreign exchange products	3,928.1	84.5	98.9	19.4	0.4	0.1
Forwards	15.5	1.6	1.4	0.0	0.0	0.0
Swaps	0.1	0.1	0.0	0.0	0.0	0.0
Options bought and sold (OTC)	24.8	0.7	0.8	0.0	0.0	0.0
Futures	0.5	0.0	0.0	0.0	0.0	0.0
Precious metals products	40.9	2.4	2.2	0.0	0.0	0.0
Forwards	6.2	1.1	0.1	0.0	0.0	0.0
Swaps	213.5	4.1	7.4	0.0	0.0	0.0
Options bought and sold (OTC)	279.2	15.2	16.5	0.0	0.0	0.0
Futures	77.9	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	387.1	17.0	17.9	0.0	0.0	0.0
Equity/index-related products	963.9	37.4	41.9	0.0	0.0	0.0
Credit derivatives²	1,989.5	49.5	46.6	0.0	0.0	0.0
Forwards	32.0	2.0	1.9	0.0	0.0	0.0
Swaps	100.9	14.1	15.7	0.0	0.0	0.0
Options bought and sold (OTC)	50.1	3.2	2.9	0.0	0.0	0.0
Futures	219.8	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	128.6	4.8	4.8	0.0	0.0	0.0
Other products³	531.4	24.1	25.3	0.0	0.0	0.0
Total derivative instruments	46,184.3	679.1	689.6	85.4	2.8	1.7

The notional amount for derivative instruments (trading and hedging) was CHF 46,269.7 billion as of December 31, 2010.

¹ Relates to derivative contracts that qualify for hedge accounting under US GAAP. ² Primarily credit default swaps. ³ Primarily commodity, energy and emission products.

Fair value of derivative instruments (continued)

	2011		2010	
	Positive replacement value (PRV)	Negative replacement value (NRV)	Positive replacement value (PRV)	Negative replacement value (NRV)
end of				
Derivative instruments (CHF billion)				
Replacement values (trading and hedging) before netting agreements	928.4	935.1	681.9	691.3
Counterparty netting ¹	(836.4)	(836.4)	(603.0)	(603.0)
Cash collateral netting ¹	(36.3)	(37.9)	(28.4)	(29.5)
Replacement values (trading and hedging) after netting agreements	55.7	60.8	50.5	58.8
of which recorded in trading assets (PRV) and trading liabilities (NRV)	52.1	59.1	47.8	57.7
of which recorded in other assets (PRV) and other liabilities (NRV)	3.6	1.7	2.7	1.1

¹ Netting was based on legally enforceable netting agreements.

Fair value hedges

in	2011	2010	2009
Gains/(losses) recognized in income on derivatives (CHF million)			
Interest rate products		688	619
Foreign exchange products		20	21
Total	708	640	(625)
Gains/(losses) recognized in income on hedged items (CHF million)			
Interest rate products		(728)	(603)
Foreign exchange products		(20)	(21)
Total	(748)	(624)	606
Details of fair value hedges (CHF million)			
Net gains/(losses) on the ineffective portion		(40)	16

Represents gains/(losses) recognized in trading revenues.

Cash flow hedges

in	2011	2010	2009
Gains/(losses) recognized in AOCI on derivatives (CHF million)			
Foreign exchange products	(5)	54	30
Gains/(losses) reclassified from AOCI into income (CHF million)			
Foreign exchange products	31 ¹	27 ¹	13 ²

Represents gains/(losses) on effective portion.

¹ Included in commissions and fees. ² Included in total operating expenses.

Net investment hedges

in	2011	2010	2009
Gains/(losses) recognized in AOCI on derivatives (CHF million)			
Interest rate products	0	8	12
Foreign exchange products	280	1,563	(1,401)
Total	280	1,571	(1,389)
Gains/(losses) reclassified from AOCI into income (CHF million)			
Foreign exchange products	4 ¹	(4) ¹	(21) ²
Total	4	(4)	(21)

Represents gains/(losses) on effective portion.

¹ Included in other revenues. ² Primarily included in discontinued operations.

The Bank includes all derivative instruments not included in hedge accounting relationships in its trading activities.

- ▶ Refer to "Note 8 – Trading revenues" for gains and losses on trading activities by product type.

Disclosures relating to contingent credit risk

- ▶ Refer to “Note 30 – Derivatives and hedging activities” in V – Consolidated financial statements – Credit Suisse Group for further information.

The following table provides the Bank’s current net exposure from contingent credit risk relating to derivative contracts with bilateral counterparties and special purpose entities (SPEs) that include credit support agreements, the related collateral posted and the additional collateral required in a one-notch and two-notch downgrade event, respectively. The table also

includes derivative contracts with contingent credit risk features without credit support agreements that have accelerated termination event conditions. The current net exposure for derivative contracts with bilateral counterparties and contracts with accelerated termination event conditions is the aggregate fair value of derivative instruments that were in a net liability position. For SPEs, the current net exposure by contract may include amounts other than or in addition to the ◊NRV of derivative instruments with credit risk-related contingent features.

Contingent credit risk

end of	Bilateral counterparties	Special purpose entities	Accelerated terminations	Total
2011 (CHF billion)				
Current net exposure	17.0	2.0	0.7	19.7
Collateral posted	14.8	1.8	-	16.6
Additional collateral required in a one-notch downgrade event	0.2	1.6	0.0	1.8
Additional collateral required in a two-notch downgrade event	0.4	3.0	0.5	3.9
2010 (CHF billion)				
Current net exposure	14.6	2.1	0.8	17.5
Collateral posted	13.0	2.0	-	15.0
Additional collateral required in a one-notch downgrade event	0.2	1.8	0.1	2.1
Additional collateral required in a two-notch downgrade event	0.4	3.2	0.4	4.0

Credit derivatives**Fair value of credit protection sold**

The following tables do not include all credit derivatives and differ from the credit derivatives in the “Fair value of derivative instruments” table. This is due to the exclusion of certain credit derivative instruments under US GAAP, which defines a credit derivative as a derivative instrument (a) in which one or more of its underlyings are related to the credit risk of a specified entity (or a group of entities) or an index based on the credit risk of a group of entities and (b) that exposes the seller

to potential loss from credit risk-related events specified in the contract.

Certain cash ◊collateralized debt obligations (CDOs) and other instruments were excluded as they do not fall within the scope of US GAAP rules. ◊Total return swaps (TRS) of CHF 4.8 billion were also excluded because a TRS does not expose the seller to potential loss from credit risk-related events specified in the contract. A TRS only provides protection against a loss in asset value and not against additional amounts as a result of specific credit events.

Credit protection sold/purchased

end of 2011	Credit protection sold	Credit protection purchased ¹	Net credit protection (sold)/ purchased	Other protection purchased	Fair value of credit protection sold
Single-name instruments (CHF billion)					
Investment grade ²	(452.1)	432.3	(19.8)	55.6	(9.0)
Non-investment grade	(189.0)	179.4	(9.6)	16.7	(15.3)
Total single-name instruments	(641.1)	611.7	(29.4)	72.3	(24.3)
of which sovereigns	(134.7)	132.6	(2.1)	10.9	(8.1)
of which non-sovereigns	(506.4)	479.1	(27.3)	61.4	(16.2)
Multi-name instruments (CHF billion)					
Investment grade ²	(277.8)	253.1	(24.7)	14.5	(15.6)
Non-investment grade	(71.8)	64.1 ³	(7.7)	9.0	(1.7)
Total multi-name instruments	(349.6)	317.2	(32.4)	23.5	(17.3)
of which sovereigns	(18.3)	17.5	(0.8)	0.9	(1.6)
of which non-sovereigns	(331.3)	299.7	(31.6)	22.6	(15.7)
Total instruments (CHF billion)					
Investment grade ²	(729.9)	685.4	(44.5)	70.1	(24.6)
Non-investment grade	(260.8)	243.5	(17.3)	25.7	(17.0)
Total instruments	(990.7)	928.9	(61.8)	95.8	(41.6)
of which sovereigns	(153.0)	150.1	(2.9)	11.8	(9.7)
of which non-sovereigns	(837.7)	778.8	(58.9)	84.0	(31.9)
end of 2010					
Single-name instruments (CHF billion)					
Investment grade ¹	(467.5)	450.1	(17.4)	49.0	1.0
Non-investment grade	(195.3)	169.2	(26.1)	17.2	(2.2)
Total single-name instruments	(662.8)	619.3	(43.5)	66.2	(1.2)
of which sovereigns	(115.2)	113.6	(1.6)	10.3	(2.4)
of which non-sovereigns	(547.6)	505.7	(41.9)	55.9	1.2
Multi-name instruments (CHF billion)					
Investment grade ¹	(238.4)	215.1	(23.3)	14.5	(4.8)
Non-investment grade	(60.3)	55.9	(4.4)	16.1	(1.1)
Total multi-name instruments	(298.7)	271.0	(27.7)	30.6	(5.9)
of which sovereigns	(15.5)	14.7	(0.8)	0.7	(0.7)
of which non-sovereigns	(283.2)	256.3	(26.9)	29.9	(5.2)
Total instruments (CHF billion)					
Investment grade ²	(705.9)	665.2	(40.7)	63.5	(3.8)
Non-investment grade	(255.6)	225.1	(30.5)	33.3	(3.3)
Total instruments	(961.5)	890.3	(71.2)	96.8	(7.1)
of which sovereigns	(130.7)	128.3	(2.4)	11.0	(3.1)
of which non-sovereigns	(830.8)	762.0	(68.8)	85.8	(4.0)

¹ Represents credit protection purchased with identical underlyings and recoveries. ² Based on internal ratings of BBB and above. ³ Includes Clock Finance.

