

If you are in doubt as to any aspect of this document, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

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Base Listing Document relating to Structured Products to be issued by

Credit Suisse

(incorporated under the laws of Switzerland)

This document includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and is published for the purpose of giving information with regard to us and our derivative warrants (“**Warrants**”) and other structured products (the Warrants and such other structured products are collectively, “**Structured Products**”) to be listed on the Stock Exchange from time to time. This document may be updated and/or amended from time to time by way of addenda. You must ask us if any addenda to this document have been issued.

We accept full responsibility for the accuracy of the information contained in this document and confirm, having made all reasonable enquiries, that to the best of our knowledge and belief there are no other facts the omission of which would make any statement in this document misleading.

You are warned that the prices of Structured Products may fall in value as rapidly as they may rise and you may sustain a total loss of your investment. You should therefore ensure that you understand the nature of the Structured Products and carefully study the risk factors set out in this document and, where necessary, seek professional advice, before you invest in any Structured Products.

The Structured Products constitute our general unsecured contractual obligations and of no other person and will rank equally among themselves and with all our other unsecured obligations (save for those obligations preferred by law) upon liquidation. If you purchase any Structured Products you are relying upon our creditworthiness and have no rights under such Structured Products against (a) the company which has issued the underlying securities; (b) the trustee or the manager of the underlying unit trust; or (c) the index compiler of any underlying index.

**Sponsor and Manager
Credit Suisse (Hong Kong) Limited**

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IMPORTANT INFORMATION

What is this document about?

This document is for information purposes only and does not constitute an offer, an advertisement or invitation to the public to subscribe for or to acquire any Structured Products.

What documents should you read before investing in the Structured Products?

A supplemental listing document will be issued on the issue date of each series of Structured Products, which will include detailed commercial terms of the relevant series.

You must read this document (including any addendum to this document to be issued from time to time) together with such supplemental listing document (including any addendum to such supplemental listing document to be issued from time to time) (together, the “**Listing Documents**”) before investing in any Structured Product. You should carefully study the risk factors set out in the Listing Documents.

What are our credit ratings?

Our senior long term debt ratings are:

<i>Rating agency</i>	<i>Rating as of the date of this document</i>
Moody's Investors Service, Inc.	Aa1
Standard and Poor's Ratings Group	AA-
Fitch IBCA Ltd.	AA-
DBRS Limited	AA

Are we regulated by any bodies referred to in Rule 15A.13(2) or (3) of the Listing Rules?

We are regulated by the Hong Kong Monetary Authority as a registered institution. We are also, amongst others, regulated by the Swiss Federal Banking Commission and the Swiss National Bank.

Are we subject to any litigation?

Save as disclosed in the section headed “Legal Proceedings Information extracted from Credit Suisse Group Annual Report 2007” set out in Appendix 5 of this document, we and our affiliates are not involved in any litigation, claims or arbitration proceedings which are material in the context of any issue of Structured Products. Also, we are not aware of any proceedings or claims which are threatened or pending against us or any member of our group of companies.

Has our financial position changed since last financial year-end?

Save as disclosed in the sections headed “Excerpts from the Press Release dated 20 March 2008” set out in Appendix 6 of this document, there has been no material adverse change in our financial position since 31 December 2007. You may access our latest publicly available financial information by visiting our website at www.credit-suisse.com.

Do you need to pay any transaction cost?

The Stock Exchange charges a trading fee of 0.005 per cent. and the Securities and Futures Commission charges a transaction levy of 0.004 per cent. in respect of each transaction effected on the Stock Exchange payable by each of the seller and the buyer and calculated on the value of the consideration for the Structured Products. The levy for the investor compensation fund is currently suspended.

Do you need to pay any tax?

You may be required to pay stamp duties, taxes and other charges in accordance with the laws and practices of the country of your purchase in addition to the issue price of each Structured Product. See the section headed “Taxation” for further information.

Authorised representatives and acceptance of service

Our authorised representatives are Grant Rippetoe and Desmond Lam, both of 45th Floor, Two Exchange Square, Central, Hong Kong.

Credit Suisse (Hong Kong) Limited (presently at 45th Floor, Two Exchange Square, Central, Hong Kong) has been authorised to accept, on our behalf of, service of process and any other notices required to be served on us.

Where can you inspect the relevant documents?

You may inspect copies of the following documents during usual business hours on any weekday (Saturdays, Sundays and holidays excepted) at the offices of Credit Suisse (Hong Kong) Limited, (presently at 45th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong):

- (a) the consent letter from KPMG Klynveld Peat Marwick Goerdeler SA (our **“Auditors”**) in relation to the inclusion of their three reports on our (i) consolidated financial statements; (ii) internal control and procedures over financial reporting; and (iii) parent company financial statements in this document;
- (b) annual report 2007 of Credit Suisse Group (**“Credit Suisse Group Annual Report 2007”**);
- (c) this document and any addenda or successor document to this document;
- (d) the supplemental listing document as long as the relevant series of Structured Products is listed on the Stock Exchange; and
- (e) a Chinese translation of each of the Listing Documents.

Request for photocopies of the above documents will be subject to a reasonable fee which reflects the costs of making such copies.

The Listing Documents are also available on the website of the Stock Exchange at <http://www.hkex.com.hk/dwrc/search/listsearch.asp>.

各上市文件亦可於聯交所網站 (http://www.hkex.com.hk/dwrc/search/listsearch_c.asp) 瀏覽

Have our Auditors consented to the inclusion of their reports in this document?

Our Auditors have given and have not withdrawn their written consent to the inclusion of their three reports and/or the references to their name, included in this document, in the form and context in which they are included. Their three reports were not prepared exclusively for incorporation in this document. Our Auditors do not have any shareholding in us, nor do they have the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for our securities.

Placing and sale and grey market dealings

No action has been taken to permit a public offering of Structured Products or the distribution of this document in any jurisdiction where action would be required for such purposes. The distribution of this document and the offering of any Structured Products may, in certain jurisdictions, be restricted by law. You must inform yourself of and observe all such restrictions. See the section headed “Placing and Sale” in this document for further details.

Following the launch of a series of Structured Products, we may place all or part of that series with our related party.

The Structured Products may be sold to investors in the grey market in the period between the launch date and the listing date. We will report any dealings in Structured Products by us and/or any of our subsidiaries or associated companies in the grey market to the Stock Exchange on the listing date through the website of the Stock Exchange at www.hkex.com.hk.

The Listing Documents are not the sole basis for making your investment decision

The Listing Documents do not take into account your investment objectives, financial situation or particular needs. The Listing Documents are not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by us or the Sponsor, that you should purchase any of the Structured Products. We do not imply that there has been no change in the information set out in this document since its date.

No person has been authorised to give any information or to make any representations other than those contained in this document in connection with the Structured Products, and, if given or made, such information or representations must not be relied upon as having been authorised by us.

The Stock Exchange and HKSCC have made no assessment of, nor taken any responsibility for, our financial soundness or the merits of investing in any Structured Products, nor have they verified the accuracy or the truthfulness of statements made or opinions expressed in this document.

Governing law of the Structured Products

All contractual documentation for the Structured Products will be governed by, and construed in accordance with, the laws of Hong Kong.

How can you get further information about us or the Structured Products?

You may visit *www.credit-suisse.com* to obtain further information about us and/or the Structured Products.

Capitalised terms

Unless otherwise specified, capitalised terms used in this document have the meanings set out in the General Conditions set out in Appendix 1 and the relevant Product Conditions applicable to the relevant series of Structured Products set out in Appendix 2 (together, “**Conditions**”).

OVERVIEW OF WARRANTS

What is a derivative warrant?

A derivative warrant linked to a share, a unit, an index, a basket of securities or other asset (each an “**Underlying Asset**”) is an instrument which gives the holder a right to “buy” or “sell” the Underlying Asset at, or derives its value by reference to, a pre-set price or level called the Exercise Price/Strike Level on the Exercise Date or the Expiry Date (as the case may be). It usually costs a fraction of the price/level of the Underlying Asset.

A derivative warrant may provide leveraged return to you (but conversely, it could also magnify your losses).

How and when can you get back your investment?

American Style Warrants can be exercised on or before the Expiry Date. European Style Warrants can only be exercised on the Expiry Date.

Our Warrants will be exercised on the Expiry Date or the Exercise Date (as the case may be), entitling you to:

- (a) in the case of cash settled Warrants, a cash amount called the “**Cash Settlement Amount**” (if positive); or
- (b) in the case of physically settled Warrants, physical delivery of a pre-fixed quantity of the Underlying Asset called the “**Entitlement**”,

each according to the Product Conditions applicable to our Warrants.

For cash settled Warrants, you will receive the Cash Settlement Amount less any Exercise Expenses upon expiry or exercise. If the Cash Settlement Amount is equal to or less than the Exercise Expenses, no amount is payable to you upon expiry or exercise of your Warrants.

For physically settled Warrants, you must pay any Exercise Expenses to us and will receive the Entitlement (being a pre-fixed quantity of the Underlying Asset) from us. If the value of the Entitlement drops below your investment amount, you will suffer a loss or a substantial loss of your investment.

How do our Warrants work?

Ordinary Warrants

The potential payoff of an ordinary Warrant is calculated by reference to the difference between:

- (a) for a Warrant linked to a share or unit, the Exercise Price and the closing price(s) of such share or unit on the Valuation Date or each Valuation Date (“**Closing Price**”);
- (b) for a Warrant linked to an index, the Strike Level and the Closing Level of such Index on the Valuation Date or each Valuation Date; or
- (c) for a Warrant linked to a basket of shares or units, the Exercise Price and the sum of the closing price(s) of each share or unit in the basket on the Valuation Date or each Valuation Date, multiplied by their respective weightings called the “Basket Components” (“**Basket Closing Price**”),

each as described more in the applicable Product Conditions set out in Appendix 2 of this document.

Call Warrants

A call Warrant is suitable for an investor holding a bullish view of the price or level of the Underlying Asset during the term of the Warrant.

A call Warrant will be exercised if the Closing Price, the Closing Level or the Basket Closing Price is greater than the Exercise Price or the Strike Level (as the case may be). The more the Closing Price, the Closing Level or the Basket

Closing Price is greater than the Exercise Price or the Strike Level (as the case may be), the higher the payoff upon expiry or exercise. If the Closing Price/Closing Level/Basket Closing Price is equal to or less than the Exercise Price/Strike Level (as the case may be), an investor in the call Warrant will lose all of his investment.

Put Warrants

A put Warrant is suitable for an investor holding a bearish view of the price or level of the Underlying Asset during the term of the Warrant.

A put Warrant will be exercised if the Closing Price, the Closing Level or the Basket Closing Price is less than the Exercise Price or the Strike Level (as the case may be). The more the Closing Price, the Closing Level or the Basket Closing Price is less than the Exercise Price or the Strike Level (as the case may be), the higher the payoff upon expiry or exercise. If the Closing Price/Closing Level/Basket Closing Price is equal to or greater than the Exercise Price/Strike Level (as the case may be), an investor in the put Warrant will lose all of his investment.

Exotic Warrants

Exotic Warrants have different terms and risk profiles to ordinary Warrants.

The information below is a summary of the key features of two types of our exotic Warrants, namely, (i) locked-in return Warrants and (ii) average return Warrants.

Locked-in Return Warrants

You should carefully review the relevant supplemental listing document together with the Product Conditions set out in Part C of Appendix 2 before deciding to invest in a “locked-in return” Warrant.

Locked-in return Warrants will “lock-in” any positive return on the Warrants called the “**Periodic Cash Settlement Amount**” on each Periodic Fixing Date.

On each Periodic Fixing Date during the term of a locked-in return Warrant, we will determine the Periodic Cash Settlement Amount applicable to that period.

The Periodic Cash Settlement Amount is calculated by us by reference to the difference between the arithmetic mean of the closing prices of the Underlying Asset on each of the 5 Business Days immediately prior to the relevant Periodic Fixing Date (called the “**Periodic Average Price**”) and the Exercise Price. This calculation is similar to the calculation of the Cash Settlement Amount for an ordinary cash settled Warrant over a security.

Your return at expiry under a locked-in return Warrant will be the aggregate sum of the Periodic Cash Settlement Amounts divided by the total number of Periodic Fixing Dates.

Locked-in Return Call Warrant

A locked-in return call Warrant is suitable for an investor holding a bullish view of the price of the Underlying Asset on each Periodic Fixing Date during the term of the Warrant.

A locked-in return call Warrant will be exercised if the Periodic Average Price in respect of any Periodic Fixing Date is greater than the Exercise Price. The more the Periodic Average Price is greater than the Exercise Price, the higher the relevant Periodic Cash Settlement Amount and the payoff at expiry.

Locked-in Return Put Warrant

A locked-in return put Warrant is suitable for an investor holding a bearish view of the price of the Underlying Asset on each Periodic Fixing Date during the term of the Warrant.

A locked-in return put Warrant will be exercised if the Periodic Average Price in respect of any Periodic Fixing Date is less than the Exercise Price. The more the Periodic Average Price is less than the Exercise Price, the higher the relevant Periodic Cash Settlement Amount and the payoff at expiry.

Average Return Warrants

You should carefully review the relevant supplemental listing document together with the Product Conditions set out in Part D of Appendix 2 before deciding to invest in an “average return” Warrant.

On each Periodic Fixing Date during the term of an average return Warrant, the arithmetic mean of the closing prices of the Underlying Asset on each of the 5 Business Days immediately prior to such Periodic Fixing Date (called the “**Periodic Reference Price**”) is recorded. A positive performance in the Underlying Asset on a Periodic Fixing Date may be offset by a negative performance of the Underlying Asset on another Periodic Fixing Date and vice versa. Your return under an average return warrant is therefore dependent on the average of the performances of the Underlying Asset on each Periodic Fixing Date.

The description “average return” refers to the calculation of the return on the Warrants only. Your return of an average return Warrant is calculated by reference to difference between (i) the average of the Periodic Reference Prices (that is, the sum of the Periodic Reference Prices divided by the number of the Periodic Fixing Dates); and (ii) the Exercise Price.

Average Return Call Warrant

An average return call Warrant is suitable for an investor holding a bullish view of the performance of the Underlying Asset on each Periodic Fixing Date during the term of the Warrant.

An average return call Warrant will be exercised if the average of the Periodic Reference Prices is greater than the Exercise Price. The more the average of the Periodic Reference Prices is greater than the Exercise Price, the higher the payoff at expiry.

If the average of the Periodic Reference Prices is equal to or less than the Exercise Price, an investor in the average return call warrant will lose all his investment.

Average Return Put Warrant

An average return put Warrant is suitable for an investor holding a bearish view of the performance of the Underlying Asset on each Periodic Fixing Date during the term of the Warrant.

An average return put Warrant will be exercised if the average of the Periodic Reference Prices is less than the Exercise Price. The more the average of the Periodic Reference Prices is less than the Exercise Price, the higher the payoff at expiry.

If the average of the Periodic Reference Prices is equal to or greater than the Exercise Price, an investor in the average return put Warrant will lose all his investment.

Other types of Warrants

The supplemental listing document applicable to other types of Warrants will specify the type of such Warrants and whether such Warrants are exotic Warrants.

Further details relating to how a particular series of exotic Warrants work will be set out in the relevant supplemental listing document.

Where can you find the Product Conditions applicable to our Warrants?

You should review the Product Conditions applicable to each type of the Warrants before your investment.

The Product Conditions applicable to each type of our Warrants are set out in Parts A to G of Appendix 2 (as may be supplemented by any addendum or the relevant supplemental listing document).

What are the factors determining the price of a derivative warrant?

The price of a Warrant generally depends on the prevailing price/level of the Underlying Asset. However, the price of a Warrant will be influenced by a number of factors throughout the Warrant term, including:

- (a) the Exercise Price or the Strike Level;
- (b) the depth of market and the liquidity of the Underlying Asset and/or futures contracts relating to the Underlying Asset;

- (c) the probable range of the Cash Settlement Amount;
- (d) the volatility of the price or level of the Underlying Asset (being a measure of the fluctuation in the price or level of the Underlying Asset);
- (e) the time remaining to expiry: a derivative warrant is generally more valuable the longer the remaining life of the derivative warrant;
- (f) any changes in interim interest rates and dividend yields;
- (g) expected dividend payments or other distributions on the Underlying Asset or on any components comprising the index; and
- (h) the supply and demand for that Warrant; and/or
- (i) our creditworthiness.

What is your maximum loss?

Your maximum loss in our Warrants will be limited to your investment amount plus any transaction costs.

How can you get information about the warrants after issue?

You may visit the Stock Exchange website at <http://www.hkex.com.hk/prod/dwrc/dw.htm> to obtain further information on derivative warrants or any notice given by us or the Stock Exchange in relation to our Warrants.

TAXATION

The information below is of a general nature and is only a summary of the law and practice currently applicable in Switzerland and under Hong Kong law. The comments relate to the position of persons who are the absolute beneficial owners of the Structured Products and may not apply equally to all persons. If you are in any doubt as to your tax position on purchase, ownership, transfer or exercise of any Structured Product, you should consult your own tax advisers as to the Swiss, Hong Kong or other tax consequences of the acquisition, ownership and disposition of Structured Products, including, in particular, the effect of any foreign, state or local tax laws to which you are subject.

Taxation in Switzerland

Gain on sale or redemption

Under present Swiss law, a holder of Structured Products who is neither a resident of Switzerland nor whose transactions in the Structured Products are attributable to a permanent establishment within Switzerland during the taxable year will not be subject to any Swiss Federal, Cantonal or Municipal income or other tax on gains realized during that year on the holding, sale, redemption or exercise of a Structured Product.

Stamp tax

No stamp tax will arise in Switzerland in connection with the issue or sale of the Structured Products provided that no Swiss Bank or Swiss securities dealer is involved as a counterparty or an intermediary. Swiss stamp tax will not be payable on the exercise of a Structured Product provided that the Structured Product is not exercised by or through a Swiss Bank or a Swiss securities dealer.

Taxation in Hong Kong

Profits tax

No tax is payable in Hong Kong by withholding or otherwise in respect of:

- (a) dividends of any company;

- (b) distributions of any trust authorised as a collective investment scheme by the Securities and Futures Commission under section 104 of the Securities and Futures Ordinance (Cap 571, The Laws of Hong Kong) or otherwise approved by the SFC which has issued the underlying units; and
- (c) any capital gains, arising on the sale of the underlying securities or Structured Products, except that Hong Kong profits tax may be chargeable on any such gains in the case of certain persons carrying on a trade, profession or business in Hong Kong.

Stamp duty

You do not need to pay any stamp duty in respect of purely cash settled Structured Products.

Where Hong Kong stock is to be delivered, stamp duty will normally be payable since any person who effects a sale or purchase of "Hong Kong Stock", such term as defined in the Stamp Duty Ordinance (Cap 117, The Laws of Hong Kong), whether as principal or as agent and whether such transaction is effected in Hong Kong or elsewhere, is required to execute a contract note evidencing such sale or purchase and have such contract note stamped with Hong Kong stamp duty.

PLACING AND SALE

General

We have not taken, and will not take, any action that would permit a public offering of the Structured Products or possession or distribution of any offering material in relation to the Structured Products in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of any Structured Products, or distribution of any offering material relating to the Structured Products may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws or regulations and will not impose any obligation on us. In the event that we contemplate a placing, placing fees may be payable in connection with any issue and we may at our discretion allow discounts to placees.

United States of America

The Structured Products will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or the securities laws of any state in the United States. Accordingly, the Structured Products may be offered only (i) outside the United States to non-U.S. Persons in reliance upon Regulation S under the Securities Act (“**Regulation S**”) and (ii) in the case of certain types of Structured Product offerings, inside the United States to a limited number of institutions that are “accredited investors” under the Securities Act (“**Institutional Accredited Investors**”) on the basis of the exemption provided by Section 4(2) of the Securities Act from the registration requirements of Section 5 thereof.

Each holder of a Structured Product and each beneficial owner of a Structured Product purchasing Structured Products outside the United States in reliance upon Regulation S, as a condition to purchasing or owning such Structured Product or any beneficial interest therein, will be deemed to (1) acknowledge that such Structured Products will not be registered under the Securities Act, and may not be

offered or sold except as set forth herein and (2) represent that neither it nor any person for whose account or benefit the Structured Products are being purchased is a U.S. Person, that it is not located in the U.S., nor was solicited to purchase the Structured Products while present in the U.S. and (3) agree that if it should resell or otherwise transfer the Structured Products, it will do so only (a) to us or any of our affiliates, (b) in the case of certain Structured Products eligible for sale in the United States, through us or any affiliate thereof to an Institutional Accredited Investor that executes and delivers an investor representation letter to us in a transaction exempt from the registration requirements of the Securities Act, subject to our prior approval or such affiliate’s prior approval, or (c) to a non-U.S. person in an offshore transaction in reliance upon Regulation S.

Each holder of a Structured Product and each beneficial owner of a Structured Product purchasing Structured Products inside the United States on the basis of the exemption provided by Section 4(2) of the Securities Act, as a condition to purchasing or owning such Structured Product or any beneficial interest therein will be deemed to (1) represent that it is purchasing such Structured Products for its own account or an account over which it exercises sole investment discretion and that it or such account is an Institutional Accredited Investor, (2) acknowledge that such Structured Products have not been and will not be registered under the Securities Act, and may not be offered or sold except as set forth herein (3) agree that if it should resell or otherwise transfer the Structured Products, it will do so only (a) to us or any affiliate thereof, or (b) through us or any affiliate thereof to an Institutional Accredited Investor that executes and delivers an investor representation letter to us in a transaction exempt from the registration requirements of the Securities Act, subject to the prior approval of us or such affiliate, or (c) to a non-U.S. Person in an offshore transaction in reliance upon Regulation S.

Upon execution and delivery of an investor representation letter to us in the form required

under the terms and conditions of such Structured Products, Structured Products may be issued and sold to Institutional Accredited Investors.

The investor representation letter will state, among other things, the following:

- (i) that the Institutional Accredited Investor has received or may receive upon request copies of this Base Listing Document and such other information as it deems necessary in order to make its investment decision;
- (ii) that the Institutional Accredited Investor understands that any subsequent transfer of the Structured Products is subject to certain restrictions and conditions set forth in the Base Listing Document and the Structured Products (including those set out above) and that it agrees to be bound by and not to resell pledge or otherwise transfer the Structured Products except in compliance with such restrictions and conditions and the Securities Act;
- (iii) that the purchaser is an institution that is an “accredited investor” as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act;
- (iv) that the Institutional Accredited Investor is not itself, or a fiduciary investing assets of or on behalf of (a) an employee benefit plan (as defined in Section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended (“ERISA”)) that is subject to Title I of ERISA; (b) a plan (as defined in Section 4975(e)(1) of the United States Internal Revenue Code of 1986, as amended); (c) an entity whose assets include assets of a plan described in (a) or (b) above by reason of such a plan’s investment in the entity under 29 C.F.R. §2510.3-101 or otherwise. This representation shall be deemed made on each day from the date on which the purchaser acquires the Structured Products through and including the date on which the purchaser disposes of the Structured Products;

(v) that the Institutional Accredited Investor was not formed for the purpose of investing in the Structured Products or our other securities unless each of its beneficial owners is an institutional Accredited Investor that was not so formed;

(vi) that the Institutional Accredited Investor is able to bear the economic risks of an investment in such Structured Products and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of acquiring such Structured Products;

(vii) that the Institutional Accredited Investor is acquiring the Structured Products purchased by it for its own account or for the accounts of one or more persons each of whom meet all of the requirements of paragraph (iii), (iv), (v) and (vi) above; and

(viii) that the Institutional Accredited Investor acknowledges that it has conducted and relied on its own research into such matters as it deemed necessary or advisable in connection with its purchase of the Structured Products.

The Structured Products in definitive form not eligible for sale in the United States will bear the following legend:

THE STRUCTURED PRODUCTS EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR ANY STATE SECURITIES LAWS, AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER HEREOF OR OF A BENEFICIAL INTEREST HEREIN (1) REPRESENTS THAT IT IS PURCHASING THE STRUCTURED PRODUCTS EVIDENCED HEREBY FOR ITS OWN ACCOUNT OR AN ACCOUNT OVER WHICH IT EXERCISES SOLE INVESTMENT DISCRETION; (2) REPRESENTS THAT IT AND ANY SUCH ACCOUNT IS A NON-U.S.

PERSON (WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT) ACQUIRING THE STRUCTURED PRODUCTS EVIDENCED HEREBY IN AN OFFSHORE TRANSACTION IN RELIANCE UPON REGULATION S UNDER THE SECURITIES ACT; AND (3) AGREES FOR THE BENEFIT OF THE ISSUER THAT IT WILL RESELL OR OTHERWISE TRANSFER THE STRUCTURED PRODUCTS EVIDENCED HEREBY ONLY TO (A) CREDIT SUISSE OR ANY AFFILIATE THEREOF OR (B) A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION IN RELIANCE UPON RULE 904 OF REGULATION S UNDER THE SECURITIES ACT. CONSEQUENTLY, ANY OFFER, SALE, RESALE, TRADE OR DELIVERY MADE, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO OR FOR THE BENEFIT OF A U.S. PERSON WILL NOT BE RECOGNISED.

The Structured Products in definitive form eligible for sale in the United States will bear the following legend:

THE STRUCTURED PRODUCTS EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR ANY STATE SECURITIES LAWS, AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER HEREOF OR OF A BENEFICIAL INTEREST HEREIN (1) REPRESENTS THAT IT IS PURCHASING THE STRUCTURED PRODUCTS EVIDENCED HEREBY FOR ITS OWN ACCOUNT OR AN ACCOUNT OVER WHICH IT EXERCISES SOLE INVESTMENT DISCRETION; (2) REPRESENTS THAT IT AND ANY SUCH ACCOUNT IS AN INSTITUTION THAT IS AN “ACCREDITED INVESTOR” AS DEFINED IN RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT; AND (3) AGREES FOR THE BENEFIT OF THE ISSUER THAT IT WILL RESELL OR OTHERWISE TRANSFER THE STRUCTURED PRODUCTS EVIDENCED HEREBY ONLY TO (A) CREDIT SUISSE OR ANY AFFILIATE THEREOF OR (B)

THROUGH CREDIT SUISSE OR ANY AFFILIATE THEREOF TO AN INSTITUTION THAT IS AN ACCREDITED INVESTOR THAT EXECUTES AND DELIVERS AN INVESTOR REPRESENTATION LETTER TO THE ISSUER IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OR (C) A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION IN RELIANCE UPON RULE 904 OF REGULATION S UNDER THE SECURITIES ACT.

Each purchaser of Structured Products acknowledges that we and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agrees that, if any of the acknowledgments, representations or agreements deemed to have been made by it by its purchase of Structured Products is no longer accurate, it shall promptly notify us. If it is acquiring any Structured Products as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.

As used herein, “**U.S.**” means the United States of America (including the States and the District of Columbia), its territories and possessions; and “**U.S. Person**” has the meaning defined in Regulation S.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”), no offer of Structured Products which are the subject of the offering contemplated by this Base Listing Document as completed by the relevant supplemental listing document in relation thereto to the public in that Relevant Member State has been, or will be, made except for, with effect from and including the

Relevant Implementation Date, an offer of Structured Products to the public in that Relevant Member State:

- (a) if the supplemental listing document in relation to the Structured Products specifies that an offer of those Structured Products may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a **“Non-exempt Offer”**), following the date of publication of a prospectus in relation to such Structured Products which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that such prospectus has subsequently been completed by the supplemental listing documents contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or supplemental listing document, as applicable;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (d) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining prior consent of the relevant dealer or dealers nominated by us for any such offer; or

(e) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Structured Products referred to in (b) to (e) above shall require us or any dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression relating to an **“offer of Structured Products to the public”** in relation to any Structured Products in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Structured Products to be offered so as to enable an investor to decide to purchase or subscribe the Structured Products, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **“Prospectus Directive”** means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (**“FSMA”**)) in connection with the issue or sale of the Structured Products has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in circumstances in which section 21(1) of the FSMA would not, if we were not an authorised person, apply to us. All applicable provisions of the FSMA have been complied, and will be complied, with respect to anything done by it in relation to any Structured Products in, from or otherwise involving the United Kingdom.

RISK FACTORS

Not all of the risk factors described below will be applicable to a particular series of the Structured Products. Please consider all risks carefully prior to investing in any Structured Products and consult your professional independent financial adviser and legal, accounting, tax and other advisers with respect to any investment in the Structured Products. Please read the following section together with the risk factors set out in the relevant supplemental listing document.

General risks relating to us

Ultimate holding company of our group

We are not the ultimate holding company of the group to which we belong and with which our name is identified. The ultimate holding company of the group to which we belong is Credit Suisse Group.

Structured Products are unsecured obligation

Each series of Structured Products constitutes our general unsecured contractual obligations and of no other person and will rank equally with our other unsecured contractual obligations. At any given time, the number of our Structured Products outstanding may be substantial.

Repurchase of our Structured Products

We may repurchase Structured Products at any time from time to time in the private market or otherwise at a negotiated price or the prevailing market price, at our discretion. You should not therefore make any assumption as to the number of Structured Products in issue at any time.

Our creditworthiness

If you purchase our Structured Products, you are relying upon our creditworthiness and have no rights under the Structured Products against:

- (a) any company which issues the underlying shares;
- (b) the trustee or the manager of the underlying unit; or

- (c) the index compiler of the underlying index.

We do not guarantee the repayment of your investment in any Structured Products.

Any downgrading of our rating by our rating agencies could result in a reduction in the value of the Structured Products.

No deposit liability or debt obligation

We are obliged to deliver to you the Cash Settlement Amount or the Entitlement (as the case may be) under the Conditions applicable to the relevant Structured Products upon expiry or exercise. We do not intend (expressly, implicitly or otherwise) to create a deposit liability or a debt obligation of any kind by the issue of any Structured Product.

Conflicts of interest

Credit Suisse Group constitutes a diversified financial services group with relationships in countries around the world. We engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and investment and other activities for our own account or the account of others. In addition, Credit Suisse Group, in connection with our other business activities, may possess or acquire material information about any Underlying Assets. Such activities and information may involve or otherwise affect the issuers of the Underlying Assets in a manner that may cause consequences adverse to you or otherwise create conflicts of interests in connection with our issue of Structured Products. Such actions and conflicts may include, without limitation, the exercise of voting power, the purchase and sale of securities, financial advisory relationships and

exercise of creditor rights. Credit Suisse Group has no obligation to disclose such information about the Underlying Assets, baskets of shares and/or indices or such activities. Credit Suisse Group and our respective officers and directors may engage in any such activities without regard to our issue of Structured Products or the effect that such activities may directly or indirectly have on any Structured Product.

In the ordinary course of our business, including without limitation in connection with us or our appointed liquidity provider's market making activities, Credit Suisse Group may effect transactions for our own account or for the account of our customers and hold long or short positions in the Underlying Assets or related derivatives. In addition, in connection with the offering of any Structured Product, we or any member of Credit Suisse Group may enter into one or more hedging transactions with respect to the Underlying Assets or related derivatives. In connection with such hedging or market making activities or with respect to proprietary or other trading activities by us or any member of Credit Suisse Group, we may enter into transactions in the Underlying Assets or related derivatives which may affect the market price, liquidity or value of the Structured Products and which may affect your interests in the Structured Products.

In particular, you should note that we issue a large number of financial instruments, including the Structured Products, on a global basis. The number of such financial instruments outstanding at any time may be substantial. We have substantially no obligation to any holder of the Structured Products other than to pay amounts in accordance with the applicable Conditions and in the relevant supplemental listing document. We do not in any respect underwrite or guarantee the performance of any Structured Product. Any profit or loss realised by you in respect of a Structured Product upon exercise or otherwise due to changes in the value of such Structured Product, or the price or level of the Underlying Asset, is solely for your own account. In addition, we have the absolute discretion to put in place any hedging transaction or arrangement which we consider appropriate in connection with any Structured

Products or the applicable Underlying Asset. A reduction in our rating, if any, accorded to our outstanding debt securities by any one of our rating agencies could result in a reduction in the trading value of the Structured Products.

General risks relating to Structured Products

You may lose all your investment in the Structured Product

Structured Products involve a high degree of risk, and are subject to a number of risks which may include interest, foreign exchange, time value, market, and/or political risks. Structured Products may expire worthless.

Options, warrants and asset linked instruments are priced primarily on the basis of the price/level of the Underlying Asset, the volatility of the Underlying Asset's price/level and the time remaining to expiry of the Structured Product.

The prices of Structured Products may fall in value as rapidly as they may rise and you should be prepared to sustain a significant or a total loss of your investment in the Structured Products. Assuming all other factors are held constant, the more the price/level of the Underlying Asset of a Structured Product moves in a direction against you and the shorter its remaining term to expiration, the greater the risk that you will lose all or significant part of your investment.

"European Style" Structured Products are only exercisable on their respective Expiry Dates and may not be exercised by you prior to the relevant Expiry Date. Accordingly, if on such Expiry Date the Cash Settlement Amount is zero or negative, you will lose the value of your investment.

The risk of losing all or any part of the purchase price of a Structured Product upon expiration means that, in order to recover and realise a return upon your investment in the Structured Products, you must generally be correct about the direction, timing and magnitude of an anticipated change in the price/level of the Underlying Asset.

Changes in the price/level of an Underlying Asset can be unpredictable, sudden and large and such changes may result in the price/level of the Underlying Asset moving in a direction which will negatively impact upon the return on your investment. You therefore risk losing your entire investment if the price/level of the relevant Underlying Asset does not move in the anticipated direction.

The value of the Structured Products may be disproportionate or opposite to movement in price/level of the Underlying Assets

An investment in Structured Products is not the same as owning the Underlying Assets or having a direct investment in the Underlying Asset. The market values of Structured Products are linked to the relevant Underlying Assets and will be influenced (positively or negatively) by it or them but any change may not be comparable and may be disproportionate. It is possible that while the price/level of the Underlying Assets is increasing, the value of the Structured Product is falling.

You should recognise the risks of utilizing Structured Products if you intend to purchase any series of Structured Products to hedge against the market risk associated with investing in the relevant Underlying Asset. The value of the Structured Products may not exactly correlate with the price/level of the Underlying Asset. Due to fluctuations in supply and demand for Structured Products, there is no assurance that their value will correlate with movements in the price/level of the Underlying Asset. The Structured Products may not be a perfect hedge to the Underlying Asset or portfolio of which the Underlying Asset forms a part.

Furthermore, it may not be possible to liquidate the Structured Products at a price/level which directly reflects the price/level of the Underlying Asset or portfolio of which the Underlying Asset forms a part. You may therefore suffer substantial losses in the Structured Products notwithstanding any losses suffered with respect to investments in or exposures to any Underlying Assets.

Maximum exercise amount

If so indicated in the relevant supplemental listing document, we will have the option to limit the number of Structured Products exercisable or being closed out on any exercise date or expiry date to the maximum number specified therein and, in conjunction with such limitation, to limit the number of Structured Products exercisable or being closed out by any holder on such day. In the event that the total number of Structured Products being exercised or being closed out exceeds such specified maximum number, you may not be able to realise the value of your investment in all the Structured Products on that day.

Minimum exercise amount

If so indicated in the relevant Conditions, you may have to tender a specified minimum number of the Structured Products at any one time in order to exercise the Structured Products. If you have fewer than the specified minimum number of such Structured Products, you will either have to sell your Structured Products or purchase additional Structured Products, incurring transaction costs in each case, in order to realise a return on your investment, and you may incur the risk that the trading price of the Structured Product at that time is different from the applicable Cash Settlement Amount.

Possible illiquidity of secondary market

It is not possible to predict:

- (a) if and to what extent a secondary market may develop in any series of Structured Products;
- (b) at what price such series of Structured Products will trade in the secondary market; and
- (c) whether such market will be liquid or illiquid.

The fact that the Structured Products are listed does not necessarily lead to greater liquidity than if they were not listed.

We intend to apply to list each series of Structured Products on the Stock Exchange. There can be no assurance that the listing of a series of Structured Products at the Stock Exchange can be maintained.

If any series of Structured Products are not listed or traded on any exchange, pricing information for such series of Structured Products may be difficult to obtain and the liquidity of that series of Structured Products may be adversely affected.

The liquidity of any series of Structured Products may also be affected by restrictions on offers and sales of the Structured Products in some jurisdictions. Transactions in off-exchange Structured Products may be subject to greater risks than dealing in exchange-traded Structured Products. To the extent that any Structured Products of a series is exercised or closed out, the number of Structured Products outstanding in that series will decrease, which may result in a lessening of the liquidity of Structured Products. A lessening of the liquidity of the affected series of Structured Products may cause, in turn, an increase in the volatility associated with the price of such Structured Products.

We, acting through our liquidity provider, may be the only market participant for the Structured Products. Therefore, the secondary market for the Structured Products may be limited. We and our liquidity provider may at any time purchase the Structured Products at any price in the open market or by tender or private agreement, subject to the requirements under the Listing Rules relating to the provision of liquidity, as described further in the relevant supplemental listing document. The more limited the secondary market is for any particular series of the Structured Products, the more difficult for you to realise the value of your Structured Products prior to the expiration date.

Interest rates

Investments in the Structured Products may involve interest rate risk with respect to the currency of denomination of the Underlying Assets and/or the Structured Products. A variety of factors influence interest rates such

as macro economic, governmental, speculative and market sentiment factors. Such fluctuations may have an impact on the value of the Structured Products at any time prior to valuation of the Underlying Assets relating to the Structured Products.

Exchange rate risk

There may be an exchange rate risk in the case of Structured Products where the Cash Settlement Amount will be converted from a foreign currency into Hong Kong dollars. Exchange rates between currencies are determined by forces of supply and demand in the foreign exchange markets. These forces are, in turn, affected by factors such as international balances of payments and other economic and financial conditions, government intervention in currency markets and currency trading speculation.

Fluctuations in foreign exchange rates, foreign political and economic developments and the imposition of exchange controls or other foreign governmental laws or restrictions applicable to such investments may affect the foreign currency market price and the exchange rate-adjusted equivalent price of the Structured Products. Fluctuations in the exchange rate of any one currency may be offset by fluctuations in the exchange rate of other relevant currencies. There can be no assurance that rates of exchange between any relevant currencies which are current at the date of issue of any Structured Products will be representative of the rates of exchange used in computing the value of the relevant Structured Products at any time thereafter.

Where Structured Products are described as being “quantoed”, the value of the Underlying Assets will be converted from one currency (the “**Original Currency**”) into a new currency (the “**New Currency**”) on the date and in the manner specified in, or implied by, the Conditions using a fixed exchange rate. The cost to us of maintaining such a fixing between the Original Currency and the New Currency will have an implication on the value of the Structured Products, which will vary during the term of the Structured Products. No assurance can be given as to whether or not, taking into account

relative exchange rate and interest rate fluctuations between the Original Currency and the New Currency, a quanto feature in a Structured Product would at any time enhance the return on the Structured Product over a level of a similar Structured Product issued without such a quanto feature.

Taxes

You may be required to pay stamp duty or other taxes or other documentary charges. If you are in doubt as to your tax position, you should consult your own independent tax advisers. In addition, you should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time. See the section headed "Taxation" for further information.

Modification to the Conditions

Under the Conditions, we may without your consent, modify the terms and conditions applicable to the Structured Products if such modification is:

- (a) not materially prejudicial to your interest;
- (b) of a formal, minor or technical nature;
- (c) to correct an obvious error; or
- (d) for compliance with any mandatory requirements under Hong Kong law.

Risks relating to the Underlying Asset

You have no right to the Underlying Asset

Unless specifically indicated in the Conditions, you will not be entitled to:

- (a) voting rights or rights to receive dividends or other distributions or any other rights that a holder of the shares or units would normally be entitled to; or
- (b) voting rights or rights to receive dividends or other distributions or any other rights with respect to any company constituting any underlying index.

Valuation risk

An investment in the Structured Products involve valuation risk in relation to the relevant Underlying Asset. The price/level of the Underlying Asset may vary over time and may increase or decrease by reference to a variety of factors which may include corporate actions (where the Underlying Asset is a share or a basket of shares, changes in computation or composition (where the Underlying Asset is an index), macro economic factors and market trends.

You must be experienced with dealing in these types of Structured Products and must understand the risks associated with dealing in such products. You should reach an investment decision only after careful consideration, with your advisers, of the suitability of any Structured Product in light of your particular financial circumstances, the information regarding the relevant Structured Product and the particular Underlying Asset to which the value of the relevant Structured Product relates.

Adjustment related risk

Certain events relating to the Underlying Asset require or, as the case may be, permit us to make certain adjustments or amendments to the Conditions. You have limited anti-dilution protection under the Conditions. We may, in our sole discretion adjust, among other things, the Entitlement and the Exercise Price of any series of Structured Product. However, we are not required to adjust for every event that may affect an Underlying Asset, such as changes in computation or composition (where the Underlying Asset is an index), macro economic factors or market trends that affect the Underlying Asset, in which case the market price of the Structured Products, and the return upon the exercise or expiry of the Structured Products may be affected.

For Structured Products linked to an index, the index level may be published by the index compiler at a time when one or more components comprising the index are not trading. If this occurs on a Valuation Date and there is no Market Disruption Event called under the Conditions, then the Closing Level of the index may be calculated by the index compiler by reference to the remaining components. In addition, certain events relating to the index (including a material change in the formula or the method of calculating the index or a failure to publish the index) permit us to determine the level of the index on the basis of the formula or method last in effect prior to such change in formula or method.

Suspension of trading

If the Underlying Assets are suspended from trading or dealing for whatever reason on the market on which they are listed or dealt in (including the Stock Exchange), trading in the relevant series of Structured Products will be suspended for a similar period.

Delay in settlement

Unless otherwise specified in the relevant Conditions, there may be a time lag between the date on which the Structured Products are exercised or expire, and the time the applicable settlement amount relating to such event is determined. Any such delay between the time of exercise or expiry and the determination of the settlement amount will be specified in the relevant Conditions.

However, such delay could be significantly longer, particularly in the case of a delay in the exercise or expiry of such Structured Products arising from our determination that a Market Disruption Event, Settlement Disruption Event or delisting of a company has occurred at any relevant time or that adjustments are required in accordance with the Conditions.

The relevant settlement amount may change significantly during any such period, and such movement or movements could decrease or modify the settlement amount.

You should note that in the event of there being a Settlement Disruption Event or a Market Disruption Event, payment of the Cash Settlement Amount may be delayed as more fully described in the Conditions.

Risks relating to Structured Products over trusts

In the case of Structured Products relate to the units of a trust:

- (a) neither we nor any of our affiliates have the ability to control or predict the actions of the trustee or the manager of the relevant trust. Neither the trustee nor the manager of the relevant trust (i) is involved in the offer of any Structured Product in any way, or (ii) has any obligation to consider the interest of the holders of any Structured Product in taking any corporate actions that might affect the value of any Structured Product; and
- (b) we have no role in the relevant trust. The manager of the relevant trust is responsible for making strategic, investment and other trading decisions with respect to the management of the relevant trust consistent with its investment objectives and in compliance with the investment restrictions as set out in the constitutive documents of the relevant trust. The manner in which the relevant trust is managed and the timing of actions may have a significant impact on the performance of the relevant trust. Hence, the market price of the relevant units is also subject to these risks.

Risks relating to our Warrants

Time decay

The settlement amount of a series of Structured Products at any time prior to expiration may be less than the trading price of such Structured Products at that time. The difference between the trading price/level and the settlement amount will reflect, among other things, a “time value” of the Structured Products. The “time

value” of the Structured Products will depend upon, among others, the length of the period remaining to expiration and expectations concerning the range of possible future price/level of the Underlying Assets. The value of the Structured Product is likely to decrease over time. Therefore, the Structured Products should not be viewed as products for long term investments.

Risks relating to locked-in return Warrants

In the case of locked-in return Warrants, if the Periodic Average Price in respect of each Periodic Fixing Date is:

- (i) in the case of a locked-in return call Warrant, equal to or less than the Exercise Price; or
- (ii) in the case of a locked-in return put Warrant, equal to or greater than the Exercise Price,

the Periodic Cash Settlement Amount for such Warrant will be zero for each Periodic Fixing Date and you will lose all of your investment.