The following table reconciles the notional amount of credit derivatives included in the table “Fair value of derivative instruments” to the table “Credit protection sold/purchased”.

Credit derivatives

end of	2011
Credit derivatives (CHF billion)	
Credit protection sold	990.7
Credit protection purchased	928.9
Other protection purchased	95.8
Other instruments	26.0 ¹
Total credit derivatives	2,041.4

¹ Consists of certain cash collateralized debt obligations, TRS and other derivative instruments.

Maturity of credit protection sold

end of	Maturity less than 1 year	Maturity between 1 to 5 years	Maturity greater than 5 years	Total
2011 (CHF billion)				
Single-name instruments	134.2	394.3	112.6	641.1
Multi-name instruments	58.7	201.9	89.0	349.6
Total instruments	192.9	596.2	201.6	990.7
2010 (CHF billion)				
Single-name instruments	90.7	468.2	103.9	662.8
Multi-name instruments	27.3	227.0	44.4	298.7
Total instruments	118.0	695.2	148.3	961.5

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
2011 (CHF million)								
Credit guarantees and similar instruments	3,243	2,041	1,101	904	7,289	6,554	50	2,342
Performance guarantees and similar instruments	5,465	1,617	1,299	1,706	10,087	9,177	69	3,327
Securities lending indemnifications	15,005	0	0	0	15,005	15,005	0	15,005
Derivatives ²	27,561	12,953	5,137	5,710	51,361	51,361	3,650	- ³
Other guarantees	3,623	353	417	182	4,575	4,539	4	1,795
Total guarantees	54,897	16,964	7,954	8,502	88,317	86,636	3,773	22,469
2010 (CHF million)								
Credit guarantees and similar instruments	3,306	1,504	1,031	1,430	7,271	6,785	512	4,217
Performance guarantees and similar instruments	6,486	2,096	1,192	2,105	11,879	10,613	97	4,240
Securities lending indemnifications	18,254	0	0	0	18,254	18,254	0	18,254
Derivatives ²	35,743	19,292	6,486	4,061	65,582	65,582	2,246	- ³
Other guarantees	4,016	504	274	279	5,073	5,003	7	2,183
Total guarantees	67,805	23,396	8,983	7,875	108,059	106,237	2,862	28,894

¹ Total net amount is computed as the gross amount less any participations. ² Excludes derivative contracts with certain active commercial and investment banks and certain other counterparties, as such contracts can be cash settled and the Bank had no basis to conclude it was probable that the counterparties held, at inception, the underlying instruments. ³ Collateral for derivatives accounted for as guarantees is not considered significant.

Deposit-taking banks and securities dealers in Switzerland and certain other European countries are required to ensure the payout of privileged deposits in case of specified restrictions or compulsory liquidation of a deposit-taking bank. In Switzerland, deposit-taking banks and securities dealers jointly guarantee an amount of up to CHF 6 billion. Upon occurrence of a payout event triggered by a specified restriction of business imposed by the Swiss Financial Market Supervisory Authority (FINMA) or by compulsory liquidation of another deposit-taking bank, the Group's contribution will be calculated based on its share of privileged deposits in proportion to total privileged deposits. Based on FINMA's estimate for the Bank, the Bank's share in the deposit insurance guarantee program for the period July 1, 2011 to June 30, 2012 is CHF 0,6 billion. These deposit insurance guarantees were reflected in other guarantees.

Representations and warranties on residential mortgage loans sold

In connection with Investment Banking's sale of US residential mortgage loans, the Group has provided certain representations and warranties relating to the loans sold.

The following tables present the total amount of residential mortgage loans sold during the period from January 1, 2004 to December 31, 2011 by counterparty type, the outstanding repurchase claims during the period July 1, 2011 to December 31, 2011, the development of provisions for outstanding repurchase claims during the period January 1, 2011 to December 31, 2011 and the realized losses from the repurchase of residential mortgage loans sold.

Residential mortgage loans sold

Residential mortgage loans sold from January 1, 2004 to December 31, 2011 (USD billion)

Government-sponsored enterprises	8.2
Private investors ¹	22.1
Non-agency securitizations	128.5 ²
Total	158.8

¹ Primarily banks. ² The outstanding balance of residential mortgage loans sold as of December 31, 2011 was USD 30.9 billion. The difference of the total balance of mortgage loans sold and the outstanding balance as of December 31, 2011 was attributable to borrower payments of USD 82.1 billion and losses of USD 15.5 billion due to loan defaults.

Residential mortgage loans sold – repurchase claims

	2011			
	Government-sponsored enterprises	Private investors	Non-agency securitizations	Total
Outstanding repurchase claims (USD million)				
Balance as of July 1	60	487	1,084	1,631
New claims	29	10	1,160	1,199
Claims settled through repurchases	0	(1)	(4)	(5) ¹
Other settlements	(8)	0	(3)	(11) ²
Total claims settled	(8)	(1)	(7)	(16)
Claims rescinded	(13)	(64)	(28)	(105)
Transfers to arbitration and litigation ³			(1,966)	(1,966)
Balance as of December 31 ⁴	68	432	243	743

¹ Settled at a repurchase price of USD 5 million. ² Settled at USD 9 million. ³ Refer to "Note 35 – Litigation" for repurchase claims that are in arbitration or litigation. ⁴ As of December 31, 2010, total outstanding repurchase claims were USD 473 million, of which USD 39 million, USD 434 million and USD 0 million related to government-sponsored enterprises, private investors and non-agency securitizations, respectively.

Residential mortgage loans sold – provisions for outstanding repurchase claims

	2011
Provisions for outstanding repurchase claims (USD million) ¹	
Balance as of January 1	29
Increase/(decrease) in provisions, net	47
Realized losses ²	(17)
Balance as of December 31	59 ³

¹ Excludes provisions for repurchase claims related to residential mortgage loans sold that are in arbitration or litigation. Refer to "Note 35 – Litigation" for further information. ² Includes indemnifications paid to resolve loan repurchase claims. ³ Substantially all related to government-sponsored enterprises.

Losses from repurchase of residential mortgage loans sold

in	2011	2010	2009
Losses from repurchase of residential mortgage loans sold (USD million)			
Realized losses	17 ¹	24 ²	24 ²

Includes indemnifications paid to resolve loan repurchase claims.

¹ Primarily related to government-sponsored enterprises and non-agency securitizations. ² Primarily related to government-sponsored enterprises.

Lease commitments

Lease commitments (CHF million)

2012	570
2013	521
2014	444
2015	393
2016	361
Thereafter	1,941
Future operating lease commitments	4,230
Less minimum non-cancellable sublease rentals	416
Total net future minimum lease commitments	3,814

Rental expense for operating leases

in	2011	2010	2009
Rental expense for operating leases (CHF million)			
Minimum rental expense	530	605	577
Sublease rental income	(96)	(122)	(125)
Total net expenses for operating leases	434	483	452

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
2011 (CHF million)							
Irrevocable commitments under documentary credits	5,638	3	40	0	5,681	5,201	2,371
Loan commitments	147,537	19,951	35,746	7,108	210,342 ²	205,125	136,511
Forward reverse repurchase agreements	28,885	0	0	0	28,885	28,885	28,885
Other commitments	1,429	405	872	872	3,578	3,578	33
Total other commitments	183,489	20,359	36,658	7,980	248,486	242,789	167,800
2010 (CHF million)							
Irrevocable commitments under documentary credits	4,489	10	41	0	4,540	4,151	1,882
Loan commitments	144,297	35,431	12,232	8,088	200,048 ²	193,495	133,211
Forward reverse repurchase agreements	51,968	0	0	0	51,968	51,968	51,968
Other commitments	1,347	832	1,096	554	3,829	3,829	53
Total other commitments	202,101	36,273	13,369	8,642	260,385	253,443	187,114

¹ Total net amount is computed as the gross amount less any participations. ² Included as of December 31, 2011 and 2010 were CHF 128,058 million and CHF 127,241 million, respectively, of unused credit limits which were revocable at the Bank's sole discretion upon notice to the client.

There are redeemable noncontrolling interests in the Bank's consolidated Brazilian subsidiary Credit Suisse Hedging-Griffo Investimentos S.A. The minority investors have the right to put their interest at a value that is based on a formula relating to the subsidiary's performance. The put is exercisable by May 30, 2012 and, if exercised, would give the Bank full control and ownership. The Bank estimated the redemption value of the put

to be BRL 1,209 million (CHF 609 million). The Bank elected to accrete the value of the payment over 2011 and as of December 31, 2011, the estimated purchase price had been fully accrued in the balance of the redeemable noncontrolling interest in other liabilities and related commitments were released accordingly. In addition, the Bank has a call option to acquire the noncontrolling interests by June 9, 2012.

- ▶ Refer to “Note 31 – Guarantees and commitments” in V – Consolidated financial statements – Credit Suisse Group for further information.

31 Transfers of financial assets and variable interest entities

Transfers of financial assets

Securitizations

- ▶ Refer to “Note 32 – Transfers of financial assets and variable interest entities” in V – Credit Suisse Group – Consolidated financial statements for further information.

The following table provides the gains or losses and proceeds from the transfer of assets relating to 2011, 2010 and 2009 securitizations of financial assets that qualify for sale accounting and subsequent derecognition, along with the cash flows between the Bank and the SPEs used in any securitizations in which the Bank still has continuing involvement as of the end of 2011, 2010 and 2009, regardless of when the securitization occurred.

Securitizations

in	2011	2010	2009
Gains and cash flows (CHF million)			
CMBS			
Net gain ¹	6	13	0
Proceeds from transfer of assets	974	523	144
Servicing fees	1	1	1
Cash received on interests that continue to be held	205	150	244
RMBS			
Net gain ¹	65	214	194
Proceeds from transfer of assets	30,695	52,308	34,246
Purchases of previously transferred financial assets or their underlying collateral	(4)	0	(46)
Servicing fees	3	6	6
Cash received on interests that continue to be held	382	488	329
ABS²			
Net gain ¹	0	0	19
Proceeds from transfer of assets	0	0	104
Purchases of previously transferred financial assets or their underlying collateral	0	0	(18)
Cash received on interests that continue to be held	4	6	18
CDO			
Net gain ¹	25	69	107
Proceeds from transfer of assets	988	2,952	2,374
Purchases of previously transferred financial assets or their underlying collateral ³	(206)	(1,823)	(1,850)
Cash received on interests that continue to be held	32	157	13

¹ Includes underwriting revenues, deferred origination fees, gains or losses on the sale of collateral to the SPE and gains or losses on the sale of newly issued securities to third parties, but excludes net interest income on assets prior to the securitization. The gains or losses on the sale of the collateral are 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. ³ Represents market-making activity and voluntary repurchases at fair value where no repurchase obligations were present.

Other asset-backed financing activities

The following table provides the gains or losses and proceeds from the transfer of assets relating to 2011, 2010 and 2009 transfers (which were not securitizations) treated as sales,

along with the cash flows between the Bank and the SPEs used in such transfers in which the Bank had continuing involvement as of the end of 2011, 2010 and 2009, regardless of when the transfer of assets occurred.

Other asset-backed financing activities

in	2011	2010	2009
Gains and cash flows (CHF million)			
Net gain/(loss) ¹	(1)	16	12
Proceeds from transfer of assets ²	280	1,424	3,494
Purchases of previously transferred financial assets or their underlying collateral	(50)	(696)	(219)
Cash received on interests that continue to be held	665	1,376	1,422

¹ Includes underwriting revenues, deferred origination fees, gains or losses on the sale of collateral to the SPE and gains or losses on the sale of newly issued securities to third parties, but excludes net interest income on assets prior to the other asset-backed financing activity. The gains or losses on the sale of the collateral are the difference between the fair value on the day prior to the other asset-backed financing activity pricing date and the sale price of the loans. ² Primarily home equity loans.

Continuing involvement in transferred financial assets

The following table provides the outstanding principal balance of assets to which the Bank continued to be exposed after the

transfer of the financial assets to any SPE and the total assets of the SPE as of the end of 2011 and 2010, regardless of when the transfer of assets occurred.

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

end of	2011	2010
CHF million		
CMBS		
Principal amount outstanding	35,487	45,129
Total assets of SPE	52,536	65,667
RMBS		
Principal amount outstanding	91,242	79,077
Total assets of SPE	95,297	85,556
ABS		
Principal amount outstanding	3,023	4,171
Total assets of SPE	3,023	4,171
CDO		
Principal amount outstanding	20,729	29,275
Total assets of SPE	20,729	29,279
Other asset-backed financing activities		
Principal amount outstanding	11,481	10,770
Total assets of SPE	11,555	10,770

Principal amounts outstanding relate to assets transferred from the Bank and do not include principle amounts for assets transferred from third parties.

Fair value of beneficial interests

The fair value measurement of the beneficial interests held at the time of transfer and as of the reporting date that result from any continuing involvement is determined using fair value estimation techniques, such as the present value of estimated future cash flows that incorporate assumptions that market participants customarily use in these valuation techniques. The fair value of the assets or liabilities that result from any continuing involvement does not include any benefits from financial instruments that the Bank may utilize to hedge the inherent risks.

Key economic assumptions at the time of transfer

In January 2010, the Financial Accounting Standards Board amended the disclosure requirements for the Bank's reporting of the fair value of beneficial interests retained at the time of transfer. Further, the beneficial interests are categorized according to their fair value hierarchy levels.

- ▶ Refer to "Note 32 – Financial instruments" for further information on fair value hierarchy.

Key economic assumptions used in measuring fair value of beneficial interests at time of transfer

at time of transfer in	2011		2010	
	CMBS	RMBS	CMBS	RMBS
CHF million, except where indicated				
Fair value of beneficial interests	57	5,095	79	3,110
of which level 2	42	4,695	79	2,751
of which level 3	15	399	0	359
Weighted-average life, in years	7.2	5.4	6.4	7.7
Prepayment speed assumption (rate per annum), in % ¹	15.0	9.0-34.9	–	0.0-43.7
Cash flow discount rate (rate per annum), in % ²	2.9-10.6	0.5-71.2	5.5-10.2	0.0-70.1
Expected credit losses (rate per annum), in %	1.2-9.3	0.3-71.0	3.2-8.0	0.0-71.5

Transfers of assets in which the Bank does not have beneficial interests are not included in this table.

¹ Prepayment speed assumption (PSA) is an industry standard prepayment speed metric used for projecting prepayments over the life of a residential mortgage loan. PSA utilizes the constant prepayment rate (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. ² The rate was based on the weighted-average yield on the beneficial interests.

Sensitivity analysis

The following tables provide the sensitivity analysis of key economic assumptions used in measuring the fair value of beneficial interests held in SPEs as of the end of 2011 and 2010.

Key economic assumptions used in measuring fair value of beneficial interests held in SPEs

end of 2011	CMBS ¹	RMBS	ABS	CDO ²	Other asset-backed financing activities
CHF million, except where indicated					
Fair value of beneficial interests	342	2,960	10	244	1,500
of which non-investment grade	133	688	10	42	1,461
Weighted-average life, in years	4.1	5.3	18.9	2.9	2.4
Prepayment speed assumption (rate per annum), in % ³	–	01.-30.0	–	–	–
Impact on fair value from 10% adverse change	–	(44.2)	–	–	–
Impact on fair value from 20% adverse change	–	(86.6)	–	–	–
Cash flow discount rate (rate per annum), in % ⁴	2.3-50.1	0.3-49.1	–	2.6-58.7	0.7-12.8
Impact on fair value from 10% adverse change	(30.5)	(94.4)	–	(3.9)	(4.3)
Impact on fair value from 20% adverse change	(36.2)	(151.9)	–	(7.3)	(8.6)
Expected credit losses (rate per annum), in %	1.9-49.0	0.9-48.9	–	5.4-31.8	9.5-12.2
Impact on fair value from 10% adverse change	(29.8)	(83.6)	–	(2.7)	(4.1)
Impact on fair value from 20% adverse change	(34.8)	(131.5)	–	(5.1)	(8.1)
end of 2010					
CHF million, except where indicated					
Fair value of beneficial interests	412	1,694	22	262	2,440
of which non-investment grade	25	1,070	22	35	2,397
Weighted-average life, in years	3.4	6.9	11.4	1.8	3.7
Prepayment speed assumption (rate per annum), in % ³	–	0.2-35.8	0.0-4.1	–	–
Impact on fair value from 10% adverse change	–	(38.8)	(0.1)	–	–
Impact on fair value from 20% adverse change	–	(78.1)	(0.3)	–	–
Cash flow discount rate (rate per annum), in % ⁴	2.2-40.3	2.2-52.5	7.5-28.0	0.7-29.2	0.8-7.8
Impact on fair value from 10% adverse change	(13.7)	(61.8)	(1.0)	(1.3)	(4.6)
Impact on fair value from 20% adverse change	(26.6)	(117.6)	(1.8)	(2.6)	(9.3)
Expected credit losses (rate per annum), in %	1.8-40.2	1.5-49.9	3.6-24.9	0.8-27.6	6.6-13.3
Impact on fair value from 10% adverse change	(9.8)	(48.2)	(0.6)	(0.8)	(4.1)
Impact on fair value from 20% adverse change	(19.2)	(92.1)	(1.2)	(1.5)	(8.4)

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 was not achieved as of the end of 2011 and 2010.