Risks relating to average return Warrants

In the case of average return Warrants, the performance of the Underlying Asset on a Periodic Fixing Date may off-set its performance on another Periodic Fixing Date.

If the average of the Periodic Reference Prices on each Periodic Fixing Date is:

- (i) in the case of average return call Warrants, equal to or less than the Exercise Price; or
- (ii) in the case of average return put Warrants, equal to or greater than the Exercise Price,

you will not receive any payment from us and will sustain a total loss of your investment.

Risks relating to the legal form of the Structured Products

Each series of Structured Products will be issued in global registered form and represented by a global certificate registered in the name of HKSCC Nominees Limited (or such other nominee company as may be used by HKSCC from time to time in relation to the provision of nominee services to persons admitted for the time being by HKSCC as a CCASS participant).

The register for the relevant Structured Products will only record at all times that 100% of such Structured Products are held by HKSCC Nominees Limited, being the only legal owner. The evidence of your title, as well as the efficiency of ultimate delivery of the Cash Settlement Amount (if any) under the Structured Products, will be subject to the CCASS Rules.

You should be aware of the following risks:

- (a) you will not receive any definitive certificates representing your beneficial interests in the Structured Products;
- (b) you may only refer to the records of CCASS or their brokers/custodians and the statements you receive to determine your beneficial interest in the Structured Products;
- (c) any notices, announcements and/or information relating to meetings in respect of the Structured Products will only be delivered to you through the CCASS participants in accordance with the General Rules of CCASS and the CCASS Operational Procedures in effect from time to time;
- (d) our obligations under the Conditions of the Structured Products will be duly performed by the payment of the Cash Settlement Amount to HKSCC Nominees Limited as the registered holder of the Structured Products, all in accordance with the General Rules of CCASS and the CCASS Operational Procedures in effect from time to time.

Fee arrangements with brokers and conflicts of interest of brokers

We may enter into fee arrangements with brokers and/or any of its affiliates with respect to the placement of the Structured Products in the primary market. You should note that any brokers with whom we have a fee arrangement does not, and cannot be expected to deal, exclusively in the Structured Products, therefore any broker and/or its subsidiaries or affiliates may from time to time engage in transactions involving the Underlying Assets and/or the structured products of other issuers over the same Underlying Assets to which the particular series of Structured Products may relate, or other underlying assets as the case may be, for their proprietary accounts and/or for the accounts or their clients. The fact that the same broker may deal simultaneously for different clients in competing products in the market place may affect the value of the Structured Products and present certain conflicts of interests.

Effect of the combination of risk factors unpredictable

Two or more risk factors may simultaneously have an effect on the value of a series of Structured Products such that the effect of any individual risk factor may not be predictable. No assurance can be given as to the effect any combination of risk factors may have on the value of a series of Structured Products.

GENERAL INFORMATION ABOUT US

Incorporation, Registered Office and Objective

We were established on 5 July 1856 and registered in the Commercial Register of the Canton of Zurich on 27 April 1883 for an unlimited duration under the name of Schweizerische Kreditanstalt. Our name was changed to Credit Suisse First Boston on 11 December 1996 (by entry in the Commercial Register), effective as of 1 January 1997. Our name was again changed to Credit Suisse, effective as of 13 May 2005. We are a joint stock corporation established under Swiss law. Our share capital amounts to CHF 4,399,665,200, which is divided into 43,996,652 fully paid-up registered shares with a par value of CHF 100 each.

Members of our Board of Directors

Name	Office Held	Office Address
Walter B. Kielholz	Chairman	Credit Suisse Group Paradeplatz 8 8070 Zurich Switzerland
Hans-Ulrich Doerig	Vice Chairman	Credit Suisse Group Paradeplatz 8 8070 Zurich Switzerland
Peter Brabeck-Letmathe	Director	Nestlé SA Avenue Nestlé 55 1800 Vevey, Switzerland
Robert H. Benmosche	Director	Credit Suisse Group Paradeplatz 8 8070 Zurich Switzerland
Thomas W. Bechtler	Director	Seestrasse 21 8700 Küsnacht Switzerland
Aziz R. D. Syriani	Director	The Olayan Group 111 Poseidonos Avenue P.O. Box 70228, Glyfada Athens 16610, Greece
Ernst Tanner	Director	Chocoladenfabriken Lindt & Sprüngli AG Seestrasse 204 8802 Kilchberg Switzerland

Name	Office Held	Office Address
Peter F. Weibel	Director	Credit Suisse Group Paradeplatz 8 8070 Zurich Switzerland
Noreen Doyle	Director	Credit Suisse Group Paradeplatz 8 8070 Zurich Switzerland
David W. Syz	Director	ecodocs AG Dufourstrasse 21 8702 Zollikon Switzerland
Jean Lanier	Director	Credit Suisse Group Paradeplatz 8 8070 Zurich Switzerland
Anton van Rossum	Director	Credit Suisse Group Paradeplatz 8 8070 Zurich Switzerland
Richard E. Thornburgh	Director	Corsair Capital LLC 717 Fifth Avenue New York, NY10022 United States

Erisa Matters

We and certain of our affiliates may each be considered a “party in interest” within the meaning of the Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), or a “disqualified person” within the meaning of the United States Internal Revenue Code of 1986, as amended (the “**Code**”) with respect to many employee benefit plans and individual retirement accounts, Keoghs and other plans subject to Section 4975 of the Code.

Certain transactions between an employee benefit plan and a party in interest or disqualified person may result in “prohibited transactions” within the meaning of ERISA and the Code. Accordingly, Structured Products may not be purchased or held with the assets of (i) an “employee benefit plan” as defined in Section 3(3) of ERISA, (ii) a “plan” as defined in Section 4975 of the Code, or (iii) an entity whose underlying assets include “plan assets” under US Department of Labor Regulation 29 CFR Section 2510.3-101.

APPENDIX 1 – GENERAL CONDITIONS OF THE STRUCTURED PRODUCTS

These General Conditions relate to each series of Structured Products and must be read in conjunction with, and are subject to, the relevant Product Conditions set out in Appendix 2 to this Base Listing Document and the Supplemental Listing Document in relation to the particular series of Structured Products. These General Conditions, the relevant Product Conditions and the supplemental provisions contained in the relevant Supplemental Listing Document together constitute the Conditions of the relevant Structured Products, and will be endorsed on the Global Certificate representing the relevant Structured Products. The Supplemental Listing Document in relation to the issue of any series of Structured Products may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with these General Conditions and the relevant Product Conditions, replace or modify the General Conditions and the relevant Product Conditions for the purpose of such series of Structured Products.

1. Definitions

“Base Listing Document” means the base listing document relating to Structured Products dated 15 April 2008 and issued by the Issuer (including any addenda to such base listing document issued by the Issuer from time to time);

“Board Lot” has the meaning given to it in the relevant Supplemental Listing Document;

“Cash Settlement Amount” has the meaning given to it in the relevant Product Condition;

“CCASS” means the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited;

“CCASS Rules” means the General Rules of CCASS and the CCASS Operational Procedures in effect from time to time;

“Conditions” means, in respect of a particular series of Structured Products, these General Conditions and the applicable Product Conditions;

“CS Hong Kong” means Credit Suisse (Hong Kong) Limited, which expression shall include any successors to Credit Suisse (Hong Kong) Limited for the purposes of maintaining the Register;

“Exercise Notice” means a duly completed exercised notice obtainable from CS Hong Kong;

“Global Certificate” means, in respect of the relevant Structured Products, a global certificate by way of deed poll dated the Issue Date executed by the Issuer;

“Holder” means, in respect of each series of Structured Products, each person who is for the time being shown in the Register as entitled to a particular number of Structured Products and such person shall be treated by the Issuer as the absolute owner and holder of such number of Structured Products;

“HKEx” means Hong Kong Exchanges and Clearing Limited;

“Hong Kong” means the Hong Kong Special Administrative Region of the People’s Republic of China;

“Issue Date” means the date specified as such in the relevant Supplemental Listing Document;

“Institutional Accredited Investor” means an accredited investor as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act;

“Investor Representation Letter” means an investor representation letter to the Issuer in the form required by CS Hong Kong;

“Issuer” means Credit Suisse;

“Product Conditions” means, in respect of each series of Structured Product, the product specific terms and conditions that apply to that Structured Product;

“Register” means the register in respect of the Structured Products maintained by the Registrar under General Condition 3;

“Register Maintenance Agreement” means:

- (a) in respect of Warrants, the base register maintenance agreement and structured product agency agreement (as amended, varied or supplemented from time to time or any successor document) dated 23 April 2003 as supplemented by a Confirmation (as defined in such Register Maintenance Agreement) relating to the Structured Products made between, inter alios, the Issuer and CS Hong Kong; or
- (b) in respect of other Structured Products, the agreement specified as such in the relevant Supplemental Listing Document;

“Registrar” means CS Hong Kong or such other party as specified in the relevant Supplemental Listing Document;

“Regulation S” means Regulation S under the Securities Act;

“Securities Act” means the United States Securities Act of 1933, as amended;

“Stock Exchange” means The Stock Exchange of Hong Kong Limited;

“Structured Products” means derivative warrants (**“Warrants”**) and other structured products to be issued by the Issuer from time to time. References to **“Structured Products”** are to be construed as references to a particular series of Structured Products and, unless the context otherwise requires, any further Structured Products issued pursuant to General Condition 8;

“Supplemental Listing Document” means the supplemental listing document relating to a particular series of Structured Products;

“Transfer Office” means, in relation to Warrants, the specified office of CS Hong Kong; and

“U.S. Person” shall have the meaning ascribed to it in Regulation S.

2. Form, Status, Transfer and Title

2.1 Form

The Structured Products are issued in registered form subject to and with the benefit of the Global Certificate and the relevant Register Maintenance Agreement.

The Holders are entitled to the benefit of, are bound by and are deemed to have notice of, all the provisions of the Global Certificate and the relevant Register Maintenance Agreement.

2.2 Status

The Structured Products represent general, unsecured, contractual obligations of the Issuer and of no other person and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations of the Issuer.

2.3 Transfer

Transfers of beneficial interests in the Structured Products may be effected only in Board Lots or integral multiples thereof in CCASS in accordance with the CCASS Rules.

2.4 Transfer to U.S. Person

(a) Cash Settled Structured Products

Upon execution and delivery of the Investor Representation Letter, cash settled Structured Products may be issued and sold to Institutional Accredited Investors. The cash settled Structured Products may not be registered in the name of or beneficially owned by U.S. Persons unless such U.S. Person is an Institutional Accredited Investor. Cash settled Structured Products held by Institutional Accredited Investors may be resold or otherwise transferred only:

- (i) to the Issuer or any affiliate thereof; or
- (ii) through the Issuer or any affiliate thereof to an Institutional Accredited Investor that executes and delivers an Investor Representation Letter to the Issuer in a transaction exempt from the registration requirements of the Securities Act, subject to the prior approval of the Issuer or such affiliate; or
- (iii) to a non-U.S. person in an offshore transaction in reliance upon Regulation S. Each Holder and each beneficial owner of a cash settled Structured Product hereby represents as a condition to purchasing or owning such cash settled Structured Product or any beneficial interest therein that it is either:
 - (aa) not located in the United States nor is a U.S. Person nor was solicited to purchase the cash settled Structured Products while present in the United States; or
 - (bb) an Institutional Accredited Investor that has executed and delivered the Investor Representation Letter to the Issuer.

(b) *Physically settled Structured Products*

Physically settled Structured Products may not be registered in the name of or beneficially owned by U.S. Persons. Each Holder and each beneficial owner of a physically settled Structured Product hereby represents as a condition to purchasing or owning such physically settled Structured Products or any beneficial interest therein that it is neither located in the United States nor a U.S. Person.

3. Register and Transfer Office

3.1 Maintenance of Register

- (a) In respect of each series of Structured Products, the Registrar will maintain a Register for that series.

The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Registrar under the Register Maintenance Agreement provided that it will at all times maintain or arrange for the maintenance of a Register.

Notice of any such termination or appointment and any change in the Transfer Office or the specified office of CS Hong Kong will be given to the Holders in accordance with General Condition 7.

- (b) The Registrar will enter or cause to be entered the name, address and banking details of the Holders, the details of the relevant series of Structured Products held by any Holder including the number of Structured Products held, and any other particulars which it thinks proper.
- (c) The Register will be maintained by the Registrar:
- (i) in respect of a series of Warrants, in Hong Kong; and
 - (ii) in respect of other Structured Products, at such location as the Issuer and the Registrar may agree and specified in the relevant Supplemental Listing Document.

3.2 Registrar is the agent of the Issuer

The Registrar for each series of Structured Products will be acting as the agent of the Issuer and will not assume any obligation or duty to or any relationship of agency or trust for the Holders.

4. Purchases

The Issuer and/or any of its respective affiliates may at any time purchase Structured Products at any price in the open market or by tender or by private treaty. Any Structured Products so purchased may be held or resold or surrendered for cancellation. Any resales by the Issuer or (as the case may be) the relevant affiliate will be made (a) to Institutional Accredited Investors that each executes and delivers an Investor Representation Letter to the Issuer in transactions exempt from the registration requirements of the Securities Act, or (b) to non-U.S. persons in offshore transactions in reliance upon Regulation S.

5. Global Certificate

Each series of the Structured Products is represented by a Global Certificate registered in the name of HKSCC Nominees Limited and deposited with CCASS in accordance with the CCASS Rules. Holders will not be entitled to definitive certificates in respect of any Structured Products issued or transferred to them.

6. Meetings of Holders and Modifications to Conditions

6.1 Meetings of Holders

The Register Maintenance Agreement contains provisions for the convening of meetings of the Holders to consider any matter affecting their interests, including sanctioning by Extraordinary Resolution (as defined in the Register Maintenance Agreement) of a modification of the provisions of the Structured Products or of the Global Certificate.

Any resolution to be passed in a meeting of the Holders shall be decided by poll. Such a meeting may be convened by the Issuer or by Holders holding not less than 10 per cent. of the Structured Products for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Structured Products for the time being remaining unexercised, or at any adjourned meeting two or more persons being or representing Holders whatever the number of Structured Products so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Holders as, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Holders shall be binding on all the Holders, whether or not they are present at the meeting.

In the case of Structured Products which are expressed to be American Style, an Extraordinary Resolution passed at any meeting of the Holders shall be binding on all the Holders, whether or not they are present at the meeting, save for those Structured Products remaining unexercised but for which an Exercise Notice shall have been submitted prior to the date of the meeting. Structured Products which have not been exercised but in respect of which an Exercise Notice has been submitted will not confer the right to attend or vote at, or join in convening, or be counted in quorum for, any meeting of the Holders.

Resolutions can be passed in writing if passed unanimously.

6.2 Modification

The Issuer may, without the consent of the Holders, effect any modification of the provisions of the Structured Products or the Global Certificate:

- (a) which is not materially prejudicial to the interests of the Holders;
- (b) which is of a formal, minor or technical nature;

- (c) which is made to correct an obvious error; or
- (d) which is necessary in order to comply with mandatory provisions of the laws of Hong Kong.

Any such modification made in accordance with this General Condition 6.2 shall be binding on the Holders and shall be notified to them by CS Hong Kong before the effective date or as soon as practicable thereafter in accordance with General Condition 7.

7. Notices

7.1 *Mail delivery*

All documents required or permitted by the Conditions to be sent to a Holder or to which a Holder is entitled or which the Issuer shall have agreed to deliver to a Holder may be:

- (a) delivered by hand; or
- (b) sent by post,

addressed to the Holder (otherwise than in accordance with an Exercise Notice (in the case of Structured Products which are expressed to be American Style)) to the Holder's address or (in the case of joint Holders), to the address of the first named Holder appearing in the Register provided that airmail post shall be used if such address is not in Hong Kong.

All documents delivered or sent in accordance with this General Condition 7.1 shall be delivered or sent at the risk of the relevant Holder. Where such documents are notices, such notices will be delivered on the same date as notices are delivered pursuant to General Condition 7.2.

7.2 *Publication of notices*

All notices to Holders will be validly given if published in English and in Chinese on the website of HKEx. Such notices shall be deemed to have been given on the date of the first such publication. If publication is not practicable, notice will be given in such other manner as the Issuer may determine, provided that:

- (a) copies of the notices will also be sent by mail to the Holders at their addresses appearing in the Register; and
- (b) in the case of Holders who are Institutional Accredited Investors, notice is deemed to have been validly given when sent by facsimile or other electronic means of communication, including by messaging via a third party data vendor, such as Bloomberg, in accordance with the contact details maintained in the Register regardless of whether the Holder has had actual notice or not.

8. Further Issues

The Issuer shall be at liberty from time to time, without the consent of the Holders, to create and issue further Structured Products so as to form a single series with the Structured Products.

9. Governing Law

The Structured Products, the Global Certificate and the Register Maintenance Agreement will be governed by and construed in accordance with the laws of Hong Kong.

The Issuer and each Holder (by its purchase of the Structured Products) shall be deemed to have submitted for all purposes in connection with the Structured Products, the Global Certificate and the Register Maintenance Agreement to the non-exclusive jurisdiction of the courts of Hong Kong.

10. Language

In the event of any inconsistency between the Chinese translation and the English version of these General Conditions and/or the applicable Product Conditions, the English version of these General Conditions and/or the applicable Product Conditions shall prevail.

APPENDIX 2 – PRODUCT CONDITIONS OF THE WARRANTS

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PART A – PRODUCT CONDITIONS OF CALL/PUT WARRANTS (CASH SETTLED)

The relevant Product Conditions will, together with the General Conditions and the supplemental provisions contained in the relevant Supplemental Listing Document and subject to completion and amendment, be endorsed on the Global Certificate. The applicable Supplemental Listing Document in relation to the issue of any series of Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the relevant Product Conditions, replace or modify the relevant Product Conditions for the purpose of such series of Warrants. Capitalised terms used in the relevant Product Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Supplemental Listing Document.

1. Definitions

For the purposes of these Product Conditions:

“Business Day” means a day (excluding Saturdays) on which the Stock Exchange is scheduled to open for dealings in Hong Kong and banks are open for business in Hong Kong;

“Cash Settlement Amount” means, in respect of every Exercise Amount, an amount in Hong Kong dollars calculated by the Issuer as:

- (a) for Warrants automatically exercised on the Expiry Date in accordance with Product Condition 3.1(b) or Product Condition 3.2(b):
 - (i) in the case of a series of call Warrants, an amount equal to (1) the Entitlement (subject to adjustment as provided in Product Condition 5) multiplied by (i) the arithmetic mean of the closing prices of one Share (as derived from the Daily Quotation Sheet of the Stock Exchange, subject to any adjustments to such closing prices as may be necessary to reflect any capitalisation, rights issue, distribution or the like) for each Valuation Date less (ii) the Exercise Price (subject to adjustment as provided in Product Condition 5); less (2) the Exercise Expenses; and
 - (ii) in the case of a series of put Warrants, an amount equal to (1) the Entitlement (subject to adjustment as provided in Product Condition 5) multiplied by (i) the Exercise Price (subject to adjustment as provided in Product Condition 5) less (ii) the arithmetic mean of the closing prices of one Share (as derived from the Daily Quotation Sheet of the Stock Exchange, subject to any adjustments to such closing prices as may be necessary to reflect any capitalisation, rights issue, distribution or the like) for each Valuation Date; less (2) the Exercise Expenses;
- (b) for American Style Warrants exercised on an Exercise Date prior to the Expiry Date in accordance with Product Condition 3.1(a):
 - (i) in the case of a series of call Warrants, an amount equal to (1) the Entitlement (subject to adjustment as provided in Product Condition 5) multiplied by (i) the closing price of the Shares (as derived from the Daily Quotation Sheet of the Stock Exchange, subject to any adjustments to such closing price as may be necessary to reflect any capitalisation, rights issue, distribution or the like) for the Valuation Date less (ii) the Exercise Price (subject to adjustment as provided in Product Condition 5); less (2) the Exercise Expenses; and

- (ii) in the case of a series of put Warrants, an amount equal to (1) the Entitlement (subject to adjustment as provided in Product Condition 5) multiplied by (i) the Exercise Price (subject to adjustment as provided in Product Condition 5) less (ii) the closing price of the Shares (as derived from the Daily Quotation Sheet of the Stock Exchange, subject to any adjustments to such closing price as may be necessary to reflect any capitalisation, rights issue, distribution or the like) for the Valuation Date; less (2) the Exercise Expenses;

“Company” means the company specified as such in the relevant Supplemental Listing Document;

“Dealing Commencement Date” means the date specified as such in the relevant Supplemental Listing Document;

“Designated Bank Account” means the relevant bank account designated by the relevant Holder;

“Entitlement” means the number specified as such in the relevant Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 5;

“Exercise Amount” means the amount specified as such in the relevant Supplemental Listing Document;

“Exercise Date” means the date upon which a Warrant is, or is to be treated as, exercised in accordance with Product Condition 4.1(b)(ii);

“Exercise Expenses” means any charges or expenses including any taxes or duties which are incurred in respect of the exercise of the Warrants;

“Exercise Period” means:

(a) in the case of American Style Warrants, the period beginning at 10:00 a.m. (Hong Kong time) on the Dealing Commencement Date (or, if later, the first day of dealings in the Warrants on the Stock Exchange) and ending at 10:00 a.m. (Hong Kong time) on the Expiry Date; and

(b) in the case of European Style Warrants, the Expiry Date only;

“Exercise Price” means the price specified as such in the relevant Supplemental Listing Document;

“Expiry Date” has the meaning given to it in the relevant Supplemental Listing Document;

“General Conditions” means the general terms and conditions of Structured Products set out in Appendix 1 of the Base Listing Document;

“Market Disruption Event” means:

- (a) the occurrence or existence on any Valuation Date during the one-half hour period that ends at the close of trading of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the Stock Exchange or otherwise) on the Stock Exchange in
 - (i) the Shares; or
 - (ii) any options or futures contracts relating to the Shares if, in any such case, that suspension or limitation is, in the determination of the Issuer, material; or
- (b) the hoisting of the tropical cyclone warning signal number 8 or above or the hoisting of a “BLACK” rainstorm signal which either results in the Stock Exchange being closed for dealings for an entire day or results in the Stock Exchange being closed prior to its regular time for close of trading on any day PROVIDED THAT there shall be no Market Disruption Event solely by reason of the Stock Exchange opening later than its regular time for open of trading on any day as a result of the tropical cyclone warning signal number 8 or above or the “BLACK” rainstorm signal having been hoisted;

“Product Conditions” means these product terms and conditions. These Product Conditions apply to each series of cash settled call/put Warrants;

“Settlement Date” means three Business Days following:

- (a) with respect to the automatic exercise of Warrants on the Expiry Date in accordance with Product Condition 3.1(b) or Product Condition 3.2(b), the Expiry Date; or
- (b) with respect to the exercise of American Style Warrants on an Exercise Date prior to the Expiry Date in accordance with Product Condition 3.1(a), the Valuation Date;

“Settlement Disruption Event” means an event beyond the control of the Issuer as a result of which the Issuer is unable to procure payment of the Cash Settlement Amount electronically through CCASS to the Designated Bank Account;

“Shares” means the shares of the Company specified as such in the relevant Supplemental Listing Document; and

“Valuation Date” means:

- (a) with respect to the automatic exercise of Warrants on the Expiry Date in accordance with Product Condition 3.1(b) or Product Condition 3.2(b), each of the five Business Days immediately preceding the Expiry Date, provided that if the Issuer determines, in its sole discretion, that on any Valuation Date a Market Disruption Event has occurred, then that Valuation Date shall be postponed until the first succeeding Business Day on which there is no Market Disruption Event irrespective of whether that postponed Valuation Date would fall on a day that already is or is deemed to be a Valuation Date. For the avoidance of doubt, in the event that a Valuation Date is postponed in accordance with this paragraph (a), the closing price of the Shares for such postponed Valuation Date will be the closing price of the Shares on the first succeeding Business Day. Accordingly, the closing price of a Valuation Date may be used more than once in

calculating the arithmetic mean of the closing prices of one Share for the determination of the Cash Settlement Amount, so that in no event shall there be less than five closing prices to determine the arithmetic mean of the closing prices of one Share; or

- (b) with respect to the exercise of American Style Warrants on any Exercise Date prior to the Expiry Date in accordance with Product Condition 3.1(a), the Exercise Date, provided that if the Issuer determines, in its sole discretion, that a Market Disruption Event has occurred on such Exercise Date, then the Valuation Date shall be postponed until the first succeeding Business Day on which there is no Market Disruption Event, provided that if there is a Market Disruption Event on each of the five Business Days immediately following the original Exercise Date that, but for the Market Disruption Event, would have been the Valuation Date, then:
 - (i) that fifth Business Day after the original Exercise Date shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event; and
 - (ii) the Issuer shall determine the closing price of the Shares on the basis of its good faith estimate of such price that would have prevailed on that fifth Business Day after the original Exercise Date but for the Market Disruption Event,

provided further that if the postponement of the Valuation Date in accordance with paragraphs (a) or (b) above would result in the Valuation Date falling on or after the Expiry Date, then:

- (aa) the Business Day immediately preceding the Expiry Date (the “**Last Valuation Date**”) shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event; and
- (bb) the Issuer shall determine the closing price of the Shares on the basis of its good faith estimate of such price that would have prevailed on the Last Valuation Date but for the Market Disruption Event.

2. Warrant Rights and Exercise Expenses

2.1 Warrant Rights

Every Exercise Amount gives each Holder, upon due exercise and compliance with Product Condition 4.1 or Product Condition 4.2, as the case may be, the right to receive the payment of the Cash Settlement Amount, if any.

2.2 Exercise Expenses

On exercise of the Warrants, Holders will be obliged to give an irrevocable authorisation to the Issuer to deduct all Exercise Expenses in accordance with Product Condition 4.1 or Product Condition 4.2, as the case may be.

3. Exercise of American Style Warrants and European Style Warrants, Automatic Exercise and Expiry

3.1 American Style Warrants

The following provisions of this Product Condition 3.1 shall apply to Warrants which are expressed to be American Style.

(a) *Exercise of Warrants*

The Warrants may be exercised by delivery of an Exercise Notice in accordance with Product Condition 4.1 at any time during the relevant Exercise Period.

(b) *Automatic Exercise*

Any Warrant with respect to which an Exercise Date has not occurred during the Exercise Period will automatically be exercised if the Cash Settlement Amount on the Expiry Date is greater than zero (without notice being given to the Holders). The Holders will not be required to deliver any Exercise Notice and the Issuer or its agent will pay to the Holders the Cash Settlement Amount (if any) in accordance with Product Condition 4.1(f).

(c) *Expiry*

Any Warrant with respect to which an Exercise Date has not occurred during the Exercise Period or which has not been automatically exercised in accordance with Product Condition 3.1(b) shall expire immediately without value thereafter and all rights of the Holder and obligations of the Issuer with respect to such Warrant shall cease.

3.2 European Style Warrants

The following provisions of this Product Condition 3.2 shall apply to Warrants which are expressed to be European Style.

(a) *Exercise of Warrants*

The Warrants are exercisable only on the Expiry Date.

(b) *Automatic Exercise*

Any Warrant will automatically be exercised if the Cash Settlement Amount on the Expiry Date is greater than zero (without notice being given to the Holders). The Holders will not be required to deliver any Exercise Notice and the Issuer or its agent will pay to the Holders the Cash Settlement Amount (if any) in accordance with Product Condition 4.2(d).

(c) *Expiry*

Any Warrant which has not been automatically exercised in accordance with Product Condition 3.2(b) shall expire immediately without value thereafter and all rights of the Holder and obligations of the Issuer with respect to such Warrant shall cease.

4. Exercise of Warrants

4.1 *American Style Warrants*

The following provisions of this Product Condition 4.1 shall apply to Warrants which are expressed to be American Style.

(a) *Exercise of Warrants in Board Lots*

Warrants may only be exercised in Board Lots or integral multiples thereof.

(b) *Delivery of an Exercise Notice*

- (i) In order to exercise Warrants, the Holder shall deliver to the Transfer Office an Exercise Notice, such delivery to be made at any time during the relevant Exercise Period. Warrants may not be exercised at any other time.
- (ii) The Exercise Date shall be the Business Day on which an Exercise Notice is delivered to CS Hong Kong and in respect of which there is a valid exercise of Warrants in accordance with the requirements of these Product Conditions, provided that any Exercise Notice received by CS Hong Kong after 10:00 a.m. (Hong Kong time) on any Business Day shall be deemed to have been delivered on the next following Business Day.

(c) *Exercise Notice*

The Exercise Notice shall:

- (i) specify the name(s) of the Holder(s) and the number of Warrants being exercised;
- (ii) be accompanied by the Global Certificate in the name(s) of the exercising Holder(s); and
- (iii) (where applicable) specify the person in whose favour the cheque representing the Cash Settlement Amount should be drawn and the name and address of the bank, broker or other agent to whom the cheque should be sent or, as the case may be, specify the relevant account to which the Cash Settlement Amount should be credited.

(d) *Consequences of delivery of an Exercise Notice*

Delivery of an Exercise Notice in accordance with Product Conditions 4.1(b) and 4.1(c) shall constitute an irrevocable election and undertaking by the Holder specified in such Exercise Notice to exercise the number of Warrants specified in such Exercise Notice and an irrevocable authorisation to deduct the Exercise Expenses in accordance with the calculation set out in the definition of the Cash Settlement Amount.

(e) *Cancellation*

The Issuer will procure that CS Hong Kong will, with effect from the first Business Day following the Exercise Date or the Expiry Date, as the case may be, remove

from the Register the name of the person in respect of the Warrants which (i) are the subject of a valid exercise in accordance with these Product Conditions whether pursuant to an Exercise Notice or automatic exercise; or (ii) have expired worthless, and thereby cancel the relevant Warrants.

(f) *Cash Settlement*

Subject to a valid exercise, or automatic exercise, of Warrants in accordance with these Product Conditions, the Issuer will make a payment, in respect of every Exercise Amount, to the relevant Holder (or such other person as the Holder may have directed, if applicable) equal to the Cash Settlement Amount.

The Cash Settlement Amount shall be despatched not later than the Settlement Date by crediting that amount in accordance with the CCASS Rules, to the Designated Bank Account.

If, as a result of a Settlement Disruption Event, it is not possible for the Issuer to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder on the original Settlement Date, the Issuer shall use its reasonable endeavours to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder as soon as reasonably practicable after the original Settlement Date. The Issuer will not be liable to the Holder for any interest in respect of the amount due or any loss or damage that such Holder may suffer as a result of the existence of the Settlement Disruption Event.

4.2 ***European Style Warrants***

The following provisions of this Product Condition 4.2 shall apply to Warrants which are expressed to be European Style.

(a) *Exercise of Warrants in Board Lots*

Warrants may only be exercised in Board Lots or integral multiples thereof.

(b) *No requirement to deliver an Exercise Notice*

The Holders will not be required to deliver an Exercise Notice for any purpose in relation to the Warrants.

(c) *Cancellation*

The Issuer will procure that CS Hong Kong will, with effect from the first Business Day following the Expiry Date, remove from the Register the name of the person in respect of the Warrants which (i) are the subject of an exercise pursuant to automatic exercise in accordance with these Product Conditions; or (ii) have expired worthless, and thereby cancel the relevant Warrants.

(d) *Cash Settlement*

Subject to automatic exercise of Warrants in accordance with these Product Conditions, the Issuer will make a payment in respect of every Exercise Amount to the relevant Holder equal to the Cash Settlement Amount.

The Cash Settlement Amount shall be despatched not later than the Settlement Date by crediting that amount in accordance with the CCASS Rules to the Designated Bank Account.

If, as a result of a Settlement Disruption Event, it is not possible for the Issuer to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder on the original Settlement Date, the Issuer shall use its reasonable endeavours to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder as soon as reasonably practicable after the original Settlement Date. The Issuer will not be liable to the Holder for any interest in respect of the amount due or any loss or damage that such Holder may suffer as a result of the existence of the Settlement Disruption Event.

5. Adjustments

5.1 *Rights Issues*

If and whenever the Company shall, by way of Rights (as defined below), offer new Shares for subscription at a fixed subscription price to the holders of existing Shares pro rata to existing holdings (a “**Rights Offer**”), the Entitlement will be adjusted to take effect on the Business Day on which trading in the Shares becomes ex-entitlement in accordance with the following formula:

$$\text{Adjusted Entitlement} = \frac{1 + M}{1 + (R/S) \times M} \times E$$

Where:

- E: Existing Entitlement immediately prior to the Rights Offer
- S: Cum-Rights Share price determined by the closing price on the Stock Exchange on the last Business Day on which Shares are traded on a cum-Rights basis
- R: Subscription price per Share as specified in the Rights Offer plus an amount equal to any dividends or other benefits foregone to exercise the Right
- M: Number of new Share(s) (whether a whole or a fraction) per existing Share each holder thereof is entitled to subscribe

Provided that if the adjustment to be made would result in the Entitlement being changed by one per cent. or less, then no adjustment will be made to the Entitlement. In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by the reciprocal of the Adjusted Entitlement, where the reciprocal of the Adjusted Entitlement means one divided by the relevant Adjusted Entitlement. This adjustment shall take effect on the same day that the Entitlement is adjusted.

For the purposes of these Product Conditions:

“Rights” means the right(s) attached to each existing Share or needed to acquire one new Share (as the case may be) which are given to the holders of existing Shares to subscribe at a fixed subscription price for new Shares pursuant to the Rights Offer (whether by the exercise of one Right, a part of a Right or an aggregate number of Rights).

5.2 ***Bonus Issues***

If and whenever the Company shall make an issue of Shares credited as fully paid to the holders of Shares generally by way of capitalisation of profits or reserves (other than pursuant to a scrip dividend or similar scheme for the time being operated by the Company or otherwise in lieu of a cash dividend and without any payment or other consideration being made or given by such holders) (a **“Bonus Issue”**) the Entitlement will be increased on the Business Day on which trading in the Shares becomes ex-entitlement in accordance with the following formula:

$$\text{Adjusted Entitlement} = (1 + N) \times E$$

Where:

- E: Existing Entitlement immediately prior to the Bonus Issue
- N: Number of additional Shares (whether a whole or a fraction) received by a holder of existing Shares for each Share held prior to the Bonus Issue

Provided that if the adjustment to be made would result in the Entitlement being changed by one per cent. or less, then no adjustment will be made to the Entitlement. In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by the reciprocal of the Adjusted Entitlement, where the reciprocal of the Adjusted Entitlement means one divided by the relevant Adjusted Entitlement. This adjustment shall take effect on the same day that the Entitlement is adjusted.

5.3 ***Share Splits or Consolidations***

If and whenever the Company shall subdivide its Shares or any class of its outstanding share capital comprised of the Shares into a greater number of shares (a **“Subdivision”**) or consolidate the Shares or any class of its outstanding share capital comprised of the Shares into a smaller number of shares (a **“Consolidation”**), the Entitlement in effect immediately prior thereto will be increased (in the case of a Subdivision) or decreased (in the case of a Consolidation) accordingly in each case on the day on which the relevant Subdivision or Consolidation shall have taken effect. In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by the reciprocal of the Adjusted Entitlement, where the reciprocal of the Adjusted Entitlement means one divided by the relevant Adjusted Entitlement. This adjustment shall take effect on the same day that the Entitlement is adjusted.

5.4 ***Merger or Consolidation***

If it is announced that the Company is to or may merge or consolidate with or into any other corporation (including becoming, by agreement or otherwise, a subsidiary of any corporation or controlled by any person or corporation) (except where the Company is the surviving corporation in a merger) or that it is to or may sell or transfer all or substantially all of its assets, the rights attaching to the Warrants may in the absolute discretion of the Issuer be amended no later than the Business Day preceding the consummation of such merger, consolidation, sale or transfer (each a “**Restructuring Event**”) (as determined by the Issuer in its absolute discretion).

The rights attaching to the Warrants after the adjustment shall, after such Restructuring Event, relate to the number of shares of the corporation(s) resulting from or surviving such Restructuring Event or other securities (“**Substituted Securities**”) and/or cash offered in substitution for the affected Shares, as the case may be, to which the holder of such number of Shares to which the Warrants related immediately before such Restructuring Event would have been entitled upon such Restructuring Event. Thereafter the provisions hereof shall apply to such Substituted Securities, provided that any Substituted Securities may, in the absolute discretion of the Issuer, be deemed to be replaced by an amount in Hong Kong dollars equal to the market value or, if no market value is available, fair value, of such Substituted Securities in each case as determined by the Issuer as soon as practicable after such Restructuring Event is effected.

For the avoidance of doubt, any remaining Shares shall not be affected by this Product Condition 5.4 and, where cash is offered in substitution for Shares or is deemed to replace Substituted Securities as described above, references in these Product Conditions to the Shares shall include any such cash.

5.5 ***Other Adjustments***

Except as provided in Product Conditions 5 and/or 7, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer’s sole and unfettered discretion and without any obligation whatsoever) to make such adjustments as it believes appropriate in circumstances where an event or events occur which it believes in its sole discretion and notwithstanding any prior adjustment made pursuant to the above should, in the context of the issue of the Warrants and the obligations of the Issuer, give rise to such adjustment provided that such adjustment is considered by the Issuer not to be materially prejudicial to the Holders generally (without considering the circumstances of any individual Holder or the tax or other consequences of such adjustment in any particular jurisdiction).

5.6 ***Notice of Adjustments***

All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Holders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with General Condition 7.

6. Liquidation

In the event of a liquidation or dissolution of the Company or the appointment of a liquidator, receiver or administrator or analogous person under Hong Kong law in respect of the whole or substantially the whole of its undertaking, property or assets, all unexercised Warrants will lapse and shall cease to be valid for any purpose, in the case of voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator or receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law.

7. Delisting

- 7.1 If at any time the Shares cease to be listed on the Stock Exchange, the Issuer shall give effect to the General Conditions and these Product Conditions in such manner and make such adjustments to the rights attaching to the Warrants as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Holders generally are not materially prejudiced as a consequence of such delisting (without considering the individual circumstances of any Holder or the tax or other consequences that may result in any particular jurisdiction).
- 7.2 Without prejudice to the generality of Product Condition 7.1, where the Shares are, or, upon the delisting, become, listed on any other stock exchange, the General Conditions and these Product Conditions may, in the absolute discretion of the Issuer, be amended to the extent necessary to allow for the substitution of that other stock exchange in place of the Stock Exchange and the Issuer may, without the consent of the Holders, make such adjustments to the entitlements of Holders on exercise (including, if appropriate, by converting foreign currency amounts at prevailing market rates into Hong Kong currency) as may be appropriate in the circumstances.
- 7.3 The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Holders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Holders in accordance with General Condition 7, as soon as practicable after they are determined.

PART B – PRODUCT CONDITIONS OF CALL WARRANTS (PHYSICALLY SETTLED)

The relevant Product Conditions will, together with the General Conditions and the supplemental provisions contained in the relevant Supplemental Listing Document and subject to completion and amendment, be endorsed on the Global Certificate. The applicable Supplemental Listing Document in relation to the issue of any series of Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the relevant Product Conditions, replace or modify the relevant Product Conditions for the purpose of such series of Warrants. Capitalised terms used in the relevant Product Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Supplemental Listing Document.

1. Definitions

For the purposes of these Product Conditions:

“**Business Day**” means a day (excluding Saturdays) on which the Stock Exchange is scheduled to open for dealings in Hong Kong and banks are open for business in Hong Kong;

“**Company**” means the company specified as such in the relevant Supplement Listing Document;

“**Dealing Commencement Date**” means the date specified as such in the relevant Supplemental Listing Document;

“**Entitlement**” means the number specified as such in the relevant Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 5;

“**Exercise Amount**” means the amount specified as such in the relevant Supplemental Listing Document;

“**Exercise Date**” means the date upon which a Warrant is, or is to be treated as, exercised in accordance with Product Condition 4.2(b);

“**Exercise Expenses**” has the meaning given to it by Product Condition 2.3;

“**Exercise Period**” means:

- (a) in the case of American Style Warrants, the period beginning at 10:00 a.m. (Hong Kong time) on the Dealing Commencement Date (or, if later, the first day of dealings in the Warrants on the Stock Exchange) and ending at 10:00 a.m. (Hong Kong time) on the Expiry Date; and
- (b) in the case of European Style Warrants, the Expiry Date or on the Business Day prior to the Expiry Date provided that any Exercise Notice delivered before the Expiry Date shall be deemed to be made on the Expiry Date;

“**Exercise Price**” means the price specified as such in the relevant Supplemental Listing Document;

“**Expiry Date**” has the meaning given to it in the relevant Supplemental Listing Document;

“General Conditions” means the general terms and conditions of Structured Products set out in Appendix 1 of the Base Listing Document;

“Product Conditions” means these product terms and conditions. These Product Conditions apply to each series of physically settled call Warrants;

“Settlement Date” means five Business Days following the Exercise Date;

“Settlement Disruption Event” means an event beyond the control of the Issuer as a result of which the Issuer is unable (i) to deliver share certificates and/or stamped share transfer forms to the Company for registration of transfer, (ii) to procure that an exercising Holder (or such person as it may have directed in the Exercise Notice) shall be entered in the register of members of the Company as a registered shareholder, or (iii) to deliver the Shares electronically through CCASS; and

“Shares” means the shares of the Company specified as such in the relevant Supplemental Listing Document.

2. Warrant Rights, Exercise Price and Exercise Expenses

2.1 Warrant Rights

Every Exercise Amount gives each Holder, upon due exercise, payment of the Exercise Price and compliance with Product Condition 4, the right to receive the Entitlement, subject to adjustment as provided in Product Condition 5.

2.2 Exercise Price

The price to be paid for the Entitlement upon the exercise of every Exercise Amount shall be the Exercise Price, subject to adjustment as described in Product Condition 5, plus any sums payable in accordance with Product Condition 2.3.

2.3 Exercise Expenses

Holder will be required to pay all charges which they incur in respect of the purchase and transfer of Shares upon the exercise of the Warrants including without limitation any stamp duty, levies and registration charges.

In addition, Holders will be required to pay a sum equal to all the expenses payable by the seller and transferor of the relevant Shares, including without limitation any stamp duty, agent’s expenses, scrip fees, levies, registration charges and other expenses payable on or in respect of or in connection with the purchase of or agreement to purchase the Shares to which the relevant Warrants and/or the exercise of the Warrants relate (the above charges and expenses incurred by Holders and the above seller’s and transferor’s expenses are together referred to as the **“Exercise Expenses”**).

An amount equivalent to the Exercise Expenses must be paid by the Holder together with the Exercise Price in accordance with Product Condition 4. In certain circumstances, part of the Exercise Expenses may be required to be paid by Holders after the exercise of the Warrants but prior to the delivery of the Shares electronically through CCASS.

3. Exercise of American Style Warrants and European Style Warrants and Expiry

3.1 American Style Warrants

The following provisions of this Product Condition 3.1 shall apply to Warrants which are expressed to be American Style.

(a) Exercise of Warrants

The Warrants may be exercised by delivery of an Exercise Notice in accordance with Product Condition 4 at any time during the relevant Exercise Period.

(b) Expiry

Any Warrant with respect to which an Exercise Date has not occurred during the Exercise Period shall expire immediately without value thereafter and all rights of the Holder and obligations of the Issuer with respect to such Warrant shall cease.

3.2 European Style Warrants

The following provisions of this Product Condition 3.2 shall apply to Warrants which are expressed to be European Style.

(a) Exercise of Warrants

The Warrants are exercisable by delivery of an Exercise Notice in accordance with Product Condition 4 only on the Expiry Date or on the Business Day prior to the Expiry Date provided that any delivery made before the Expiry Date shall be deemed to be made on the Expiry Date.

(b) Expiry

Any Warrant with respect to which an Exercise Date has not occurred during the Exercise Period shall expire immediately without value thereafter and all rights of the Holder and obligations of the Issuer with respect to such Warrant shall cease.

4. Exercise of Warrants

4.1 Exercise of Warrants in Board Lots

Warrants may only be exercised in Board Lots or integral multiples thereof.