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

end of	2011	2010
CHF million		
CMBS		
Other assets	664	602
Liability to SPE, included in Other liabilities	(664)	(602)
RMBS		
Other assets	12	58
Liability to SPE, included in Other liabilities	(12)	(58)
ABS		
Trading assets	43	19
Other assets	1,268	1,341
Liability to SPE, included in Other liabilities	(1,312)	(1,360)
CDO		
Trading assets	40	203
Other assets	206	171
Liability to SPE, included in Other liabilities	(246)	(374)
Other asset-backed financing activities		
Trading assets	1,768	1,381
Other assets	0	29
Liability to SPE, included in Other liabilities	(1,768)	(1,410)

Variable interest entities

- ▶ Refer to “Note 32 – Transfers of financial assets and variable interest entities” in V – Consolidated financial statements – Credit Suisse Group for further information.

Consolidated VIEs

The Bank has significant involvement with VIEs in its role as a financial intermediary on behalf of clients. The Bank consolidated all VIEs related to financial intermediation for which it was the primary beneficiary.

Consolidated VIEs in which the Bank was the primary beneficiary

end of 2011	Financial intermediation						Total
	CDO	CP Conduit	Securi- tizations	Funds	Loans	Other	
Assets of consolidated VIEs (CHF million)							
Cash and due from banks	1,202	24	0	43	102	25	1,396
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	0	19	0	0	0	0	19
Trading assets	1,207	728	18	2,681	554	1,211	6,399
Investment securities	0	41	0	0	0	0	41
Other investments	0	0	0	0	1,863	483	2,346
Net loans	0	4,720	0	0	62	1,158	5,940
Premises and equipment	0	0	0	0	527	82	609
Loans held-for-sale	7,231	0	3,941	0	2	0	11,174
Other assets	43	751	0	30	740	263	1,827
Total assets of consolidated VIEs	9,683	6,283	3,959	2,754	3,850	3,222	29,751
Liabilities of consolidated VIEs (CHF million)							
Customer deposits	0	0	0	0	0	221	221
Trading liabilities	30	0	0	0	3	1,253	1,286
Short-term borrowings	0	6,141	0	0	0	0	6,141
Long-term debt	9,383	24	4,483	276	227	465	14,858
Other liabilities	69	2	0	24	157	493	745
Total liabilities of consolidated VIEs	9,482	6,167	4,483	300	387	2,432	23,251

Consolidated VIEs in which the Bank was the primary beneficiary

end of 2010	Financial intermediation						Total
	CDO	CP Conduit	Securi- tizations	Funds	Loans	Other	
Assets of consolidated VIEs (CHF million)							
Cash and due from banks	1,011	24	95	118	129	55	1,432
Trading assets	1,943	1,392	31	3,417	605	1,329	8,717
Investment securities	0	72	0	0	0	0	72
Other investments	0	0	0	46	1,781	507	2,334
Net loans	0	2,521	0	0	60	1,164	3,745
Premises and equipment	0	0	0	0	0	33	33
Loans held-for-sale	7,510	0	7,960	0	0	0	15,470
Other assets	58	1,278	1	65	2,276	421	4,099
Total assets of consolidated VIEs	10,522	5,287	8,087	3,646	4,851	3,509	35,902
Liabilities of consolidated VIEs (CHF million)							
Customer deposits	0	0	0	0	0	54	54
Trading liabilities	33	0	0	149	0	6	188
Short-term borrowings	0	4,307	0	26	0	0	4,333
Long-term debt	9,617	23	9,139	499	221	240	19,739
Other liabilities	54	6	99	32	321	327	839
Total liabilities of consolidated VIEs	9,704	4,336	9,238	706	542	627	25,153

Non-consolidated VIEs

Non-consolidated VIE assets are related to the non-consolidated VIEs with which the Bank has variable interests. These amounts represent the assets of the entities themselves and

are typically unrelated to the exposures the Bank has with the entity and thus are not amounts that are considered for risk management purposes.

Non-consolidated VIEs

end of 2011	Financial intermediation					Total
	CDO	Securizations	Funds	Loans	Other	
Variable interest assets (CHF million)						
Trading assets	126	5,497	574	834	2,079	9,110
Net loans	0	123	1,209	4,742	3,257	9,331
Other assets	0	0	14	0	369	383
Total variable interest assets	126	5,620	1,797	5,576	5,705	18,824
Maximum exposure to loss (CHF million)						
Maximum exposure to loss	153	7,056	2,008	6,051	6,075	21,343
Non-consolidated VIE assets (CHF million)						
Non-consolidated VIE assets	7,093	113,845	48,842	23,633	10,440	203,853

end of 2010	Financial intermediation					Total
	CDO	Securizations	Funds	Loans	Other	
Variable interest assets (CHF million)						
Trading assets	130	3,847	1,423	645	2,905	8,950
Net loans	332	145	1,106	6,520	2,031	10,134
Other assets	0	0	57	0	32	89
Total variable interest assets	462	3,992	2,586	7,165	4,968	19,173
Maximum exposure to loss (CHF million)						
Maximum exposure to loss	634	7,686	2,716	7,936	5,370	24,342
Non-consolidated VIE assets (CHF million)						
Non-consolidated VIE assets	10,491	115,024	52,430	31,006	8,639	217,590

32 Financial instruments

- ▶ Refer to “Note 33 – Financial instruments” in V – Consolidated financial statements – Credit Suisse Group for further information.

Assets and liabilities measured at fair value on a recurring basis

end of 2011	Level 1	Level 2	Level 3	Netting impact ¹	Total
Assets (CHF million)					
Interest-bearing deposits with banks	0	405	0	0	405
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	0	157,469	1,204	0	158,673
Debt	94	3,853	112	0	4,059
of which corporates	0	3,818	112	0	3,930
Equity	25,932	51	81	0	26,064
Securities received as collateral	26,026	3,904	193	0	30,123
Debt	82,197	52,046	9,941	0	144,184
of which foreign governments	61,507	8,113	358	0	69,978
of which corporates	297	27,167	5,076	0	32,540
of which RMBS	19,331	5,848	1,786	0	26,965
of which CMBS	0	4,556	1,517	0	6,073
of which CDO	0	6,316	727	0	7,043
Equity	56,351	8,333	454	0	65,138
Derivatives	6,295	908,778	9,586	(872,589)	52,070
of which interest rate products	2,017	724,276	2,547	–	–
of which foreign exchange products	1	74,695	1,038	–	–
of which equity/index-related products	3,770	32,737	2,731	–	–
of which credit derivatives	0	61,083	2,172	–	–
Other	8,851	3,636	2,195	0	14,682
Trading assets	153,694	972,793	22,176	(872,589)	276,074
Debt	3,009	310	102	0	3,421
of which foreign governments	3,010	0	18	0	3,028
of which corporates	0	309	43	0	352
of which CDO	0	0	41	0	41
Equity	9	81	0	0	90
Investment securities	3,018	391	102	0	3,511
Private equity	0	0	4,143	0	4,143
of which equity funds	0	0	2,973	0	2,973
Hedge funds	0	232	266	0	498
of which debt funds	0	154	172	0	326
Other equity investments	403	50	2,490	0	2,943
of which private	0	40	2,491	0	2,531
Life finance instruments	0	0	1,968	0	1,968
Other investments	403	282	8,867	0	9,552
Loans	0	13,852	6,842	0	20,694
of which commercial and industrial loans	0	7,591	4,559	0	12,150
of which financial institutions	0	5,480	2,179	0	7,659
Other intangible assets (mortgage servicing rights)	0	0	70	0	70
Other assets	5,451	22,951	7,469	(205)	35,666
of which loans held-for-sale	0	12,104	6,901	0	19,005
Total assets at fair value	188,592	1,172,047	46,923	(872,794)	534,768
Less other investments – equity at fair value attributable to noncontrolling interests	(295)	(99)	(3,944)	0	(4,338)
Less assets consolidated under ASU 2009-17 ²	0	(9,304)	(4,003)	0	(13,307)
Assets at fair value excluding noncontrolling interests and assets not consolidated under the Basel framework	188,297	1,162,644	38,976	(872,794)	517,123

¹ Derivative contracts are reported on a gross basis by level. The impact of netting represents legally enforceable netting agreements. ² Assets of consolidated VIEs that are not risk-weighted assets under the Basel framework.