4.2 Delivery of an Exercise Notice

- (a) In order to exercise Warrants, the Holder shall deliver to the Transfer Office an Exercise Notice, such delivery to be made at any time before 10:00 a.m. (Hong Kong time) on the Expiry Date. Warrants may not be exercised at any other time.

- (b) The Exercise Date shall be
 - (i) in the case of American Style Warrants, the Business Day on which an Exercise Notice is delivered to CS Hong Kong and in respect of which there is a valid exercise of Warrants in accordance with the requirements of these Product Conditions, provided that any Exercise Notice received by CS Hong Kong after 10:00 a.m. (Hong Kong time) on any Business Day shall be deemed to have been delivered on the next following Business Day; and
 - (ii) in the case of European Style Warrants, the Expiry Date in respect of which an Exercise Notice has been delivered.

4.3 Exercise Notice

The Exercise Notice shall:

- (a) specify the name(s) of the Holder(s) and the number of Warrants being exercised; and
- (b) be accompanied by the Global Certificate in the name(s) of the exercising Holder(s) and by payments by way of banker's draft or other payment, in each case in immediately available funds, in favour of the Issuer for the aggregate of the Exercise Price for the total number of Shares to be purchased and in favour of CS Hong Kong for such of the aggregate of the Exercise Expenses as may be determined by CS Hong Kong at that time or, if later, as soon as the same shall have been determined by CS Hong Kong.

Any Exercise Expenses which have not been determined by CS Hong Kong on the Exercise Date shall be notified to the Holder as soon as practicable after determination thereof by CS Hong Kong and shall be paid by the Holder forthwith.

4.4 Consequences of delivery of an Exercise Notice

Delivery of an Exercise Notice in accordance with Product Conditions 4.2 and 4.3 shall constitute an irrevocable election and undertaking by the Holder specified in such Exercise Notice to exercise the number of Warrants specified in such Exercise Notice and an irrevocable authority to the Issuer and CS Hong Kong to take all necessary action to deliver the Shares electronically through CCASS. In no event will any payment be accepted after 10:00 a.m. (Hong Kong time) on the Expiry Date.

4.5 Delivery of Shares and payments relating to Excess Shares

Subject to a valid exercise of Warrants in accordance with these Product Conditions:

- (a) the Issuer will procure that CS Hong Kong will, with effect from the first Business Day following the Exercise Date or the Expiry Date, as the case may be, remove from the Register the name of the person in respect of the Warrants which are the subject of an exercise pursuant to an Exercise Notice or if the Warrants have expired worthless and thereby cancel the relevant Warrants; and

- (b) subject as provided below in the case of a Settlement Disruption Event, the Issuer will procure:
 - (i) the delivery of the total number of Shares to be sold and transferred by the Issuer pursuant to the exercise of the Warrants by way of electronic settlement through CCASS to the relevant Holder in accordance with the CCASS Rules no later than the Settlement Date; and
 - (ii) any payment to which the Holder is entitled pursuant to Product Condition 5.7, if applicable, shall be despatched no later than the Settlement Date (at the risk and expense of the Holder) to the Holder (or, in the case of joint Holders, the address of the first-named Holder) appearing on the Register.

Notwithstanding the foregoing, such actions shall not take place until the Holder shall have accounted to CS Hong Kong for unpaid Exercise Expenses to the extent that they were not or could not be paid on the Exercise Date.

If a Settlement Disruption Event exists on any Business Day from and including the Exercise Date to and including the Settlement Date, then the Settlement Date shall be postponed until the first succeeding Business Day on which there is no Settlement Disruption Event unless a Settlement Disruption Event prevents settlement on each of the ten Business Days immediately following the original Settlement Date.

In that case,

- (a) if the Shares can be delivered in any other commercially reasonable manner on the tenth Business Day immediately following the original Settlement Date, then they shall so be delivered; and
- (b) if the Shares cannot be delivered in any other commercially reasonable manner, the Settlement Date shall be postponed until settlement can reasonably be effected under this Product Condition or in any other commercially reasonable manner.

If, as a result of a Settlement Disruption Event it is not possible for the Issuer to deliver the Shares electronically through CCASS on or before the original Settlement Date, the Issuer shall procure that the exercising Holder is notified (in accordance with General Condition 7) of the postponement of the Settlement Date.

4.6 ***Intervening Period***

As from the Exercise Date, an exercising Holder (or such person as he may have directed) shall become beneficially entitled to all those rights attaching to the Shares to be delivered in respect of such exercise to which he would have become entitled if he had been registered as the holder of such Shares on the Exercise Date.

Notwithstanding the foregoing, as from the Exercise Date and until such time as the exercising Holder (or such person as he may have directed) is delivered the Shares electronically through CCASS (the "**Intervening Period**"), neither the Issuer nor its agent or nominee shall:

- (a) be under any obligation to deliver to such exercising Holder or any subsequent beneficial owner of the Shares any letter, certificate, notice, circular, dividend or any other document or payment whatsoever received by the Issuer or its agent or nominee in its capacity as the registered holder of such Shares; or

- (b) exercise any or all rights (including voting rights) attaching to the Shares during the Intervening Period without the prior written consent of the relevant exercising Holder, provided that neither the Issuer nor its agent nor nominee shall be under any obligation to exercise any such rights during the Intervening Period; or
- (c) be under any liability to such exercising Holder or any subsequent beneficial owner of the Shares in respect of any loss or damage which such exercising Holder or subsequent beneficial owner may sustain or suffer as a result, whether directly or indirectly, of the Issuer or its agent or nominee being registered during such Intervening Period as legal owner of the Shares.

4.7 Notwithstanding Product Condition 4.6 above, the Issuer shall notify each relevant exercising Holder (or where there are joint Holders, the first named Holder) appearing in the Register by post (by air mail in the case of an address outside Hong Kong) of the receipt by the Issuer or its agent or nominee during the Intervening Period of any dividend, rights, bonus issue, shares issued pursuant to a share split or consolidation in respect of Shares beneficially owned by such exercising Holder or a subsequent beneficial owner of such Shares which the exercising Holder is entitled to under these Product Conditions.

The Issuer shall also make available as soon as reasonably practicable such dividend payment or Shares, as the case may be, for collection by the Holder or such subsequent beneficial owner of such Shares from an office in Hong Kong which shall be specified in such notification upon production of such evidence of entitlement and identification as may reasonably be required by the Issuer.

The Issuer shall also notify each relevant exercising Holder (or where there are joint Holders, the first named Holder) appearing on the Register by post (by airmail in the case of an address outside Hong Kong) of any right, entitlement or offer which the exercising Holder is entitled to exercise or accept under these Product Conditions as beneficial owner of the relevant Shares during the Intervening Period and shall make available any document relating to such right, entitlement or offer for collection by the Holder, or the person to whom the Holder directed the Shares to be delivered, from an office in Hong Kong which shall be specified in such notification upon production of such evidence of entitlement and identification as may reasonably be required and, following receipt by the Issuer of written notification as may reasonably be required and, where appropriate, any relevant payment or consideration necessary in connection with exercising or accepting any such right, entitlement or offer from the relevant exercising Holder or the person to whom the Holder directed the Shares to be delivered, the Issuer shall on behalf of the relevant exercising Holder, or the person to whom the Holder directed the Shares to be delivered, exercise or accept such right, entitlement or offer.

Notwithstanding anything in this Product Condition, in the case of the receipt by the Issuer during the Intervening Period of an entitlement (in respect of the Shares deliverable to or at the direction of the exercising Holder) which takes the form of securities issued by the Company by way of rights (to which entitlement the exercising Holder is entitled under these Product Conditions), the Issuer shall, as soon as reasonably practicable and:

- (a) in any event by no later than one Business Day following receipt by it of the relevant entitlement from the Company, where necessary post to the Company or its share registrar an application for the entitlement to be split as appropriate as between Shares deliverable to different Holders (or subsequent Holders); and

- (b) in any event no later than one Business Day following receipt by it of the relevant entitlement duly split as referred to in (i) above, post (by air mail in the case of an address outside Hong Kong) all documentation (duly renounced where appropriate) received by it relating to such entitlement to the exercising Holder, or the person to whom the Holder directed the Shares to be delivered, or (if the exercising Holder shall have so directed in the relevant Exercise Notice) make available such documentation for collection by the Holder, or the person to whom the Holder directed the Shares to be delivered, from the Transfer Office upon production of such evidence of entitlement and identification as may reasonably be required.

4.8 ***Relationship of agency or trust***

These Product Conditions shall not be construed so as to give rise to any relationship of agency or trust between the Issuer or its agent or nominee and any exercising Holder in its capacity as beneficial owner of Shares, or any subsequent beneficial owner of Shares, during an Intervening Period and neither the Issuer nor its agent or nominee shall owe any duty of a fiduciary nature to either such Holder or such beneficial owner in respect of such Shares.

5. **Adjustments**

5.1 ***Rights Issues***

If and whenever the Company shall, by way of Rights (as defined below), offer new Shares for subscription at a fixed subscription price to the holders of existing Shares pro rata to existing holdings (a “**Rights Offer**”), the Entitlement will be adjusted to take effect on the Business Day on which trading in the Shares becomes ex-entitlement in accordance with the following formula:

$$\text{Adjusted Entitlement} = \frac{1 + M}{1 + (R/S) \times M} \times E$$

Where:

- E: Existing Entitlement immediately prior to the Rights Offer
- S: Cum-Rights Share price determined by the closing price on the Stock Exchange on the last Business Day on which Shares are traded on a cum-Rights basis
- R: Subscription price per Share as specified in the Rights Offer plus an amount equal to any dividends or other benefits foregone to exercise the Right
- M: Number of new Share(s) (whether a whole or a fraction) per existing Share each holder thereof is entitled to subscribe

Provided that if the adjustment to be made would result in the Entitlement being changed by one per cent. or less, then no adjustment will be made to the Entitlement.

In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by the reciprocal of the Adjusted Entitlement, where the reciprocal of the Adjusted Entitlement means one divided by the relevant Adjusted Entitlement. This adjustment shall take effect on the same day that the Entitlement is adjusted.

For the purposes of these Product Conditions:

“Rights” means the right(s) attached to each existing Share or needed to acquire one new Share (as the case may be) which are given to the holders of existing Shares to subscribe at a fixed subscription price for new Shares pursuant to the Rights Offer (whether by the exercise of one Right, a part of a Right or an aggregate number of Rights).

5.2 ***Bonus Issues***

If and whenever the Company shall make an issue of Shares credited as fully paid to the holders of Shares generally by way of capitalisation of profits or reserves (other than pursuant to a scrip dividend or similar scheme for the time being operated by the Company or otherwise in lieu of a cash dividend and without any payment or other consideration being made or given by such holders) (a **“Bonus Issue”**) the Entitlement will be increased on the Business Day on which trading in the Shares becomes ex-entitlement in accordance with the following formula:

$$\text{Adjusted Entitlement} = (1 + N) \times E$$

Where:

E: Existing Entitlement immediately prior to the Bonus Issue

N: Number of additional Shares (whether a whole or a fraction) received by a holder of existing Shares for each Share held prior to the Bonus Issue

Provided that if the adjustment to be made would result in the Entitlement being changed by one per cent. or less, then no adjustment will be made to the Entitlement. In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by the reciprocal of the Adjusted Entitlement, where the reciprocal of the Adjusted Entitlement means one divided by the relevant Adjusted Entitlement. This adjustment shall take effect on the same day that the Entitlement is adjusted.

5.3 ***Share Splits or Consolidations***

If and whenever the Company shall subdivide its Shares or any class of its outstanding share capital comprised of the Shares into a greater number of shares (a **“Subdivision”**) or consolidate the Shares or any class of its outstanding share capital comprised of the Shares into a smaller number of shares (a **“Consolidation”**), the Entitlement in effect immediately prior thereto will be increased (in the case of a

Subdivision) or decreased (in the case of a Consolidation) accordingly in each case on the day on which the relevant Subdivision or Consolidation shall have taken effect. In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by the reciprocal of the Adjusted Entitlement, where the reciprocal of the Adjusted Entitlement means one divided by the relevant Adjusted Entitlement. This adjustment shall take effect on the same day that the Entitlement is adjusted.

5.4 ***Merger or Consolidation***

If it is announced that the Company is to or may merge or consolidate with or into any other corporation (including becoming, by agreement or otherwise, a subsidiary of any corporation or controlled by any person or corporation) (except where the Company is the surviving corporation in a merger) or that it is to or may sell or transfer all or substantially all of its assets, the rights attaching to the Warrants may in the absolute discretion of the Issuer be amended no later than the Business Day preceding the consummation of such merger, consolidation, sale or transfer (each a “**Restructuring Event**”) (as determined by the Issuer in its absolute discretion).

The rights attaching to the Warrants after the adjustment shall, after such Restructuring Event, relate to the number of shares of the corporation(s) resulting from or surviving such Restructuring Event or other securities (“**Substituted Securities**”) and/or cash offered in substitution for the affected Shares, as the case may be, to which the holder of such number of Shares to which the Warrants related immediately before such Restructuring Event would have been entitled upon such Restructuring Event. Thereafter the provisions hereof shall apply to such Substituted Securities, provided that any Substituted Securities may, in the absolute discretion of the Issuer, be deemed to be replaced by an amount in Hong Kong dollars equal to the market value or, if no market value is available, fair value, of such Substituted Securities in each case as determined by the Issuer as soon as practicable after such Restructuring Event is effected.

For the avoidance of doubt, any remaining Shares shall not be affected by this Product 5.4 and, where cash is offered in substitution for Shares or is deemed to replace Substituted Securities as described above, references in these Product Conditions to the Shares shall include any such cash.

5.5 ***Other Adjustments***

Except as provided in Product Conditions 5 and/or 7, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer’s sole and unfettered discretion and without any obligation whatsoever) to make such adjustments as it believes appropriate in circumstances where an event or events occur which it believes in its sole discretion and notwithstanding any prior adjustment made pursuant to the above should, in the context of the issue of the Warrants and the obligations of the Issuer, give rise to such adjustment provided that such adjustment is considered by the Issuer not to be materially prejudicial to the Holders generally (without considering the circumstances of any individual Holder or the tax or other consequences of such adjustment in any particular jurisdiction).

5.6 **Notice of Adjustments**

All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Holders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with General Condition 7.

5.7 **Excess Shares**

If as a result of an adjustment to the Entitlement pursuant to Product Conditions 5.1, 5.2, 5.3 and 5.5 above (but not otherwise), an exercise of a number of Warrants specified in an Exercise Notice would (if not for the provisions of this Product Condition 5.7) result in the relevant Holder becoming entitled to delivery of a number of Shares which is not equal to a board lot of the Shares at such time or an integral multiple thereof, then:

- (a) the Issuer shall not deliver to the relevant Holder and the Holder shall cease to be entitled to receive in respect of the relevant exercise of Warrants, that number of Shares (the “**Excess Shares**”) which exceeds the amount of such board lot or integral multiple thereof; and
- (b) the relevant Holder shall be entitled to receive a cash amount from the Issuer (to be paid no later than the Settlement Date in accordance with Product Condition 4.5) equal to the closing price of one Share (as derived from the Daily Quotation Sheet of the Stock Exchange or, if no such quotation is available, the most recently available closing price) on the Business Day immediately preceding the relevant Exercise Date multiplied by the number of the Excess Shares.

6. **Liquidation**

In the event of a liquidation or dissolution of the Company or the appointment of a liquidator, receiver or administrator or analogous person under Hong Kong law in respect of the whole or substantially the whole of its undertaking, property or assets, all unexercised Warrants will lapse and shall cease to be valid for any purpose, in the case of voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator or receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law.

7. **Delisting**

- 7.1 If at any time the Shares cease to be listed on the Stock Exchange, the Issuer shall give effect to the General Conditions and these Product Conditions in such manner and make such adjustments to the rights attaching to the Warrants as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Holders generally are not materially prejudiced as a consequence of such delisting (without considering the individual circumstances of any Holder or the tax or other consequences that may result in any particular jurisdiction).

- 7.2 Without prejudice to the generality of Product Condition 7.1, where the Shares are, or, upon the delisting, become, listed on any other stock exchange, the General Conditions and these Conditions may, in the absolute discretion of the Issuer, be amended to the extent necessary to allow for the substitution of that other stock exchange in place of the Stock Exchange and the Issuer may, without the consent of the Holders, make such adjustments to the entitlements of Holders on exercise (including, if appropriate, by converting foreign currency amounts at prevailing market rates into Hong Kong currency) as may be appropriate in the circumstances.
- 7.3 The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Holders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Holders in accordance with General Condition 7 as soon as practicable after they are determined.

PART C – PRODUCT CONDITIONS OF LOCKED-IN RETURN CALL/PUT WARRANTS (CASH SETTLED)

The relevant Product Conditions will, together with the General Conditions and the supplemental provisions contained in the relevant Supplemental Listing Document and subject to completion and amendment, be endorsed on the Global Certificate. The applicable Supplemental Listing Document in relation to the issue of any series of Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the relevant Product Conditions, replace or modify the relevant Product Conditions for the purpose of such series of Warrants. Capitalised terms used in the relevant Product Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Supplemental Listing Document.

1. Definitions

For the purposes of these Product Conditions:

“**Business Day**” means a day (excluding Saturdays) on which the Stock Exchange is scheduled to open for dealings in Hong Kong and banks are open for business in Hong Kong;

“**Cash Settlement Amount**” means, in respect of every Exercise Amount, an amount in Hong Kong dollars calculated by the Issuer as equal to (1) the sum of the Periodic Cash Settlement Amounts divided by the number of Periodic Fixing Dates less (2) the Exercise Expenses;

“**Company**” means the company specified as such in the relevant Supplemental Listing Document;

“**Dealing Commencement Date**” means the date specified as such in the relevant Supplemental Listing Document;

“**Designated Bank Account**” means the relevant bank account designated by the relevant Holder;

“**Entitlement**” means the number specified as such in the relevant Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 5;

“**Exercise Amount**” means the amount specified as such in the relevant Supplemental Listing Document;

“**Exercise Expenses**” means any charges or expenses including any taxes or duties which are incurred in respect of the exercise of the Warrants;

“**Expiry Date**” has the meaning given to it in the relevant Supplemental Listing Document;

“**General Conditions**” means the general terms and conditions of Structured Products set out in Appendix 1 of the Base Listing Document;

“Market Disruption Event” means:

- (a) the occurrence or existence on any Valuation Date during the one-half hour period that ends at the close of trading of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the Stock Exchange or otherwise) on the Stock Exchange in
 - (i) the Shares; or
 - (ii) any options or futures contracts relating to the Shares if, in any such case, that suspension or limitation is, in the determination of the Issuer, material; or
- (b) the hoisting of the tropical cyclone warning signal number 8 or above or the hoisting of a “BLACK” rainstorm signal which either results in the Stock Exchange being closed for dealings for an entire day or results in the Stock Exchange being closed prior to its regular time for close of trading on any day PROVIDED THAT there shall be no Market Disruption Event solely by reason of the Stock Exchange opening later than its regular time for open of trading on any day as a result of the tropical cyclone warning signal number 8 or above or the “BLACK” rainstorm signal having been hoisted;

“Periodic Cash Settlement Amount” means, in respect of every Exercise Amount and each Periodic Fixing Date:

- (a) in respect of a series of call Warrants, an amount in Hong Kong dollars calculated by the Issuer as equal to the greater of (1) zero and (2) the Entitlement (subject to adjustment as provided in Product Condition 5) in respect of such Periodic Fixing Date multiplied by (i) the arithmetic mean of the closing prices of one Share (as derived from the Daily Quotation Sheet of the Stock Exchange, subject to any adjustments to such closing prices as may be necessary to reflect any capitalisation, rights issue, distribution or the like) for each Valuation Date in respect of such Periodic Fixing Date less (ii) the Exercise Price (subject to adjustment as provided in Product Condition 5); for the avoidance of doubt, in respect of any Periodic Fixing Date, any adjustment under Product Condition 5 which takes effect after such Periodic Fixing Date shall not affect the calculation of the Periodic Cash Settlement Amount in respect of such Periodic Fixing Date in any way; and
- (b) in respect of a series of put Warrants, an amount in Hong Kong dollars calculated by the Issuer as equal to the greater of (1) zero and (2) the Entitlement (subject to adjustment as provided in Product Condition 5) in respect of such Periodic Fixing Date multiplied by (i) the Exercise Price (subject to adjustment as provided in Product Condition 5) less (ii) the arithmetic mean of the closing prices of one Share (as derived from the Daily Quotation Sheet of the Stock Exchange, subject to any adjustments to such closing prices as may be necessary to reflect any capitalisation, rights issue, distribution or the like) for each Valuation Date in respect of such Periodic Fixing Date; for the avoidance of doubt, in respect of any Periodic Fixing Date, any adjustment under Product Condition 5 which takes effect after such Periodic Fixing Date shall not affect the calculation of the Periodic Cash Settlement Amount in respect of such Periodic Fixing Date in any way;

“Periodic Fixing Dates” has the meaning given to it in the relevant Supplemental Listing Document;

“Product Conditions” means these product terms and conditions. These Product Conditions apply to each series of cash settled locked-in return Warrants;

“Settlement Date” means three Business Days following the Expiry Date;

“Settlement Disruption Event” means an event beyond the control of the Issuer as a result of which the Issuer is unable to procure payment of the Cash Settlement Amount electronically through CCASS to the Designated Bank Account;

“Shares” means the shares of the Company specified as such in the relevant Supplemental Listing Document; and

“Valuation Date” means, with respect to the exercise of Warrants and each Periodic Fixing Date, each of the five Business Days immediately preceding such Periodic Fixing Date, provided that if the Issuer determines, in its sole discretion, that on any Valuation Date a Market Disruption Event has occurred, then that Valuation Date shall be postponed until the first succeeding Business Day on which there is no Market Disruption Event irrespective of whether that postponed Valuation Date would fall on a day that already is or is deemed to be a Valuation Date, provided that if the postponement of a Valuation Date as above would result in a Valuation Date falling on or after such Periodic Fixing Date then:

- (i) the Business Day immediately preceding such Periodic Fixing Date (the **“Last Valuation Date”**) shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event; and
- (ii) the Issuer shall determine the closing price of the Shares on the basis of its good faith estimate of such price that would have prevailed on the Last Valuation Date but for the Market Disruption Event.