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

end of 2011	Level 1	Level 2	Level 3	Netting impact ¹	Total
Liabilities (CHF million)					
Due to banks	0	3,564	0	0	3,564
Customer deposits	0	3,762	0	0	3,762
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	0	136,483	0	0	136,483
Debt	94	3,853	112	0	4,059
of which corporates	0	3,818	112	0	3,930
Equity	25,932	51	81	0	26,064
Obligation to return securities received as collateral	26,026	3,904	193	0	30,123
Debt	38,680	9,301	21	0	48,002
of which foreign governments	38,622	829	0	0	39,451
of which corporates	6	7,590	13	0	7,609
Equity	19,053	461	7	0	19,521
Derivatives	6,070	919,806	7,314	(874,015)	59,175
of which interest rate products	1,941	717,260	1,588	–	–
of which foreign exchange products	1	91,843	2,836	–	–
of which equity/Index-related products	3,596	36,652	1,021	–	–
of which credit derivatives	0	58,459	1,520	–	–
Trading liabilities	63,803	929,568	7,342	(874,015)	126,698
Short-term borrowings	0	3,311	236	0	3,547
Long-term debt	122	55,419	12,715	0	68,256
of which treasury debt over two years	0	13,411	0	0	13,411
of which structured notes over two years	1	19,694	7,576	0	27,271
of which non-recourse liabilities	121	10,564	3,585	0	14,270
Other liabilities	0	27,283	3,890	(335)	30,838
of which failed sales	0	3,821	1,909	0	5,730
Total liabilities at fair value	89,951	1,163,294	24,376	(874,350)	403,271

¹ Derivative contracts are reported on a gross basis by level. The impact of netting represents legally enforceable netting agreements.

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

end of 2010	Level 1	Level 2	Level 3	Netting impact ¹	Total
Assets (CHF million)					
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	0	135,709	1,197	0	136,906
Debt	431	5,781	0	0	6,212
of which corporates	0	5,551	0	0	5,551
Equity	35,872	16	0	0	35,888
Securities received as collateral	36,303	5,797	0	0	42,100
Debt	84,904	57,438	10,886	0	153,228
of which foreign governments	67,766	8,096	373	0	76,235
of which corporates	172	34,429	3,802	0	38,403
of which RMBS	16,233	6,936	3,264	0	26,433
of which CMBS	0	2,220	1,861	0	4,081
of which CDO	0	5,704	1,135	0	6,839
Equity	90,779	9,795	622	0	101,196
Derivatives	6,962	663,164	8,719	(631,069)	47,776
of which interest rate products	3,217	475,688	2,072	–	–
of which foreign exchange products	1	83,663	842	–	–
of which equity/index-related products	2,960	32,127	2,301	–	–
of which credit derivatives	0	46,822	2,725	–	–
Other	6,821	10,218	2,017	0	19,056
Trading assets	189,466	740,615	22,244	(631,069)	321,256
Debt	5,625	399	79	0	6,103
of which foreign governments	5,625	0	18	0	5,643
of which corporates	0	387	0	0	387
of which CDO	0	11	62	0	73
Equity	4	85	0	0	89
Investment securities	5,629	484	79	0	6,192
Private equity	0	0	4,370	0	4,370
of which equity funds	0	0	3,277	0	3,277
Hedge funds	0	575	259	0	834
of which debt funds	0	185	165	0	350
Other equity investments	612	807	4,717	0	6,136
of which private	8	614	4,714	0	5,336
Life finance instruments	0	0	1,844	0	1,844
Other investments	612	1,382	11,190	0	13,184
Loans	0	12,294	6,258	0	18,552
of which commercial and industrial loans	0	6,574	3,558	0	10,132
of which financial institutions	0	5,389	2,195	0	7,584
Other intangible assets (mortgage servicing rights)	0	0	66	0	66
Other assets	5,886	24,475	9,253	(195)	39,419
of which loans held-for-sale	0	14,866	8,932	0	23,798
Total assets at fair value	237,896	920,756	50,287	(631,264)	577,675
Less other investments – equity at fair value attributable to noncontrolling interests	(522)	(870)	(5,163)	0	(6,555)
Less assets consolidated under ASU 2009-17 ²	0	(11,655)	(7,155)	0	(18,810)
Assets at fair value excluding noncontrolling interests and assets not consolidated under the Basel framework	237,374	908,231	37,969	(631,264)	552,310

¹ Derivative contracts are reported on a gross basis by level. The impact of netting represents legally enforceable netting agreements. ² Assets of consolidated VIEs that are not risk-weighted assets under the Basel framework.

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

end of 2010	Level 1	Level 2	Level 3	Netting impact ¹	Total
Liabilities (CHF million)					
Due to banks	0	3,995	0	0	3,995
Customer deposits	0	2,855	0	0	2,855
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	0	123,190	507	0	123,697
Debt	431	5,781	0	0	6,212
of which corporates	0	5,551	0	0	5,551
Equity	35,872	16	0	0	35,888
Obligation to return securities received as collateral	36,303	5,797	0	0	42,100
Debt	44,635	11,351	65	0	56,051
of which foreign governments	44,466	1,130	0	0	45,596
of which corporates	6	9,426	65	0	9,497
Equity	19,720	394	28	0	20,142
Derivatives	6,693	673,693	9,106	(631,748)	57,744
of which interest rate products	2,980	470,354	1,342	–	–
of which foreign exchange products	16	95,919	2,941	–	–
of which equity/Index-related products	2,847	36,098	2,938	–	–
of which credit derivatives	0	45,342	1,256	–	–
Trading liabilities	71,048	685,438	9,199	(631,748)	133,937
Short-term borrowings	0	3,185	123	0	3,308
Long-term debt	402	64,275	16,797	0	81,474
of which treasury debt over two years	0	18,666	0	0	18,666
of which structured notes over two years	0	20,170	9,488	0	29,658
of which non-recourse liabilities	402	12,200	6,825	0	19,427
Other liabilities	0	25,903	3,733	(596)	29,040
of which failed sales	0	3,885	1,849	0	5,734
Total liabilities at fair value	107,753	914,638	30,359	(632,344)	420,406

¹ Derivative contracts are reported on a gross basis by level. The impact of netting represents legally enforceable netting agreements.

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

2011	Balance at beginning of period	Transfers in	Transfers out	Purchases
Assets (CHF million)				
Interest-bearing deposits with banks	0	0	(24)	27
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	1,197	0	(11)	0
Securities received as collateral	0	201	0	0
Debt	10,886	3,405	(3,043)	10,382
of which corporates	3,802	931	(706)	5,484
of which RMBS	3,264	1,704	(1,277)	2,820
of which CMBS	1,861	324	(237)	831
of which CDO	1,135	370	(625)	712
Equity	622	309	(515)	713
Derivatives	8,719	2,998	(2,311)	0
of which interest rate products	2,072	815	(142)	0
of which equity/index-related products	2,301	666	(796)	0
of which credit derivatives	2,725	1,216	(1,267)	0
Other	2,017	195	(434)	2,806
Trading assets	22,244	6,907	(6,303)	13,901
Investment securities	79	2	0	48
Equity	9,346	26	(74)	986
Life finance instruments	1,844	0	0	79
Other investments	11,190	26	(74)	1,065
Loans	6,258	1,560	(1,367)	1,335
of which commercial and industrial loans	3,558	1,411	(854)	447
of which financial institutions	2,195	149	(240)	836
Other intangible assets	66	0	0	23
Other assets	9,253	6,198	(6,988)	4,730
of which loans held-for-sale ²	8,932	5,988	(6,974)	4,426
Total assets at fair value	50,287	14,894	(14,767)	21,129
Liabilities (CHF million)				
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	507	0	(293)	0
Obligation to return securities received as collateral	0	201	0	0
Trading liabilities	9,199	1,276	(2,062)	214
of which interest rate derivatives	1,342	91	(45)	0
of which foreign exchange derivatives	2,941	48	(135)	0
of which equity/index-related derivatives	2,938	113	(716)	0
of which credit derivatives	1,256	949	(1,072)	0
Short-term borrowings	123	64	(23)	0
Long-term debt	16,797	7,346	(8,522)	0
of which structured notes over two years	9,488	1,911	(2,109)	0
of which non-recourse liabilities	6,825	5,187	(6,213)	0
Other liabilities	3,733	663	(383)	290
of which failed sales	1,849	607	(345)	237
Total liabilities at fair value	30,359	9,550	(11,283)	504
Net assets/liabilities at fair value	19,928	5,344	(3,484)	20,625

¹ For all transfers to level 3 or out of level 3, the Bank determines and discloses as level 3 events only gains or losses through the last day of the reporting period. ² Includes unrealized losses recorded in trading revenues of CHF 528 million primarily related to sub-prime exposures to RMBS (including non-agency), partially offset by gains from consolidated SPE positions and the foreign exchange translation impact across the loans held-for-sale portfolio.