For the avoidance of doubt, in the event that a Valuation Date is postponed due to the occurrence of a Market Disruption Event, the closing price of the Shares for such postponed Valuation Date will be the closing price of the Shares on the first succeeding Business Day. Accordingly, the closing price of a Valuation Date may be used more than once in calculating the arithmetic mean of the closing prices of one Share for the determination of each Periodic Cash Settlement Amount, so that in no event shall there be less than five closing prices to determine the arithmetic mean of the closing prices of one Share for each Periodic Fixing Date.

2. Warrant Rights and Exercise Expenses

2.1 Warrant Rights

Every Exercise Amount gives each Holder, upon due exercise and compliance with Product Condition 4, the right to receive the payment of the Cash Settlement Amount, if any.

2.2 Exercise Expenses

On exercise of the Warrants, Holder will be obliged to give an irrevocable authorisation to the Issuer to deduct all Exercise Expenses in accordance with Product Condition 4.

3. Exercise of Warrants, Automatic Exercise and Expiry

3.1 Exercise of Warrants

The Warrants are exercisable only on the Expiry Date.

3.2 Automatic Exercise

Any Warrant will automatically be exercised if the Cash Settlement Amount on the Expiry Date is greater than zero (without notice being given to the Holders). The Holders will not be required to deliver any Exercise Notice and the Issuer or its agent will pay to the Holders the Cash Settlement Amount (if any) in accordance with Product Condition 4.4.

3.3 Expiry

Any Warrant which has not been automatically exercised in accordance with Product Condition 3.2 shall expire immediately without value thereafter and all rights of the Holder and obligations of the Issuer with respect to such Warrant shall cease.

4. Exercise of Warrants

4.1 Exercise of Warrants in Board Lots

Warrants may only be exercised in Board Lots or integral multiples thereof.

4.2 No requirement to deliver an Exercise Notice

The Holders will not be required to deliver an Exercise Notice for any purpose in relation to the Warrants.

4.3 Cancellation

The Issuer will procure that CS Hong Kong will, with effect from the first Business Day following the Expiry Date, remove from the Register the name of the person in respect of the Warrants which (i) are the subject of an exercise pursuant to automatic exercise in accordance with these Product Conditions; or (ii) have expired worthless, and thereby cancel the relevant Warrants.

4.4 Cash Settlement

Subject to automatic exercise of Warrants in accordance with these Product Conditions, the Issuer will make a payment in respect of every Exercise Amount to the relevant Holder equal to the Cash Settlement Amount.

The Cash Settlement Amount shall be despatched not later than the Settlement Date by crediting that amount in accordance with the CCASS Rules to the Designated Bank Account.

If, as a result of a Settlement Disruption Event, it is not possible for the Issuer to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder on the original Settlement Date, the Issuer shall use its reasonable endeavours to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder as soon as reasonably practicable after the original Settlement Date. The Issuer will not be liable to the Holder for any interest in respect of the amount due or any loss or damage that such Holder may suffer as a result of the existence of the Settlement Disruption Event.

5. Adjustments

5.1 *Rights Issues*

If and whenever the Company shall, by way of Rights (as defined below), offer new Shares for subscription at a fixed subscription price to the holders of existing Shares pro rata to existing holdings (a “**Rights Offer**”), the Entitlement will be adjusted to take effect on the Business Day on which trading in the Shares becomes ex-entitlement in accordance with the following formula:

$$\text{Adjusted Entitlement} = \frac{1 + M}{1 + (R/S) \times M} \times E$$

Where:

- E: Existing Entitlement immediately prior to the Rights Offer
- S: Cum-Rights Share price determined by the closing price on the Stock Exchange on the last Business Day on which Shares are traded on a cum-Rights basis
- R: Subscription price per Share as specified in the Rights Offer plus an amount equal to any dividends or other benefits foregone to exercise the Right
- M: Number of new Share(s) (whether a whole or a fraction) per existing Share each holder thereof is entitled to subscribe

Provided that if the adjustment to be made would result in the Entitlement being changed by one per cent. or less, then no adjustment will be made to the Entitlement. In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by the reciprocal of the Adjusted Entitlement, where the reciprocal of the Adjusted Entitlement means one divided by the relevant Adjusted Entitlement. This adjustment shall take effect on the same day that the Entitlement is adjusted.

For the purposes of these Product Conditions:

“**Rights**” means the right(s) attached to each existing Share or needed to acquire one new Share (as the case may be) which are given to the holders of existing Shares to subscribe at a fixed subscription price for new Shares pursuant to the Rights Offer (whether by the exercise of one Right, a part of a Right or an aggregate number of Rights).

5.2 *Bonus Issues*

If and whenever the Company shall make an issue of Shares credited as fully paid to the holders of Shares generally by way of capitalisation of profits or reserves (other than pursuant to a scrip dividend or similar scheme for the time being operated by the Company or otherwise in lieu of a cash dividend and without any payment or other

consideration being made or given by such holders) (a “**Bonus Issue**”) the Entitlement will be increased on the Business Day on which trading in the Shares becomes ex-entitlement in accordance with the following formula:

$$\text{Adjusted Entitlement} = (1 + N) \times E$$

Where:

- E: Existing Entitlement immediately prior to the Bonus Issue
- N: Number of additional Shares (whether a whole or a fraction) received by a holder of existing Shares for each Share held prior to the Bonus Issue

Provided that if the adjustment to be made would result in the Entitlement being changed by one per cent. or less, then no adjustment will be made to the Entitlement. In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by the reciprocal of the Adjusted Entitlement, where the reciprocal of the Adjusted Entitlement means one divided by the relevant Adjusted Entitlement. This adjustment shall take effect on the same day that the Entitlement is adjusted.

5.3 **Share Splits or Consolidations**

If and whenever the Company shall subdivide its Shares or any class of its outstanding share capital comprised of the Shares into a greater number of shares (a “**Subdivision**”) or consolidate the Shares or any class of its outstanding share capital comprised of the Shares into a smaller number of shares (a “**Consolidation**”), the Entitlement in effect immediately prior thereto will be increased (in the case of a Subdivision) or decreased (in the case of a Consolidation) accordingly in each case on the day on which the relevant Subdivision or Consolidation shall have taken effect. In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by the reciprocal of the Adjusted Entitlement, where the reciprocal of the Adjusted Entitlement means one divided by the relevant Adjusted Entitlement. This adjustment shall take effect on the same day that the Entitlement is adjusted.

5.4 **Merger or Consolidation**

If it is announced that the Company is to or may merge or consolidate with or into any other corporation (including becoming, by agreement or otherwise, a subsidiary of any corporation or controlled by any person or corporation) (except where the Company is the surviving corporation in a merger) or that it is to or may sell or transfer all or substantially all of its assets, the rights attaching to the Warrants may in the absolute discretion of the Issuer be amended no later than the Business Day preceding the consummation of such merger, consolidation, sale or transfer (each a “**Restructuring Event**”) (as determined by the Issuer in its absolute discretion).

The rights attaching to the Warrants after the adjustment shall, after such Restructuring Event, relate to the number of shares of the corporation(s) resulting from or surviving such Restructuring Event or other securities (“**Substituted Securities**”) and/or cash offered in substitution for the affected Shares, as the case may be, to which the holder

of such number of Shares to which the Warrants related immediately before such Restructuring Event would have been entitled upon such Restructuring Event. Thereafter the provisions hereof shall apply to such Substituted Securities, provided that any Substituted Securities may, in the absolute discretion of the Issuer, be deemed to be replaced by an amount in Hong Kong dollars equal to the market value or, if no market value is available, fair value, of such Substituted Securities in each case as determined by the Issuer as soon as practicable after such Restructuring Event is effected.

For the avoidance of doubt, any remaining Shares shall not be affected by this Product Condition 5.4 and, where cash is offered in substitution for Shares or is deemed to replace Substituted Securities as described above, references in these Product Conditions to the Shares shall include any such cash.

5.5 *Other Adjustments*

Except as provided in Product Conditions 5 and/or 7, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to make such adjustments as it believes appropriate in circumstances where an event or events occur which it believes in its sole discretion and notwithstanding any prior adjustment made pursuant to the above should, in the context of the issue of the Warrants and the obligations of the Issuer, give rise to such adjustment provided that such adjustment is considered by the Issuer not to be materially prejudicial to the Holders generally (without considering the circumstances of any individual Holder or the tax or other consequences of such adjustment in any particular jurisdiction).

5.6 *Notice of Adjustments*

All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Holders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with General Condition 7.

6. *Liquidation*

In the event of a liquidation or dissolution of the Company or the appointment of a liquidator, receiver or administrator or analogous person under Hong Kong law in respect of the whole or substantially the whole of its undertaking, property or assets, all unexercised Warrants will lapse and shall cease to be valid for any purpose, in the case of voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator or receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law.

7. Delisting

- 7.1 If at any time the Shares cease to be listed on the Stock Exchange, the Issuer shall give effect to the General Conditions and these Product Conditions in such manner and make such adjustments to the rights attaching to the Warrants as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Holders generally are not materially prejudiced as a consequence of such delisting (without considering the individual circumstances of any Holder or the tax or other consequences that may result in any particular jurisdiction).
- 7.2 Without prejudice to the generality of Product Condition 7.1, where the Shares are, or, upon the delisting, become, listed on any other stock exchange, the General Conditions and these Product Conditions may, in the absolute discretion of the Issuer, be amended to the extent necessary to allow for the substitution of that other stock exchange in place of the Stock Exchange and the Issuer may, without the consent of the Holders, make such adjustments to the entitlements of Holders on exercise (including, if appropriate, by converting foreign currency amounts at prevailing market rates into Hong Kong currency) as may be appropriate in the circumstances.
- 7.3 The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Holders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Holders in accordance with General Condition 7, as soon as practicable after they are determined.

PART D – PRODUCT CONDITIONS OF AVERAGE RETURN CALL/PUT WARRANTS (CASH SETTLED)

The relevant Product Conditions will, together with the General Conditions and the supplemental provisions contained in the relevant Supplemental Listing Document and subject to completion and amendment, be endorsed on the Global Certificate. The applicable Supplemental Listing Document in relation to the issue of any series of Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the relevant Product Conditions, replace or modify the relevant Product Conditions for the purpose of such series of Warrants. Capitalised terms used in the relevant Product Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Supplemental Listing Document.

1. Definitions

For the purposes of these Product Conditions:

“**Business Day**” means a day (excluding Saturdays) on which the Stock Exchange is scheduled to open for dealings in Hong Kong and banks are open for business in Hong Kong;

“**Cash Settlement Amount**” means, in respect of every Exercise Amount, an amount in Hong Kong dollars calculated by the Issuer as equal to (1) the Entitlement (subject to adjustment as provided in Product Condition 5) in respect of a Periodic Fixing Date multiplied by (i) the sum of the Periodic Reference Prices (subject to adjustment as provided in Product Condition 5) divided by the number of Periodic Fixing Dates less (ii) the Exercise Price (subject to adjustment as provided in Product Condition 5); less (2) the Exercise Expenses. For the avoidance of doubt, if the Cash Settlement Amount is a negative figure, it shall be deemed to be zero;

“**Company**” means the company specified as such in the relevant Supplemental Listing Document;

“**Dealing Commencement Date**” means the date specified as such in the relevant Supplemental Listing Document;

“**Designated Bank Account**” mean the relevant bank account designated by the relevant Holder;

“**Entitlement**” means the number specified as such in the relevant Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 5;

“**Exercise Amount**” means the amount specified as such in the relevant Supplemental Listing Document;

“**Exercise Expenses**” means any charges or expenses including any taxes or duties which are incurred in respect of the exercise of the Warrants;

“**Exercise Price**” means the price specified as such in the relevant Supplemental Listing Document;

“**Expiry Date**” has the meaning given to it in the relevant Supplemental Listing Document;

“General Conditions” means the general terms and conditions of Structured Products set out in Appendix 1 of the Base Listing Document;

“Market Disruption Event” means:

- (a) the occurrence or existence on any Valuation Date during the one-half hour period that ends at the close of trading of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the Stock Exchange or otherwise) on the Stock Exchange in
 - (i) the Shares; or
 - (ii) any options or futures contracts relating to the Shares if, in any such case, that suspension or limitation is, in the determination of the Issuer, material; or
- (b) the hoisting of the tropical cyclone warning signal number 8 or above or the hoisting of a “BLACK” rainstorm signal which either results in the Stock Exchange being closed for dealings for an entire day or results in the Stock Exchange being closed prior to its regular time for close of trading on any day PROVIDED THAT there shall be no Market Disruption Event solely by reason of the Stock Exchange opening later than its regular time for open of trading on any day as a result of the tropical cyclone warning signal number 8 or above or the “BLACK” rainstorm signal having been hoisted;

“Periodic Fixing Dates” has the meaning given to it in the relevant Supplemental Listing Document;

“Product Conditions” means these product terms and conditions. These Product Conditions apply to each series of cash settled average return call/put Warrants;

“Periodic Reference Price” means, in respect of each Periodic Fixing Date, an amount in Hong Kong Dollars calculated by the Issuer as equal to the arithmetic mean of the closing prices of one Share (as derived from the Daily Quotation Sheet of the Stock Exchange, subject to any adjustments to such closing prices as may be necessary to reflect any capitalisation, rights issue, distribution or the like) for each Valuation Date with respect to the relevant Periodic Fixing Date;

“Settlement Date” means three Business Days following the Expiry Date;

“Settlement Disruption Event” means an event beyond the control of the Issuer as a result of which the Issuer is unable to procure payment of the Cash Settlement Amount electronically through CCASS to the Designated Bank Account;

“Shares” means the shares of the Company specified as such in the relevant Supplemental Listing Document; and

“Valuation Date” means, with respect to the exercise of Warrants and each Periodic Fixing Date, each of the five Business Days immediately preceding such Periodic Fixing Date, provided that if the Issuer determines, in its sole discretion, that on any Valuation Date a Market Disruption Event has occurred, then that Valuation Date shall be postponed until the first succeeding Business Day on which there is no Market Disruption Event irrespective of whether that postponed Valuation Date would fall on a day that already is or is deemed to be a Valuation Date, provided that if the postponement of a Valuation Date as above would result in a Valuation Date falling on or after such Periodic Fixing Date then:

- (a) the Business Day immediately preceding such Periodic Fixing Date (the “**Last Valuation Date**”) shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event; and
- (b) the Issuer shall determine the closing price of the Shares on the basis of its good faith estimate of such price that would have prevailed on the Last Valuation Date but for the Market Disruption Event.

For the avoidance of doubt, in the event that a Valuation Date is postponed due to the occurrence of a Market Disruption Event, the closing price of the Shares for such postponed Valuation Date will be the closing price of the Shares on the first succeeding Business Day. Accordingly, the closing price of a Valuation Date may be used more than once in calculating the Periodic Reference Price with respect to a Periodic Fixing Date, so that in no event shall there be less than five closing prices to determine each Periodic Reference Price.

2. Warrant Rights and Exercise Expenses

2.1 Warrant Rights

Every Exercise Amount gives each Holder, upon due exercise and compliance with Product Condition 4, the right to receive the payment of the Cash Settlement Amount, if any.

2.2 Exercise Expenses

On exercise of the Warrants, Holders will be obliged to give an irrevocable authorisation to the Issuer to deduct all Exercise Expenses in accordance with Product Condition 4.

3. Exercise of Warrants, Automatic Exercise and Expiry

3.1 Exercise of Warrants

The Warrants are exercisable only on the Expiry Date.

3.2 Automatic Exercise

Any Warrant will automatically be exercised if the Cash Settlement Amount on the Expiry Date is greater than zero (without notice being given to the Holders). The Holders will not be required to deliver any Exercise Notice and the Issuer or its agent will pay to the Holders the Cash Settlement Amount (if any) in accordance with Product Condition 4.4.

3.3 Expiry

Any Warrant which has not been automatically exercised in accordance with Product Condition 3.2 shall expire immediately without value thereafter and all rights of the Holder and obligations of the Issuer with respect to such Warrant shall cease.

4. Exercise of Warrants

4.1 Exercise of Warrants in Board Lots

Warrants may only be exercised in Board Lots or integral multiples thereof.

4.2 **No requirement to deliver an Exercise Notice**

The Holders will not be required to deliver an Exercise Notice for any purpose in relation to the Warrants.

4.3 **Cancellation**

The Issuer will procure that CS Hong Kong will, with effect from the first Business Day following the Expiry Date, remove from the Register the name of the person in respect of the Warrants which (i) are the subject of an exercise pursuant to automatic exercise in accordance with these Product Conditions; or (ii) have expired worthless, and thereby cancel the relevant Warrants.

4.4 **Cash Settlement**

Subject to automatic exercise of Warrants in accordance with these Product Conditions, the Issuer will make a payment in respect of every Exercise Amount to the relevant Holder equal to the Cash Settlement Amount.

The Cash Settlement Amount shall be despatched not later than the Settlement Date by crediting that amount in accordance with the CCASS Rules to the Designated Bank Account.

If as a result of a Settlement Disruption Event, it is not possible for the Issuer to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder on the original Settlement Date, the Issuer shall use its reasonable endeavours to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder as soon as reasonably practicable after the original Settlement Date. The Issuer will not be liable to the Holder for any interest in respect of the amount due or any loss or damage that such Holder may suffer as a result of the existence of the Settlement Disruption Event.

5. **Adjustments**

5.1 **Rights Issues**

If and whenever the Company shall, by way of Rights (as defined below), offer new Shares for subscription at a fixed subscription price to the holders of existing Shares pro rata to existing holdings (a “**Rights Offer**”), the Entitlement will be adjusted to take effect on the Business Day on which trading in the Shares becomes ex-entitlement in accordance with the following formula:

$$\text{Adjusted Entitlement} = \frac{1+M}{1 + (R/S) \times M} \times E$$

Where:

- E: Existing Entitlement immediately prior to the Rights Offer
- S: Cum-Rights Share price determined by the closing price on the Stock Exchange on the last Business Day on which Shares are traded on a cum-Rights basis
- R: Subscription price per Share as specified in the Rights Offer plus an amount equal to any dividends or other benefits foregone to exercise the Right
- M: Number of new Share(s) (whether a whole or a fraction) per existing Share each holder thereof is entitled to subscribe

Provided that if the adjustment to be made would result in the Entitlement being changed by one per cent. or less, then no adjustment will be made to the Entitlement. In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) and any Periodic Reference Price(s) which has or have been determined, by the reciprocal of the Adjusted Entitlement where in each case the reciprocal of the Adjusted Entitlement means one divided by the Adjusted Entitlement. These adjustments shall take effect on the same day that the Entitlement is adjusted.

For the purposes of these Product Conditions:

“**Rights**” means the right(s) attached to each existing Share or needed to acquire one new Share (as the case may be) which are given to the holders of existing Shares to subscribe at a fixed subscription price for new Shares pursuant to the Rights Offer (whether by the exercise of one Right, a part of a Right or an aggregate number of Rights).

5.2 **Bonus Issues**

If and whenever the Company shall make an issue of Shares credited as fully paid to the holders of Shares generally by way of capitalisation of profits or reserves (other than pursuant to a scrip dividend or similar scheme for the time being operated by the Company or otherwise in lieu of a cash dividend and without any payment or other consideration being made or given by such holders) (a “**Bonus Issue**”) the Entitlement will be increased on the Business Day on which trading in the Shares becomes ex-entitlement in accordance with the following formula:

$$\text{Adjusted Entitlement} = (1 + N) \times E$$

Where:

- E: Existing Entitlement immediately prior to the Bonus Issue
- N: Number of additional Shares (whether a whole or a fraction) received by a holder of existing Shares for each Share held prior to the Bonus Issue

Provided that if the adjustment to be made would result in the Entitlement being changed by one per cent. or less, then no adjustment will be made to the Entitlement. In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) and any Periodic Reference Price(s) which has or have been determined, by the reciprocal of the Adjusted Entitlement where in each case the reciprocal of the Adjusted Entitlement means one divided by the Adjusted Entitlement. These adjustments shall take effect on the same day that the Entitlement is adjusted.

5.3 **Share Splits or Consolidations**

If and whenever the Company shall subdivide its Shares or any class of its outstanding share capital comprised of the Shares into a greater number of shares (a “**Subdivision**”) or consolidate the Shares or any class of its outstanding share capital comprised of the Shares into a smaller number of shares (a “**Consolidation**”), the Entitlement in effect immediately prior thereto will be increased (in the case of a Subdivision) or decreased (in the case of a Consolidation) accordingly in each case on the day on which the relevant Subdivision or Consolidation shall have taken effect. In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) and any Periodic Reference Price(s) which has or have been determined, by the reciprocal of the Adjusted Entitlement where in each case the reciprocal of the Adjusted Entitlement means one divided by the Adjusted Entitlement. These adjustments shall take effect on the same day that the Entitlement is adjusted.

5.4 **Merger or Consolidation**

If it is announced that the Company is to or may merge or consolidate with or into any other corporation (including becoming, by agreement or otherwise, a subsidiary of any corporation or controlled by any person or corporation) (except where the Company is the surviving corporation in a merger) or that it is to or may sell or transfer all or substantially all of its assets, the rights attaching to the Warrants may in the absolute discretion of the Issuer be amended no later than the Business Day preceding the consummation of such merger, consolidation, sale or transfer (each a “**Restructuring Event**”) (as determined by the Issuer in its absolute discretion).

The rights attaching to the Warrants after the adjustment shall, after such Restructuring Event, relate to the number of shares of the corporation(s) resulting from or surviving such Restructuring Event or other securities (“**Substituted Securities**”) and/or cash offered in substitution for the affected Shares, as the case may be, to which the holder of such number of Shares to which the Warrants related immediately before such Restructuring Event would have been entitled upon such Restructuring Event. Thereafter the provisions hereof shall apply to such Substituted Securities, provided that any Substituted Securities may, in the absolute discretion of the Issuer, be deemed to be replaced by an amount in Hong Kong dollars equal to the market value or, if no market value is available, fair value, of such Substituted Securities in each case as determined by the Issuer as soon as practicable after such Restructuring Event is effected.

For the avoidance of doubt, any remaining Shares shall not be affected by this Product Condition 5.4 and, where cash is offered in substitution for Shares or is deemed to replace Substituted Securities as described above, references in these Product Conditions to the Shares shall include any such cash.

5.5 **Other Adjustments**

Except as provided in Product Conditions 5 and/or 7, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer’s sole and unfettered discretion and without any obligation whatsoever) to make such adjustments as it believes appropriate in circumstances where an event or events occur which it believes in its sole discretion and

notwithstanding any prior adjustment made pursuant to the above should, in the context of the issue of the Warrants and the obligations of the Issuer, give rise to such adjustment provided that such adjustment is considered by the Issuer not to be materially prejudicial to the Holders generally (without considering the circumstances of any individual Holder or the tax or other consequences of such adjustment in any particular jurisdiction).

5.6 Notice of Adjustments

All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Holders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with General Condition 7.

6. Liquidation

In the event of a liquidation or dissolution of the Company or the appointment of a liquidator, receiver or administrator or analogous person under Hong Kong law in respect of the whole or substantially the whole of its undertaking, property or assets, all unexercised Warrants will lapse and shall cease to be valid for any purpose, in the case of voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator or receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law.

7. Delisting

7.1 If at any time the Shares cease to be listed on the Stock Exchange, the Issuer shall give effect to the General Conditions and these Product Conditions in such manner and make such adjustments to the rights attaching to the Warrants as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Holders generally are not materially prejudiced as a consequence of such delisting (without considering the individual circumstances of any Holder or the tax or other consequences that may result in any particular jurisdiction).

7.2 Without prejudice to the generality of Product Condition 7.1 where the Shares are, or, upon the delisting, become, listed on any other stock exchange, the General Conditions and these Product Conditions may, in the absolute discretion of the Issuer, be amended to the extent necessary to allow for the substitution of that other stock exchange in place of the Stock Exchange and the Issuer may, without the consent of the Holders, make such adjustments to the entitlements of Holders on exercise (including, if appropriate, by converting foreign currency amounts at prevailing market rates into Hong Kong currency) as may be appropriate in the circumstances.

7.3 The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Holders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Holders in accordance with General Condition 7, as soon as practicable after they are determined.

PART E – PRODUCT CONDITIONS OF BASKET CALL/PUT WARRANTS (CASH SETTLED)

The relevant Product Conditions will, together with the General Conditions and the supplemental provisions contained in the relevant Supplemental Listing Document and subject to completion and amendment, be endorsed on the Global Certificate. The applicable Supplemental Listing Document in relation to the issue of any series of Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the relevant Product Conditions, replace or modify the relevant Product Conditions for the purpose of such series of Warrants. Capitalised terms used in the relevant Product Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Supplemental Listing Document.

1. Definitions

For the purposes of these Product Conditions:

“Basket” means a basket comprising each of the Basket Components;

“Basket Component” has the meaning given to it in the relevant Supplemental Listing Document;

“Business Day” means a day (excluding Saturdays) on which the Stock Exchange is scheduled to open for dealings in Hong Kong and banks are open for business in Hong Kong;

“Cash Settlement Amount” means, in respect of every Exercise Amount, an amount in Hong Kong dollars calculated by the Issuer as:

- (a) for Warrants automatically exercised on the Expiry Date in accordance with Product Condition 3.1(b) or Product Condition 3.2(b):
- (i) in the case of a series of call Warrants, an amount equal to (1) the sum of each Basket Component of the Companies that comprise the Basket (subject to adjustment as provided in Product Condition 5) multiplied by the arithmetic mean of the closing prices of the relevant Share to which each Basket Component relates (as derived from the Daily Quotation Sheet of the Stock Exchange, subject to any adjustments to such closing prices as may be necessary to reflect any capitalisation, rights issue, distribution or the like) for each Valuation Date less (2) the Exercise Price less (3) the Exercise Expenses; and
 - (ii) in the case of a series of put Warrants, an amount equal to (1) the Exercise Price less (2) the sum of each Basket Component of the Companies that comprise the Basket (subject to adjustment as provided in Product Condition 5) multiplied by the arithmetic mean of the closing prices of the relevant Share to which each Basket Component relates (as derived from the Daily Quotation Sheet of the Stock Exchange, subject to any adjustments to such closing prices as may be necessary to reflect any capitalisation, rights issue, distribution or the like) for each Valuation Date less (3) the Exercise Expenses;

- (b) for American Style Warrants exercised on an Exercise Date prior to the Expiry Date in accordance with Product Condition 3.1(a):
- (i) in the case of a series of call Warrants, an amount equal to (1) the sum of each Basket Component of the Companies that comprise the Basket (subject to adjustment as provided in Product Condition 5) multiplied by the closing prices of the relevant Share to which each Basket Component relates (as derived from the Daily Quotation Sheet of the Stock Exchange, subject to any adjustments to such closing prices as may be necessary to reflect any capitalisation, rights issue, distribution or the like) for the Valuation Date less (2) the Exercise Price less (3) the Exercise Expenses; and
 - (ii) in the case of a series of put Warrants, an amount equal to (1) the Exercise Price less (2) the sum of each Basket Component of the Companies that comprise the Basket (subject to adjustment as provided in Product Condition 5) multiplied by the closing prices of the relevant Share to which each Basket Component relates (as derived from the Daily Quotation Sheet of the Stock Exchange, subject to any adjustments to such closing prices as may be necessary to reflect any capitalisation, rights issue, distribution or the like) for the Valuation Date less (3) the Exercise Expenses;

“Company” means each company specified as such in the relevant Supplemental Listing Document and **“Companies”** shall be construed accordingly;

“Dealing Commencement Date” means the date specified as such in the relevant Supplemental Listing Document;

“Designated Bank Account” means the relevant bank account designated by the relevant Holder;

“Exercise Amount” means the amount specified as such in the relevant Supplemental Listing Document;

“Exercise Date” means the date upon which a Warrant is, or is to be treated as, exercised in accordance with Product Condition 4.1(b)(ii);

“Exercise Expenses” means any charges or expenses including any taxes or duties which are incurred in respect of the exercise of the Warrants;

“Exercise Period” means:

- (a) in the case of American Style Warrants, the period beginning at 10:00 a.m. (Hong Kong time) on the Dealing Commencement Date (or, if later, the first day of dealings in the Warrants on the Stock Exchange) and ending at 10:00 a.m. (Hong Kong time) on the Expiry Date;
- (b) in the case of European Style Warrants, the Expiry Date only;

“Exercise Price” means the price specified as such in the relevant Supplemental Listing Document;

“Expiry Date” has the meaning given to it in the relevant Supplemental Listing Document;

“General Conditions” means the general terms and conditions of Structured Products set out in Appendix 1 of the Base Listing Document;

“Market Disruption Event” means:

- (a) the occurrence or existence on any Valuation Date during the one-half hour period that ends at the close of trading of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the Stock Exchange or otherwise) on the Stock Exchange in
 - (i) any of the Shares in the Basket; or
 - (ii) any options or futures contracts relating to any of the Shares in the Basket if, in any such case, that suspension or limitation is, in the determination of the Issuer, material; or
- (b) the hoisting of the tropical cyclone warning signal number 8 or above or the hoisting of a “BLACK” rainstorm signal which either results in the Stock Exchange being closed for dealings for an entire day or results in the Stock Exchange being closed prior to its regular time for close of trading on any day PROVIDED THAT there shall be no Market Disruption Event solely by reason of the Stock Exchange opening later than its regular time for open of trading on any day as a result of the tropical cyclone warning signal number 8 or above or the “BLACK” rainstorm signal having been hoisted;

“Product Conditions” means these product terms and conditions. These Product Conditions apply to each series of cash settled basket call/put Warrants;

“Settlement Date” means three Business Days following:

- (a) with respect to the automatic exercise of Warrants on the Expiry Date in accordance with Product Condition 3.1(b) or Product Condition 3.2(b), the Expiry Date; or
- (b) with respect to the exercise of American Style Warrants on an Exercise Date prior to the Expiry Date in accordance with Product Condition 3.1(a), the Valuation Date;

“Settlement Disruption Event” means an event beyond the control of the Issuer as a result of which the Issuer is unable to procure payment of the Cash Settlement Amount electronically through CCASS to the Designated Bank Account;

“Shares” means the shares of each Company specified as such in the relevant Supplemental Listing Document; and

“Valuation Date” means:

- (a) with respect to the automatic exercise of Warrants on the Expiry Date in accordance with Product Condition 3.1(b) or Product Condition 3.2(b), each of the five Business Days immediately preceding the Expiry Date, provided that if the Issuer determines, in its sole discretion, that on any Valuation Date a Market Disruption Event has occurred, then that Valuation Date shall be postponed until the first succeeding Business Day on which there is no Market Disruption Event irrespective of whether that postponed Valuation Date would fall on a day that already is or is deemed to be a Valuation Date.

For the avoidance of doubt, in the event that a Valuation Date is postponed in accordance with this paragraph (a), the closing price of the Shares for such postponed Valuation Date will be the closing price of the Shares on the first succeeding Business Day. Accordingly, the closing price of a Valuation Date may be used more than once in calculating the arithmetic mean of the closing prices of one Share for the determination of the Cash Settlement Amount, so that in no event shall there be less than five closing prices to determine the arithmetic mean of the closing prices of one Share; or

- (b) with respect to the exercise of American Style Warrants on any Exercise Date prior to the Expiry Date in accordance with Product Condition 3.1(a), the Exercise Date, provided that if the Issuer determines, in its sole discretion, that a Market Disruption Event has occurred on such Exercise Date, then the Valuation Date shall be postponed until the first succeeding Business Day on which there is no Market Disruption Event, provided that if there is a Market Disruption Event on each of the five Business Days immediately following the original Exercise Date that, but for the Market Disruption Event, would have been the Valuation Date, then:
 - (i) that fifth Business Day after the original Exercise Date shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event; and
 - (ii) the Issuer shall determine the closing price of the Shares on the basis of its good faith estimate of such price that would have prevailed on that fifth Business Day after the original Exercise Date but for the Market Disruption Event,

provided further that if the postponement of the Valuation Date in accordance with paragraphs (a) or (b) above would result in the Valuation Date falling on or after the Expiry Date, then:

- (aa) the Business Day immediately preceding the Expiry Date (the “**Last Valuation Date**”) shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event; and
- (bb) the Issuer shall determine the closing price of the Shares on the basis of its good faith estimate of such price that would have prevailed on the Last Valuation Date but for the Market Disruption Event.

2. Warrant Rights and Exercise Expenses

2.1 Warrant Rights

Every Exercise Amount gives each Holder, upon due exercise and compliance with Product Condition 4.1 or Product Condition 4.2, as the case may be, the right to receive the payment of the Cash Settlement Amount, if any.

2.2 Exercise Expenses

On exercise of the Warrants, Holders will be obliged to give an irrevocable authorisation to the Issuer to deduct all Exercise Expenses in accordance with Product Condition 4.1 or 4.2, as the case may be.

3. Exercise of American Style Warrants and European Style Warrants, Automatic Exercise and Expiry

3.1 American Style Warrants

The following provisions of this Product Condition 3.1 shall apply to Warrants which are expressed to be American Style.

(a) *Exercise of Warrants*

The Warrants may be exercised by delivery of an Exercise Notice in accordance with Product Condition 4.1 at any time during the relevant Exercise Period.

(b) *Automatic Exercise*

Any Warrant with respect to which an Exercise Date has not occurred during the Exercise Period will automatically be exercised if the Cash Settlement Amount on the Expiry Date is greater than zero (without notice being given to the Holders). The Holders will not be required to deliver any Exercise Notice and the Issuer or its agent will pay to the Holders the Cash Settlement Amount (if any) in accordance with Product Condition 4.1(f).

(c) *Expiry*

Any Warrant with respect to which an Exercise Date has not occurred during the Exercise Period or which has not been automatically exercised in accordance with Product Condition 3.1(b) shall expire immediately without value thereafter and all rights of the Holder and obligations of the Issuer with respect to such Warrant shall cease.

3.2 European Style Warrants

The following provisions of this Product Condition 3.2 shall apply to Warrants which are expressed to be European Style.

(a) *Exercise of Warrants*

The Warrants are exercisable only on the Expiry Date.

(b) *Automatic Exercise*

Any Warrant will automatically be exercised if the Cash Settlement Amount on the Expiry Date is greater than zero (without notice being given to the Holders). The Holders will not be required to deliver any Exercise Notice and the Issuer or its agent will pay to the Holders the Cash Settlement Amount (if any) in accordance with Product Condition 4.2(d).

(c) *Expiry*

Any Warrant which has not been automatically exercised in accordance with Product Condition 3.2(b) shall expire immediately without value thereafter and all rights of the Holder and obligations of the Issuer with respect to such Warrant shall cease.

4. Exercise of Warrants

4.1 *American Style Warrants*

The following provisions of this Product Condition 4.1 shall apply to Warrants which are expressed to be American Style.

(a) *Exercise of Warrants in Board Lots*

Warrants may only be exercised in Board Lots or integral multiples thereof.

(b) *Delivery of an Exercise Notice*

- (i) In order to exercise Warrants, the Holder shall deliver to the Transfer Office an Exercise Notice, such delivery to be made at any time during the relevant Exercise Period. Warrants may not be exercised at any other time.
- (ii) The Exercise Date shall be the Business Day on which an Exercise Notice is delivered to CS Hong Kong and in respect of which there is a valid exercise of Warrants in accordance with the requirements of these Product Conditions, provided that any Exercise Notice received by CS Hong Kong after 10:00 a.m. (Hong Kong time) on any Business Day shall be deemed to have been delivered on the next following Business Day.

(c) *Exercise Notice*

The Exercise Notice shall:

- (i) specify the name(s) of the Holder(s) and the number of Warrants being exercised;
- (ii) be accompanied by the Global Certificate in the name(s) of the exercising Holder(s); and
- (iii) (where applicable) specify the person in whose favour the cheque representing the Cash Settlement Amount should be drawn and the name and address of the bank, broker or other agent to whom the cheque should be sent or, as the case may be, specify the relevant account to which the Cash Settlement Amount should be credited.

(d) *Consequences of delivery of an Exercise Notice*

Delivery of an Exercise Notice in accordance with Product Conditions 4.1(b) and 4.1(c) shall constitute an irrevocable election and undertaking by the Holder specified in such Exercise Notice to exercise the number of Warrants specified in such Exercise Notice and an irrevocable authorisation to deduct the Exercise Expenses in accordance with the calculation set out in the definition of the Cash Settlement Amount.

(e) *Cancellation*

The Issuer will procure that CS Hong Kong will, with effect from the first Business Day following the Exercise Date or the Expiry Date, as the case may be, remove

from the Register the name of the person in respect of the Warrants which (i) are the subject of a valid exercise in accordance with these Product Conditions whether pursuant to an Exercise Notice or automatic exercise; or (ii) have expired worthless, and thereby cancel the relevant Warrants.

(f) *Cash Settlement*

Subject to a valid exercise or automatic exercise of Warrants in accordance with these Product Conditions, the Issuer will make a payment in respect of every Exercise Amount to the relevant Holder (or such other person as the Holder may have directed, if applicable) equal to the Cash Settlement Amount.

The Cash Settlement Amount shall be despatched not later than the Settlement Date by crediting that amount in accordance with the CCASS Rules, to the Designated Bank Account.

If, as a result of a Settlement Disruption Event, it is not possible for the Issuer to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder on the original Settlement Date, the Issuer shall use its reasonable endeavours to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder as soon as reasonably practicable after the original Settlement Date. The Issuer will not be liable to the Holder for any interest in respect of the amount due or any loss or damage that such Holder may suffer as a result of the existence of the Settlement Disruption Event.

4.2 ***European Style Warrants***

The following provisions of this Product Condition 4.2 shall apply to Warrants which are expressed to be European Style.

(a) *Exercise of Warrants in Board Lots*

Warrants may only be exercised in Board Lots or integral multiples thereof.

(b) *No requirement to deliver an Exercise Notice*

The Holders will not be required to deliver an Exercise Notice for any purpose in relation to the Warrants.

(c) *Cancellation*

The Issuer will procure that CS Hong Kong will, with effect from the first Business Day following the Expiry Date, remove from the Register the name of the person in respect of the Warrants which (i) are the subject of an exercise whether pursuant to automatic exercise in accordance with these Product Conditions, or (ii) have expired worthless, and thereby cancel the relevant Warrants.

(d) *Cash Settlement*

Subject to automatic exercise of Warrants in accordance with these Product Conditions, the Issuer will make a payment in respect of every Exercise Amount to the relevant Holder equal to the Cash Settlement Amount.

The Cash Settlement Amount shall be despatched not later than the Settlement Date by crediting that amount in accordance with the CCASS Rules, to the Designated Bank Account.

If, as a result of a Settlement Disruption Event, it is not possible for the Issuer to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder on the original Settlement Date, the Issuer shall use its reasonable endeavours to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder as soon as reasonably practicable after the original Settlement Date. The Issuer will not be liable to the Holder for any interest in respect of the amount due or any loss or damage that such Holder may suffer as a result of the existence of the Settlement Disruption Event.

5. Adjustments

5.1 *Rights Issues*

If and whenever any of the Companies in the Basket shall, by way of Rights (as defined below), offer new Shares for subscription at a fixed subscription price to the holders of existing Shares pro rata to existing holdings (a “**Rights Offer**”), the Basket Component that relates to the Share(s) of the Company making the Rights Offer will be adjusted to take effect on the Business Day on which trading in the Shares becomes ex-entitlement in accordance with the following formula:

$$\begin{array}{l} \text{Adjusted Basket Component insofar as} \\ \text{it relates to the Share(s) of the} \\ \text{Company making the Rights Offer} \end{array} = \frac{1 + M}{1 + (R/S) \times M} \times E$$

Where:

- E: Existing Basket Component insofar as it relates to the Share(s) of the Company making the Rights Offer immediately prior to the Rights Offer
- S: Cum-Rights Share price determined by the closing price on the Stock Exchange on the last Business Day on which the Shares (of the Company making the Rights Offer) are traded on a cum-Rights basis
- R: Subscription price per Share (of the Company making the Rights Offer) specified in the Rights Offer plus an amount equal to any dividends or other benefits foregone to exercise the Right
- M: Number of new Share(s) (whether a whole or a fraction) per existing Share (of the Company making the Rights Offer) each holder thereof is entitled to subscribe

Provided that if the adjustment to be made would result in the Basket Component (relating to the Share(s) of the Company making the Rights Offer) being changed by one per cent. or less, then no adjustment will be made to such Basket Component.

For the purposes of these Product Conditions:

“Rights” means the right(s) attached to each existing Share or needed to acquire one new Share (as the case may be) which are given to the holders of existing Shares to subscribe at a fixed subscription price for new Shares pursuant to the Rights Offer (whether by the exercise of one Right, a part of a Right or an aggregate number of Rights).

5.2 ***Bonus Issues***

If and whenever any of the Companies in the Basket shall make an issue of Shares credited as fully paid to the holders of Shares generally by way of capitalisation of profits or reserves (other than pursuant to a scrip dividend or similar scheme for the time being operated by the relevant Company or otherwise in lieu of a cash dividend and without any payment or other consideration being made or given by such holders) (a **“Bonus Issue”**) the Basket Component that relates to the Share(s) of the Company making the Bonus Issue will be increased on the Business Day on which trading in the Shares becomes ex-entitlement in accordance with the following formula:

$$\begin{array}{l} \text{Adjusted Basket Component insofar as} \\ \text{it relates to the Share(s) of the} \\ \text{Company making the Bonus Issue} \end{array} = (1 + N) \times E$$

Where:

- E: Existing Basket Component insofar as it relates to the Share(s) of the Company making the Bonus Issue immediately prior to the Bonus Issue
- N: Number of additional Shares (whether a whole or a fraction) received by a holder of existing Shares for each Share (of the Company making the Bonus Issue) held prior to the Bonus Issue

Provided that if the adjustment to be made would result in the Basket Component (relating to the Share(s) of the Company making the Bonus Issue) being changed by one per cent. or less, then no adjustment will be made to such Basket Component.

5.3 ***Share Splits or Consolidations***

If and whenever any of the Companies in the Basket shall subdivide its Shares or any class of its outstanding share capital comprised of the Shares into a greater number of shares (a **“Subdivision”**) or consolidate the Shares or any class of its outstanding share capital comprised of the Shares into a smaller number of shares (a **“Consolidation”**), the Basket Component, insofar as it relates to the Share(s) of the Company making the Subdivision, in effect immediately prior thereto will be increased or the Basket Component, in effect immediately prior thereto insofar as it relates to the Share(s) of the Company making the Consolidation will be decreased in each case on the day on which the relevant Subdivision or Consolidation shall have taken effect.

5.4 ***Merger or Consolidation***

If it is announced that any of the Companies in the Basket is to or may merge or consolidate with or into any other corporation (including becoming, by agreement or otherwise, a subsidiary of any corporation or controlled by any person or corporation) (except where that Company is the surviving corporation in a merger) or that it is to or may sell or transfer all or substantially all of its assets, the rights attaching to the Warrants may in the absolute discretion of the Issuer be amended no later than the Business Day preceding the consummation of such merger, consolidation, sale or transfer (each a “**Restructuring Event**”) (as determined by the Issuer in its absolute discretion).

The rights attaching to the Warrants after the adjustment shall, after such Restructuring Event, relate to the number of shares of the corporation(s) resulting from or surviving such Restructuring Event or other securities (“**Substituted Securities**”) and/or cash offered in substitution for the affected Shares, as the case may be, to which the holder of such number of Shares to which the Warrants related immediately before such Restructuring Event would have been entitled upon such Restructuring Event. Thereafter the provisions hereof shall apply to such Substituted Securities, provided that any Substituted Securities may, in the absolute discretion of the Issuer, be deemed to be replaced by an amount in Hong Kong dollars equal to the market value or, if no market value is available, fair value, of such Substituted Securities in each case as determined by the Issuer as soon as practicable after such Restructuring Event is effected.

For the avoidance of doubt, any remaining Shares shall not be affected by this Product Condition 5.4 and, where cash is offered in substitution for Shares or is deemed to replace Substituted Securities as described above, references in these Product Conditions to the Shares shall include any such cash.