Sales	Issuances	Settlements	Trading revenues		Other revenues		Foreign currency translation impact	Balance at end of period
			On transfers in / out ¹	On all other	On transfers in / out ¹	On all other		
0	0	0	(1)	(2)	0	0	0	0
0	55	(45)	0	4	0	0	4	1,204
0	0	(7)	0	0	0	0	(1)	193
(11,178)	0	0	1	(467)	0	0	(45)	9,941
(4,573)	0	0	34	49	0	0	55	5,076
(4,230)	0	0	(37)	(361)	0	0	(97)	1,786
(1,072)	0	0	(2)	(181)	0	0	(7)	1,517
(907)	0	0	16	33	0	0	(7)	727
(668)	0	0	35	(47)	0	0	5	454
0	777	(3,085)	22	2,436	0	0	30	9,586
0	133	(599)	13	266	0	0	(11)	2,547
0	272	(184)	(21)	455	0	0	38	2,731
0	86	(2,051)	31	1,452	0	0	(20)	2,172
(2,300)	0	(43)	(7)	(68)	0	0	29	2,195
(14,146)	777	(3,128)	51	1,854	0	0	19	22,176
(18)	0	(4)	0	0	0	0	(5)	102
(4,605)	0	0	0	30	0	1,255	(65)	6,899
(83)	0	0	0	116	0	0	12	1,968
(4,688)	0	0	0	146	0	1,255	(53)	8,867
(978)	2,483	(2,338)	18	(122)	0	0	(7)	6,842
(521)	1,984	(1,494)	2	(2)	0	0	28	4,559
(353)	371	(608)	(1)	(143)	0	0	(27)	2,179
0	0	0	0	0	0	(19)	0	70
(5,534)	1,570	(1,442)	(105)	(161)	0	1	(53)	7,469
(5,180)	1,569	(1,443)	(105)	(255)	0	0	(57)	6,901
(25,364)	4,885	(6,964)	(37)	1,719	0	1,237	(96)	46,923
0	0	(199)	(4)	0	0	0	(11)	0
0	0	(7)	0	0	0	0	(1)	193
(290)	502	(1,928)	203	259	0	0	(31)	7,342
0	2	(194)	(4)	383	0	0	13	1,588
0	17	(704)	7	655	0	0	7	2,836
0	153	(347)	181	(1,236)	0	0	(65)	1,021
0	136	(414)	19	622	0	0	24	1,520
0	320	(229)	1	(24)	0	0	4	236
0	6,253	(8,383)	(166)	(490)	0	0	(120)	12,715
0	2,921	(3,566)	(55)	(932)	0	0	(82)	7,576
0	2,609	(4,393)	(117)	(215)	0	0	(98)	3,585
(437)	17	(245)	(45)	181	0	128	(12)	3,890
(403)	0	0	(11)	(20)	0	0	(5)	1,909
(727)	7,092	(10,991)	(11)	(74)	0	128	(171)	24,376
(24,637)	(2,207)	4,027	(26)	1,793	0	1,109	75	22,547

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

2010	Balance at beginning of period	Transfers in	Transfers out	Purchases, sales, issuances, settlements ¹
Assets (CHF million)				
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	1,514	0	0	(209)
Debt	11,975	3,142	(2,422)	(2,081)
of which corporates	4,811	770	(604)	(865)
of which RMBS	3,626	1,239	(1,093)	(824)
of which CMBS	2,461	259	(207)	(577)
of which CDO	559	607	(435)	(28)
Equity	487	334	(177)	48
Derivatives	11,192	2,493	(2,156)	(2,412)
of which interest rate products	1,529	576	(206)	(109)
of which equity/index-related products	3,298	236	(644)	(744)
of which credit derivatives	4,339	1,407	(1,060)	(870)
Other	2,310	688	(778)	14
Trading assets	25,964	6,657	(5,533)	(4,431)
Investment securities	86	0	(133)	148
Equity	11,944	328	(380)	(2,322)
Life finance instruments	2,048	0	0	(134)
Other investments	13,992	328	(380)	(2,456)
Loans	11,079	1,215	(3,686)	(1,689)
of which commercial and industrial loans	8,346	703	(1,644)	(3,251)
of which financial institutions	2,454	160	(1,839)	1,439
Other intangible assets	30	0	0	91
Other assets	6,744	4,808	(7,169)	4,158
of which loans held-for-sale	6,220	4,744	(7,132)	4,294
Total assets at fair value	59,409	13,008	(16,901)	(4,388)
Liabilities (CHF million)				
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	206	0	0	356
Trading liabilities	11,951	2,109	(2,632)	(2,135)
of which interest rate derivatives	1,788	387	(307)	(284)
of which foreign exchange derivatives	2,936	156	(16)	(421)
of which equity/index-related derivatives	3,635	194	(744)	(576)
of which credit derivatives	1,996	1,244	(939)	(467)
Short-term borrowings	164	46	(69)	33
Long-term debt	16,645	4,313	(8,780)	4,595
of which structured notes over two years	14,781	1,330	(3,364)	(2,198)
of which non-recourse liabilities	0	2,789	(5,069)	7,975
Other liabilities	3,994	409	(150)	(42)
of which failed sales	1,932	197	(37)	161
Total liabilities at fair value	32,960	6,877	(11,631)	2,807
Net assets/liabilities at fair value	26,449	6,131	(5,270)	(7,195)

¹ Includes CHF 10.1 billion of level 3 assets shown as purchases due to the adoption of ASU 2009-17 as of January 1, 2010. ² For all transfers to level 3 or out of level 3, the Bank determines and discloses as level 3 events only gains or losses through the last day of the reporting period.

	Trading revenues		Other revenues		Foreign currency translation impact	Balance at end of period
	On transfers in / out ²	On all other	On transfers in / out ²	On all other		
	0	8	0	0	(116)	1,197
	193	1,037	0	(2)	(956)	10,886
	45	121	0	(2)	(474)	3,802
	126	491	0	0	(301)	3,264
	12	(73)	0	0	(14)	1,861
	7	526	0	0	(101)	1,135
	(3)	(31)	0	0	(36)	622
	108	302	0	(1)	(807)	8,719
	102	353	0	(1)	(172)	2,072
	104	315	0	0	(264)	2,301
	(141)	(739)	0	0	(211)	2,725
	27	(37)	0	0	(207)	2,017
	325	1,271	0	(3)	(2,006)	22,244
	0	4	0	0	(26)	79
	0	(14)	26	547	(783)	9,346
	0	113	0	0	(183)	1,844
	0	99	26	547	(966)	11,190
	51	81	0	34	(827)	6,258
	43	(267)	0	34	(406)	3,558
	8	362	0	0	(389)	2,195
	0	0	0	(48)	(7)	66
	852	1,043	0	39	(1,222)	9,253
	849	1,106	0	46	(1,195)	8,932
	1,228	2,506	26	569	(5,170)	50,287
	(3)	3	0	0	(55)	507
	397	454	0	0	(945)	9,199
	57	(179)	0	0	(120)	1,342
	5	561	0	0	(280)	2,941
	140	639	0	0	(350)	2,938
	35	(530)	0	0	(83)	1,256
	5	(41)	0	0	(15)	123
	658	1,600	0	0	(2,234)	16,797
	(52)	179	0	0	(1,188)	9,488
	696	1,425	0	0	(991)	6,825
	(39)	(283)	0	170	(326)	3,733
	5	(244)	0	0	(165)	1,849
	1,018	1,733	0	170	(3,575)	30,359
	210	773	26	399	(1,595)	19,928

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

in	2011			2010		
	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	1,767	1,109	2,876 ¹	983	425	1,408 ¹
Whereof:						
Unrealized gains/(losses) relating to assets and liabilities still held as of the reporting date	546	(116)	430	(1,195)	117	(1,078)

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

Nonrecurring fair value changes

end of	2011	2010
Loans recorded at fair value on a nonrecurring basis (CHF billion)		
Loans recorded at fair value on a nonrecurring basis	0.7	0.6
of which level 2	0.0	0.1
of which level 3	0.7	0.5

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

end of	2011			2010		
	Aggregate fair value	Aggregate unpaid principal	Difference	Aggregate fair value	Aggregate unpaid principal	Difference
Loans (CHF million)						
Non-interest-earning loans	807	3,277	(2,470)	758	2,274	(1,516)
Financial instruments (CHF million)						
Interest-bearing deposits with banks	405	404	1	0	0	0
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	158,673	157,889	784	136,906	135,939	967
Loans	20,694	21,382	(688)	18,552	18,677	(125)
Other assets ¹	20,511	30,778	(10,267)	25,078	36,195	(11,117)
Due to banks and customer deposits	(610)	(620)	10	(410)	(420)	10
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(136,483)	(136,396)	(87)	(123,697)	(123,562)	(135)
Short-term borrowings	(3,547)	(3,681)	134	(3,308)	(3,262)	(46)
Long-term debt	(68,256)	(77,211)	8,955	(81,474)	(87,977)	6,503
Other liabilities	(5,730)	(8,210)	2,480	(5,734)	(7,569)	1,835

¹ Primarily loans held-for-sale.

Gains and losses on financial instruments

	2011	2010	2009
in	Net gains/ (losses)	Net gains/ (losses)	Net gains/ (losses)
Financial instruments (CHF million)			
Interest-bearing deposits with banks	0	11 ¹	0
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	1,698 ¹	1,901 ¹	1,363 ¹
Other trading assets	10 ²	46 ²	262 ²
Other investments	196 ²	(225) ³	998 ³
of which related to credit risk	(14)	(2)	0
Loans	(1,105) ²	1,065 ¹	7,976 ²
of which related to credit risk	(256)	707	5,255
Other assets	476 ¹	5,896 ²	1,458 ¹
of which related to credit risk	(332)	589	549
Due to banks and customer deposits	(2) ¹	(27) ²	(9) ¹
of which related to credit risk	45	0	2
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(575) ¹	(471) ¹	(1,421) ¹
Short-term borrowings	91 ²	(51) ²	(778) ²
of which related to credit risk ⁴	(2)	1	6
Long-term debt	2,301 ²	(6,313) ²	(9,729) ²
of which related to credit risk ⁴	1,769	166	(3,705)
Other liabilities	(286) ²	(232) ²	1,299 ²
of which related to credit risk	(348)	(97)	1,125

¹ Primarily recognized in net interest income. ² Primarily recognized in trading revenues. ³ Primarily recognized in other revenues. ⁴ Changes in fair value related to credit risk are due to the change in the Bank's own credit spreads. Other changes in fair value are attributable to changes in foreign currency exchange rates and interest rates, as well as movements in the reference price or index for structured notes.

Fair value, unfunded commitments and term of redemption conditions

end of 2011	Non- redeemable	Redeemable	Total fair value	Unfunded commit- ments
Fair value and unfunded commitments (CHF million)				
Debt funds	45	61	106	0
Equity funds	40	4,864 ¹	4,904	0
Equity funds sold short	0	(78)	(78)	0
Total funds held in trading assets and liabilities	85	4,847	4,932	0
Debt funds	58	268	326	219
Equity funds	4	50	54	0
Others	5	113	118	55
Hedge funds	67	431 ²	498	274
Debt funds	9	0	9	18
Equity funds	2,973	0	2,973	952
Real estate funds	338	0	338	200
Others	823	0	823	231
Private equity	4,143	0	4,143	1,401
Equity method investments	360	0	360	0
Total funds held in other investments	4,570	431	5,001	1,675
Total fair value	4,655 ³	5,278 ⁴	9,933	1,675 ⁵

¹ 46% of the redeemable fair value amount of equity funds is redeemable on demand with a notice period of less than 30 days, 19% is redeemable on a quarterly basis with a notice period primarily of more than 45 days, 18% is redeemable on an annual basis with a notice period primarily of more than 60 days and 17% is redeemable on a monthly basis with a notice period primarily of less than 30 days. ² 72% of the redeemable fair value amount of hedge funds is redeemable on a quarterly basis with a notice period primarily of more than 60 days, 17% is redeemable on an annual basis with a notice period of more than 60 days and 10% is redeemable on demand with a notice period primarily of less than 30 days. ³ Includes CHF 2,248 million attributable to noncontrolling interests. ⁴ Includes CHF 91 million attributable to noncontrolling interests. ⁵ Includes CHF 540 million attributable to noncontrolling interests.

Fair value, unfunded commitments and term of redemption conditions (continued)

end of 2010	Non-redeemable	Redeemable	Total fair value	Unfunded commitments
Fair value and unfunded commitments (CHF million)				
Debt funds	0	29	29	0
Equity funds	36	6,340 ¹	6,376	0
Equity funds sold short	0	(109)	(109)	0
Total funds held in trading assets and liabilities	36	6,260	6,296	0
Debt funds	20	330	350	234
Equity funds	8	219	227	0
Others	5	252	257	0
Hedge funds	33	801 ²	834	234
Debt funds	12	0	12	19
Equity funds	3,277	0	3,277	1,052
Real estate funds	322	0	322	223
Others	759	0	759	214
Private equity	4,370	0	4,370	1,508
Equity method investments	1,183	0	1,183	0
Total funds held in other investments	5,586	801	6,387	1,742
Total fair value	5,622 ³	7,061 ⁴	12,683	1,742 ⁵

¹ 47% of the redeemable fair value amount of equity funds is redeemable on demand with a notice period of less than 30 days, 22% is redeemable on a monthly basis with a notice period primarily of less than 30 days and 16% is redeemable on an annual basis with a notice period primarily of more than 60 days. ² 51% of the redeemable fair value amount of hedge funds is redeemable on a quarterly basis with a notice period primarily of more than 60 days, 22% is redeemable on demand with a notice period of less than 30 days and 17% is redeemable on a monthly basis with a notice period primarily of more than 30 days. ³ Includes CHF 2,399 million attributable to noncontrolling interests. ⁴ Includes CHF 95 million attributable to noncontrolling interests. ⁵ Includes CHF 641 million attributable to noncontrolling interests.

Carrying value and estimated fair values of financial instruments

end of	2011		2010	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets (CHF million)				
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	236,487	236,487	220,708	220,708
Securities received as collateral	30,123	30,123	42,100	42,100
Trading assets	267,222	267,222	321,256	321,256
Investment securities	3,513	3,513	6,331	6,331
Loans	209,326	213,171	200,748	203,346
Other financial assets ¹	235,100	235,139	191,893	191,931
Financial liabilities (CHF million)				
Due to banks and deposits	339,182	339,105	311,442	311,436
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	176,559	176,559	168,394	168,394
Obligation to return securities received as collateral	30,123	30,123	42,100	42,100
Trading liabilities	126,698	126,698	133,937	133,937
Short-term borrowings	24,643	24,644	19,516	19,516
Long-term debt	159,407	156,107	171,140	169,942
Other financial liabilities ²	127,409	127,409	122,801	122,801

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	2011	2010
Assets pledged or assigned (CHF million)		
Book value of assets pledged or assigned as collateral	151,266	163,535
of which assets provided with the right to sell or repledge	96,630	112,030
Fair value of collateral received with the right to sell or repledge	373,199	357,618
of which sold or repledged	332,802	308,316
Other information (CHF million)		
Cash and securities restricted under foreign banking regulations	17,943	16,090
Swiss National Bank required minimum liquidity reserves	2,092	1,883

- ▶ Refer to “Note 34 – Assets pledged or assigned” in V – Consolidated financial statements – Credit Suisse Group for further information.

34 Capital adequacy

The Bank is subject to regulation by the FINMA. The capital levels of the Bank are subject to qualitative judgments by regulators, including FINMA, about the components of capital, risk weightings and other factors. Since January 2008, the Bank has operated under the international capital adequacy standards known as ◉Basel II set forth by the Basel Committee on Banking Supervision (BCBS). These standards affected the measurement of both total eligible capital and ◉risk-weighted assets. In January 2011, as required by FINMA, the Bank implemented BCBS's "Revisions to the Basel II market risk framework" (◉Basel II.5) for FINMA regulatory capital purposes. The Bank has based its capital adequacy calculations

on US GAAP, as permitted by FINMA Circular 2008/34. FINMA has advised the Bank that it may continue to include as tier 1 capital CHF 3.2 billion and CHF 3.1 billion of equity from SPEs which are deconsolidated under US GAAP as of December 31, 2011 and 2010, respectively.

As of December 31, 2011 and 2010, the Bank was adequately capitalized under the regulatory provisions outlined under both FINMA and the Bank for International Settlements (BIS) guidelines.

► Refer to "Note 35 – Capital adequacy" in V – Consolidated financial statements – Credit Suisse Group for further information.

BIS statistics

end of	Basel II.5 2011 ¹	Basel II 2011	Basel II 2010
Eligible capital (CHF million)			
Tier 1 capital	33,459	34,644	35,310
Of which core tier 1 capital	22,571	23,756	24,721
Tier 2 capital	13,169	14,354	12,259
Total eligible capital	46,628	48,998	47,569
Risk-weighted assets (CHF million)			
Credit risk	147,224	145,338	147,516
Market risk	39,810	10,371	18,008
Non-counterparty risk	7,274	7,274	6,819
Operational risk	36,088	36,088	33,663
Risk-weighted assets	230,396	199,071	206,006
Capital ratios (%)			
Core tier 1 ratio	9.8	11.9	12.0
Tier 1 ratio	14.5	17.4	17.1
Total capital ratio	20.2	24.6	23.1

For BIS reporting purposes, Basel II.5 was effective December 31, 2011.

Broker-dealer operations

Certain Bank broker-dealer subsidiaries are also subject to capital adequacy requirements. As of December 31, 2011 and 2010, 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, 2011 and 2010, the Bank was not subject to restrictions on its ability to pay the proposed dividends.

35 Litigation

- Refer to “Note 37 – Litigation” in V – Consolidated financial statements – Credit Suisse Group for further information.

36 Significant subsidiaries and equity method investments

Significant subsidiaries

Equity interest in %	Company name	Domicile	Currency	Nominal capital in million
as of December 31, 2011				
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	1,716.7
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.	Salt Lake City, United States	USD	0.0
100	Credit Suisse (Australia) Limited	Sydney, Australia	AUD	34.1
100	Credit Suisse (Brasil) Distribuidora de Títulos e Valores Mobiliários S.A.	São Paulo, Brazil	BRL	5.0
100	Credit Suisse (Brasil) S.A. Corretora de Títulos e Valores Mobiliários	São Paulo, Brazil	BRL	98.4
100	Credit Suisse (Deutschland) Aktiengesellschaft	Frankfurt, Germany	EUR	130.0
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 (Italy) S.p.A.	Milan, Italy	EUR	109.6
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	126.8
100 ¹	Credit Suisse (USA), Inc.	Wilmington, United States	USD	0.0
100	Credit Suisse Asset Management (UK) Holding Limited	London, United Kingdom	GBP	144.2
100	Credit Suisse Fund Services (Luxembourg) S.A.	Luxembourg, Luxembourg	CHF	1.5
100	Credit Suisse Asset Management Funds (UK) Limited	London, United Kingdom	GBP	15.5
100	Credit Suisse Funds AG	Zurich, Switzerland	CHF	7.0
100	Credit Suisse Asset Management Funds S.p.A. S.G.R.	Milan, Italy	EUR	5.0
100	Credit Suisse Holding Europe (Luxembourg) S.A.	Luxembourg, Luxembourg	CHF	32.6
100	Credit Suisse Asset Management Immobilien Kapitalanlagegesellschaft mbH	Frankfurt, Germany	EUR	6.1
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 Limited	London, United Kingdom	GBP	45.0
100	Credit Suisse Asset Management, LLC	Wilmington, United States	USD	1,064.7
100	Credit Suisse Capital (Guernsey) I Limited	St. Peter Port, Guernsey	USD	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 Finance (Guernsey) Limited	St. Peter Port, Guernsey	USD	0.2
100	Credit Suisse Finance (India) Private Limited	Mumbai, India	INR	1,050.1
100	Credit Suisse First Boston (Latin America 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	349.5
100	Credit Suisse Fund Management S.A.	Luxembourg, Luxembourg	CHF	0.3
100	Credit Suisse Holdings (Australia) Limited	Sydney, Australia	AUD	3.0
100	Credit Suisse Holdings (USA), Inc.	Wilmington, United States	USD	4,185.6
100	Credit Suisse Leasing 92A, L.P.	New York, United States	USD	75.6
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	894.5
100	Credit Suisse Principal Investments Limited	George Town, Cayman Islands	JPY	3,324.0
100	Credit Suisse Private Equity, LLC	Wilmington, United States	USD	42.2
100	Credit Suisse PSL GmbH	Zurich, Switzerland	CHF	0.0
100	Credit Suisse Securities (Canada), Inc.	Toronto, Canada	CAD	3.4
100	Credit Suisse Securities (Europe) Limited	London, United Kingdom	USD	4,277.3
100	Credit Suisse Securities (Hong Kong) Limited	Hong Kong, China	HKD	530.9
100	Credit Suisse Securities (India) Private Limited	Mumbai, India	INR	2,214.8
100	Credit Suisse Securities (Japan) Limited	Tokyo, Japan	JPY	78,100.0
100	Credit Suisse Securities (Johannesburg) (Proprietary) Limited	Johannesburg, South Africa	ZAR	0.0
100	Credit Suisse Securities (Malaysia) Sdn. Bhd.	Kuala Lumpur, Malaysia	MYR	100.0
100	Credit Suisse Securities (Moscow)	Moscow, Russia	RUB	97.1
100	Credit Suisse Securities (Singapore) Pte Limited	Singapore, Singapore	SGD	30.0
100	Credit Suisse Securities (Thailand) Limited	Bangkok, Thailand	THB	500.0
100	Credit Suisse Securities (USA) LLC	Wilmington, United States	USD	3,837.8
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	J O Hambro Investment Management Limited	London, United Kingdom	GBP	0.0
100	Merban Equity AG	Zug, Switzerland	CHF	0.1
100	SPS Holding Corporation	Wilmington, United States	USD	0.1
100	Whist Equity Trading LLC	Wilmington, United States	USD	140.4
99	PT Credit Suisse Securities Indonesia	Jakarta, Indonesia	IDR	235,000.0
94 ²	Credit Suisse International	London, United Kingdom	USD	4,389.6
83	Asset Management Finance LLC	Wilmington, United States	USD	341.6
71	Credit Suisse Saudi Arabia	Riyadh, Saudi Arabia	SAR	300.0
60	Credit Suisse (Qatar) LLC	Doha, Qatar	USD	10.0
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 Remaining 6% held directly by Credit Suisse Group AG. 80% of voting rights and 94% of equity interest held by Credit Suisse AG. ³ 42% of voting rights held directly by Credit Suisse Group AG. ⁴ Controlling interest.

Significant equity method investments

Equity interest in %	Company name	Domicile
as of December 31, 2011		
33	Credit Suisse Founder Securities Limited	Beijing, China
25	E.L. & C. Baillieu Stockbroking (Holdings) Pty Ltd	Melbourne, Australia
25	ICBC Credit Suisse Asset Management Co., Ltd.	Beijing, China
20 ¹	Aberdeen Asset Management PLC	Aberdeen, United Kingdom
5 ²	York Capital Management	New York, United States

¹ In February 2012, the Bank sold a 10% stake in Aberdeen. ² The Bank holds a significant noncontrolling interest.

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

- ▶ Refer to “Note 41 – Significant valuation and income recognition differences between US GAAP and Swiss GAAP bank law (true and fair view)” in V – Consolidated financial statements – Credit Suisse Group for further information.

38 Risk assessment

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

The governance of the Bank and the Group, including risk governance, is fully aligned. Both the Board and the Executive Board are comprised of the same individuals.

- ▶ Refer to “Note 42 – Risk assessment” in V – Consolidated financial statements – Credit Suisse Group for information in accordance with the Swiss Code of Obligations on the risk assessment process followed by the Board.

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 Chief Executive Officer (CEO) and Chief Financial Officer (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.

The CEO and CFO concluded that, as of December 31, 2011, 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, 2011 using the criteria issued by the Committee of Sponsoring Organizations of the Treadway Commission 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, 2011.

KPMG AG, 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, 2011, as stated in their report, which follows.

Changes in internal control over financial reporting

There were no 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.



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

Credit Suisse AG, Zurich

We have audited Credit Suisse AG and subsidiaries' (the "Bank") internal control over financial reporting as of December 31, 2011, 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 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, 2011, 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, 2011 and 2010, and the related consolidated statements of operations, changes in equity, comprehensive income and cash flows, and notes thereto, for each of the years in the three-year period ended December 31, 2011, and our report dated March 23, 2012 expressed an unqualified opinion on those consolidated financial statements.

KPMG AG

Marc Ufer
 Licensed Audit Expert

Simon Ryder
 Licensed Audit Expert

Zurich, Switzerland
 March 23, 2012