5.5 ***Other Adjustments***

Except as provided in Product Conditions 5 and/or 7, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer’s sole and unfettered discretion and without any obligation whatsoever) to make such adjustments as it believes appropriate in circumstances where an event or events occur which it believes in its sole discretion and notwithstanding any prior adjustment made pursuant to the above should, in the context of the issue of the Warrants and the obligations of the Issuer, give rise to such adjustment provided that such adjustment is considered by the Issuer not to be materially prejudicial to the Holders generally (without considering the circumstances of any individual Holder or the tax or other consequences of such adjustment in any particular jurisdiction).

5.6 ***Notice of Adjustments***

All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Holders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with General Condition 7.

6. Liquidation

In the event of a liquidation or dissolution of all of the Companies or the appointment of a liquidator, receiver or administrator or analogous person under Hong Kong law in respect of the whole or substantially the whole of their undertaking, property or assets, all unexercised Warrants will lapse and shall cease to be valid for any purpose, in the case of voluntary liquidation of the last Company to be so affected, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution of the last Company to be so affected, on the date of the relevant court order or, in the case of the appointment of a liquidator or receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law. In the event of the voluntary liquidation of any of the Companies, the Issuer shall make such adjustments or amendments as it reasonably believes are appropriate in the circumstances.

7. Delisting

- 7.1 If at any time any of the Shares cease to be listed on the Stock Exchange, the Issuer shall give effect to the General Conditions and these Product Conditions in such manner and make such adjustments to the rights attaching to the Warrants as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Holders generally are not materially prejudiced as a consequence of such delisting (without considering the individual circumstances of any Holder or the tax or other consequences that may result in any particular jurisdiction).
- 7.2 Without prejudice to the generality of Product Condition 7.1, where any of the Shares are, or, upon the delisting, become, listed on any other stock exchange, the General Conditions and these Product Conditions may, in the absolute discretion of the Issuer, be amended to the extent necessary to allow for the substitution of that other stock exchange in place of the Stock Exchange and the Issuer may, without the consent of the Holders, make such adjustments to the entitlements of Holders on exercise (including, if appropriate, by converting foreign currency amounts at prevailing market rates into Hong Kong currency) as may be appropriate in the circumstances.
- 7.3 The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Holders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Holders in accordance with General Condition 7 as soon as practicable after they are determined.

PART F – PRODUCT CONDITIONS OF INDEX CALL/PUT WARRANTS (CASH SETTLED)

The relevant Product Conditions will, together with the General Conditions and the supplemental provisions contained in the relevant Supplemental Listing Document and subject to completion and amendment, be endorsed on the Global Certificate. The applicable Supplemental Listing Document in relation to the issue of any series of Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the relevant Product Conditions, replace or modify the relevant Product Conditions for the purpose of such series of Warrants. Capitalised terms used in the relevant Product Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Supplemental Listing Document.

1. Definitions

For the purposes of these Product Conditions:

“Business Day” means a day (excluding Saturdays) on which the Stock Exchange is scheduled to open for dealings in Hong Kong and banks are open for business in Hong Kong;

“Cash Settlement Amount” means, in respect of every Exercise Amount:

- (a) in respect of a series of call Warrants, an amount calculated by the Issuer equal to (1) the excess of the Closing Level over the Strike Level, multiplied by the Index Currency Amount, either converted (if applicable) (i) into the Settlement Currency at the Exchange Rate or, as the case may be, (ii) into the Interim Currency at the First Exchange Rate and then converted into the Settlement Currency at the Second Exchange Rate less (2) the Exercise Expenses; and
- (b) in respect of a series of put Warrants, an amount calculated by the Issuer equal to (1) the excess of the Strike Level over the Closing Level, multiplied by the Index Currency Amount, either converted (if applicable) (i) into the Settlement Currency at the Exchange Rate or, as the case may be, (ii) into the Interim Currency at the First Exchange Rate and then converted into the Settlement Currency at the Second Exchange Rate less (2) the Exercise Expenses;

“Closing Level” means:

- (a) in respect of American Style Warrants, the meaning given to it in the relevant Supplemental Listing Document, subject to adjustment in accordance with Product Condition 4; and
- (b) in respect of European Style Warrants, the arithmetic mean of the closing levels of the Index for each Valuation Date;

“Dealing Commencement Date” means the date specified as such in the relevant Supplemental Listing Document;

“Designated Bank Account” means the relevant bank account designated by the relevant Holder;

“Exercise Expenses” means any charges or expenses including any taxes or duties which are incurred in respect of the exercise of the Warrants;

“Expiry Date” has the meaning given to it in the relevant Supplemental Listing Document;

“Exercise Amount” means the amount specified as such in the relevant Supplemental Listing Document;

“Exercise Date” means the date upon which a Warrant is, or is to be treated as, exercised in accordance with Product Condition 4.1(b)(ii);

“Exercise Period” means:

- (a) in the case of American Style Warrants, the period beginning at 10:00 a.m. (Hong Kong time) on the Dealing Commencement Date (or, if later, the first day of dealings in the Warrants on the Stock Exchange) and ending at 10:00 a.m. (Hong Kong time) on the Expiry Date; and
- (b) in the case of European Style Warrants, the Expiry Date only;

“Exchange Rate” means the rate specified as such in the relevant Supplemental Listing Document;

“First Exchange Rate” means the rate specified as such in the relevant Supplemental Listing Document;

“General Conditions” means the general terms and conditions of Structured Products set out in Appendix 1 of the Base Listing Document;

“Index” means the index specified as such in the relevant Supplemental Listing Document;

“Index Compiler” has the meaning given to it in the relevant Supplemental Listing Document;

“Index Currency Amount” has the meaning given to it in the relevant Supplemental Listing Document;

“Index Exchange” has the meaning given to it in the relevant Supplemental Listing Document;

“Interim Currency” means the currency specified as such in the relevant Supplemental Listing Document”

“Market Disruption Event” means:

- (a) the occurrence or existence, on any Valuation Date during the one-half hour period that ends at the close of trading on the Index Exchange, of any of:
 - (i) the suspension or material limitation of the trading of a material number of securities that comprise the Index; or
 - (ii) the suspension or material limitation of the trading of securities on the Index Exchange; or
 - (iii) the suspension or material limitation of the trading of options or futures contracts relating to the Index on any exchanges on which such contracts are traded; or

- (iv) the imposition of any exchange controls in respect of any currencies involved in determining the Cash Settlement Amount.

For the purposes of paragraph (a), (i) the limitation of the number of hours or days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of any exchange, and (ii) a limitation on trading imposed by reason of the movements in price exceeding the levels permitted by any relevant exchange will constitute a Market Disruption Event; or

- (b) where the Index Exchange is the Stock Exchange, the hoisting of the tropical cyclone warning signal number 8 or above or the hoisting of a “BLACK” rainstorm signal which either results in the Stock Exchange being closed for dealings for an entire day or results in the Stock Exchange being closed prior to its regular time for close of trading on any day PROVIDED THAT there shall be no Market Disruption Event solely by reason of the Stock Exchange opening later than its regular time for open of trading on any day as a result of the tropical cyclone warning signal number 8 or above or the “BLACK” rainstorm signal having been hoisted;

“**Product Conditions**” means these product terms and conditions. These Product Conditions apply to each series of cash settled index call/put Warrants;

“**Settlement Date**” means three Business Days following:

- (a) in respect of European Style Warrants, the Expiry Date; and
- (b) in respect of American Style Warrants, the Valuation Date;

“**Settlement Disruption Event**” means an event beyond the control of the Issuer as a result of which the Issuer is unable to procure payment of the Cash Settlement Amount electronically through CCASS to the Designated Bank Account;

“**Strike Level**” means the level specified as such in the relevant Supplemental Listing Document, subject to adjustment in accordance with Product Condition 4; and

“**Valuation Date**” means:

- (a) with respect to the exercise of European Style Warrants, each of the five Business Days immediately preceding the Expiry Date provided that if the Issuer determines, in its sole discretion, that on any Valuation Date a Market Disruption Event has occurred, then that Valuation Date shall be postponed until the first succeeding Business Day on which there is no Market Disruption Event irrespective of whether that postponed Valuation Date would fall on a day that already is or is deemed to be a Valuation Date, provided that if the postponement of a Valuation Date as aforesaid would result in a Valuation Date falling on or after the Expiry Date, then:
 - (i) the Business Day immediately preceding the Expiry Date (the “**Last Valuation Date**”) shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event; and
 - (ii) the Issuer shall determine the closing level of the Index on the basis of its good faith estimate of such level that would have prevailed on the Last Valuation Date but for the occurrence of the Market Disruption Event provided that the Issuer, if

applicable, may, but shall not be obliged to, determine such level by having regard to the manner in which futures contracts relating to the Index are calculated.

For the avoidance of doubt, in the event that a Valuation Date is postponed due to the occurrence of a Market Disruption Event, the closing level of the Index in respect of such postponed Valuation Date will be the closing level of the Index on the first succeeding Business Day. Accordingly, the closing level in respect of a Valuation Date may be used more than once in calculating the arithmetic mean of the closing levels of the Index for the determination of the Cash Settlement Amount, so that in no event shall there be less than five closing levels to determine the Closing Level of the Index; and

- (b) with respect to the exercise of American Style Warrants, the Exercise Date, provided that if the Issuer determines, in its sole discretion, that on the Valuation Date a Market Disruption Event has occurred, then the Issuer shall determine the closing level on the basis of its good faith estimate of the closing level that would have prevailed on that day but for the occurrence of the Market Disruption Event provided that the Issuer, if applicable, may, but shall not be obliged to, determine such closing level by having regard to the manner in which futures contracts relating to the Index are calculated.

2. Warrant Rights and Exercise Expenses

2.1 Warrant Rights

Every Exercise Amount gives each Holder, upon due exercise and compliance with Product Condition 4.1 or Product Condition 4.2, as the case may be, the right to receive the payment of the Cash Settlement Amount, if any.

2.2 Exercise Expenses

On exercise of the Warrants, Holders will be obliged to give an irrevocable authorisation to the Issuer to deduct all Exercise Expenses in accordance with Product Conditions 4.1 or 4.2 as the case may be.

3. Exercise of American Style Warrants and European Style Warrants, Automatic Exercise and Expiry

3.1 American Style Warrants

The following provisions of this Product Condition 3.1 shall apply to Warrants which are expressed to be American Style.

(a) Exercise of Warrants

The Warrants may be exercised by delivery of an Exercise Notice in accordance with Product Condition 4.1 at any time during the relevant Exercise Period.

(b) Automatic Exercise

Any Warrant with respect to which an Exercise Date has not occurred during the Exercise Period will automatically be exercised if the Cash Settlement Amount on the Expiry Date is greater than zero (without notice being given to the Holders).

The Holders will not be required to deliver any Exercise Notice and the Issuer or its agent will pay to the Holders the Cash Settlement Amount (if any) in accordance with Product Condition 4.1(f).

(c) *Expiry*

Any Warrant with respect to which an Exercise Date has not occurred during the Exercise Period or which has not been automatically exercised in accordance with Product Condition 3.1(b) shall expire immediately without value thereafter and all rights of the Holder and obligations of the Issuer with respect to such Warrant shall cease.

3.2 **European Style Warrants**

The following provisions of this Product Condition 3.2 shall apply to Warrants which are expressed to be European Style.

(a) *Exercise of Warrants*

The Warrants are exercisable only on the Expiry Date.

(b) *Automatic Exercise*

Any Warrant will automatically be exercised if the Cash Settlement Amount on the Expiry Date is greater than zero (without notice being given to the Holders). The Holders will not be required to deliver any Exercise Notice and the Issuer or its agent will pay to the Holders the Cash Settlement Amount (if any) in accordance with Product Condition 4.2(d).

(c) *Expiry*

Any Warrant which has not been automatically exercised in accordance with Product Condition 3.2(b) shall expire immediately without value thereafter and all rights of the Holder and obligations of the Issuer with respect to such Warrant shall cease.

4. **Exercise of Warrants**

4.1 **American Style Warrants**

The following provisions of this Product Condition 4.1 shall apply to Warrants which are expressed to be American Style.

(a) *Exercise of Warrants in Board Lots*

Warrants may only be exercised in Board Lots or integral multiples thereof.

(b) *Delivery of an Exercise Notice.*

(i) In order to exercise the Warrants, the Holder shall deliver to the Transfer Office an Exercise Notice, such delivery to be made at any time during the Exercise Period. Warrants may not be exercised at any other time.

- (ii) The Exercise Date shall be the Business Day on which an Exercise Notice is delivered to CS Hong Kong and in respect of which there is a valid exercise of Warrants in accordance with the requirements of these Product Conditions, provided that any Exercise Notice received by CS Hong Kong after 10:00 a.m. (Hong Kong time) on any Business Day shall be deemed to have been delivered on the next following Business Day.

(c) *Exercise Notice*

The Exercise Notice shall:

- (i) specify the name(s) of the Holder(s) and the number of Warrants being exercised;
- (ii) be accompanied by the Global Certificate in the name(s) of the exercising Holder(s); and
- (iii) (where applicable) specify the person in whose favour the cheque representing the Cash Settlement Amount should be drawn and the name and address of the bank, broker or other agent to whom the cheque should be sent or, as the case may be, specify the relevant account to which the Cash Settlement Amount should be credited.

(d) *Consequences of delivery of an Exercise Notice*

Delivery of an Exercise Notice in accordance with Product Conditions 4.1(b) and 4.1(c) shall constitute an irrevocable election and undertaking by the Holder specified in such Exercise Notice to exercise the number of Warrants specified in such Exercise Notice and an irrevocable authorisation to deduct the Exercise Expenses in accordance with the calculation set out in the definition of the Cash Settlement Amount.

(e) *Cancellation*

The Issuer will procure that CS Hong Kong will, with effect from the first Business Day following the Exercise Date or the Expiry Date, as the case may be, remove from the Register the name of the person in respect of the Warrants which (i) are the subject of a valid exercise in accordance with these Product Conditions whether pursuant to an Exercise Notice or automatic exercise; or (ii) have expired worthless, and thereby cancel the relevant Warrants.

(f) *Cash Settlement*

Subject to a valid exercise, or automatic exercise, of Warrants in accordance with these Product Conditions, the Issuer will make a payment, in respect of every Exercise Amount, to the relevant Holder (or such other person as the Holder may have directed, if applicable) equal to the Cash Settlement Amount.

The Cash Settlement Amount shall be despatched not later than the relevant Settlement Date by crediting that amount in accordance with the CCASS Rules, to the Designated Bank Account.

If as a result of a Settlement Disruption Event, it is not possible for the Issuer to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder on the original Settlement Date, the Issuer shall use its reasonable endeavours to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder as soon as reasonably practicable after the original Settlement Date. The Issuer will not be liable to the Holder for any interest in respect of the amount due or any loss or damage that such Holder may suffer as a result of the existence of the Settlement Disruption Event.

4.2 ***European Style Warrants***

The following provisions of this Product Condition 4.2 shall apply to Warrants which are expressed to be European Style.

(a) *Exercise of Warrants in Board Lots*

Warrants may only be exercised in Board Lots or integral multiples thereof.

(b) *No requirement to deliver an Exercise Notice*

The Holders will not be required to deliver an Exercise Notice for any purpose in relation to the Warrants.

(c) *Cancellation*

The Issuer will procure that CS Hong Kong will, with effect from the first Business Day following the Expiry Date, remove from the Register the name of the person in respect of the Warrants which (i) are the subject of an exercise whether pursuant to automatic exercise in accordance with these Product Conditions or (ii) have expired worthless, and thereby cancel the relevant Warrants.

(d) *Cash Settlement*

Subject to automatic exercise of Warrants in accordance with these Product Conditions, the Issuer will make a payment in respect of every Exercise Amount to the relevant Holder equal to the Cash Settlement Amount.

The Cash Settlement Amount shall be despatched not later than the Settlement Date by crediting that amount in accordance with the CCASS Rules to the Designated Bank Account.

If as a result of a Settlement Disruption Event, it is not possible for the Issuer to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder on the original Settlement Date, the Issuer shall use its reasonable endeavours to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder as soon as reasonably practicable after the original Settlement Date. The Issuer will not be liable to the Holder for any interest in respect of the amount due or any loss or damage that such Holder may suffer as a result of the existence of the Settlement Disruption Event.

5. Adjustments to the Index

5.1 *Successor Index Compiler Calculates and Reports Index*

If the Index is (i) not calculated and announced by the Index Compiler but is calculated and published by a successor to the Index Compiler (the “**Successor Index Compiler**”) acceptable to the Issuer or (ii) replaced by a successor index using, in the determination of the Issuer, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index, then the Index will be deemed to be the index so calculated and announced by the Successor Index Compiler or that successor index, as the case may be.

5.2 *Modification and Cessation of Calculation of Index*

If:

- (a) on or prior to a Valuation Date the Index Compiler or (if applicable) the Successor Index Compiler makes a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent stock, contracts or commodities and other routine events); or
- (b) on a Valuation Date the Index Compiler or (if applicable) the Successor Index Compiler fails to calculate and publish the Index (other than as a result of a Market Disruption Event),

then the Issuer shall determine the closing level on such Valuation Date using, in lieu of a published level for the Index, the level for the Index as at that Valuation Date as determined by the Issuer in accordance with the formula for and method of calculating the Index last in effect prior to that change or failure, but using only those securities/commodities that comprised the Index immediately prior to that change or failure.

5.3 *Notice of Determinations*

All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Holders. The Issuer will give, or procure that there is given, notice as soon as practicable of any determinations by publication in accordance with General Condition 7.

PART G – PRODUCT CONDITIONS OF CALL/PUT WARRANTS OVER SINGLE UNIT TRUST (CASH SETTLED)

The relevant Product Conditions will, together with the General Conditions and the supplemental provisions contained in the relevant Supplemental Listing Document and subject to completion and amendment, be endorsed on the Global Certificate. The applicable Supplemental Listing Document in relation to the issue of any series of Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the relevant Product Conditions, replace or modify the relevant Product Conditions for the purpose of such series of Warrants. Capitalised terms used in the relevant Product Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Supplemental Listing Document.

1. Definitions

For the purposes of these Product Conditions:

“Business Day” means a day (excluding Saturdays) on which the Stock Exchange is scheduled to open for dealings in Hong Kong and banks are open for business in Hong Kong;

“Cash Settlement Amount” means, in respect of every Exercise Amount, an amount in Hong Kong dollars calculated by the Issuer as:

- (a) for Warrants automatically exercised on the Expiry Date in accordance with Product Condition 3.1(b) or Product Condition 3.2(b):
 - (i) in the case of a series of call Warrants, an amount equal to (1) the Entitlement (subject to adjustment as provided in Product Condition 5) multiplied by (i) the arithmetic mean of the closing prices of one Unit (as derived from the Daily Quotation Sheet of the Stock Exchange, subject to any adjustments to such closing prices as may be necessary to reflect any capitalisation, rights issue, distribution or the like) for each Valuation Date less (ii) the Exercise Price (subject to adjustment as provided in Product Condition 5); less (2) the Exercise Expenses; and
 - (ii) in the case of a series of put Warrants, an amount equal to (1) the Entitlement (subject to adjustment as provided in Product Condition 5) multiplied by (i) the Exercise Price (subject to adjustment as provided in Product Condition 5) less (ii) the arithmetic mean of the closing prices of one Unit (as derived from the Daily Quotation Sheet of the Stock Exchange, subject to any adjustments to such closing prices as may be necessary to reflect any capitalisation, rights issue, distribution or the like) for each Valuation Date; less (2) the Exercise Expenses;
- (b) for American Style Warrants exercised on an Exercise Date prior to the Expiry Date in accordance with Product Condition 3.1(a):
 - (i) in the case of a series of call Warrants, an amount equal to (1) the Entitlement (subject to adjustment as provided in Product Condition 5) multiplied by (i) the closing price of one Unit (as derived from the Daily Quotation Sheet of the Stock Exchange, subject to any adjustments to such closing price as may be necessary to reflect any capitalisation, rights issue, distribution or the like) for the Valuation Date less (ii) the Exercise Price (subject to adjustment as provided in Product Condition 5); less (2) the Exercise Expenses; and

- (ii) in the case of a series of put Warrants, an amount equal to (1) the Entitlement (subject to adjustment as provided in Product Condition 5) multiplied by (i) the Exercise Price (subject to adjustment as provided in Product Condition 5) less (ii) the closing price of one Unit (as derived from the Daily Quotation Sheet of the Stock Exchange, subject to any adjustments to such closing price as may be necessary to reflect any capitalisation, rights issue, distribution or the like) for the Valuation Date; less (2) the Exercise Expenses;

“Dealing Commencement Date” means the date specified as such in the relevant Supplemental Listing Document;

“Designated Bank Account” means the relevant bank account designated by the relevant Holder;

“Entitlement” means the number specified as such in the relevant Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 5;

“Exercise Amount” means the amount specified as such in the relevant Supplemental Listing Document;

“Exercise Date” means the date upon which a Warrant is, or is to be treated as, exercised in accordance with Product Condition 4.1(b)(ii);

“Exercise Expenses” means any charges or expenses including any taxes or duties which are incurred in respect of the exercise of the Warrants;

“Exercise Period” means:

- (a) in the case of American Style Warrants, the period beginning at 10:00 a.m. (Hong Kong time) on the Dealing Commencement Date (or, if later, the first day of dealings in the Warrants on the Stock Exchange) and ending at 10:00 a.m. (Hong Kong time) on the Expiry Date; and
- (b) in the case of European Style Warrants, the Expiry Date only;

“Exercise Price” means the price specified as such in the relevant Supplemental Listing Document;

“Expiry Date” has the meaning given to it in the relevant Supplemental Listing Document;

“General Conditions” means the general terms and conditions of Structured Products set out in Appendix 1 of the Base Listing Document;

“Market Disruption Event” means:

- (a) the occurrence or existence on any Valuation Date during the one-half hour period that ends at the close of trading of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the Stock Exchange or otherwise) on the Stock Exchange in
 - (i) the Units; or

- (ii) any options or futures contracts relating to the Units if, in any such case, that suspension or limitation is, in the determination of the Issuer, material; or
- (b) the hoisting of the tropical cyclone warning signal number 8 or above or the hoisting of a “BLACK” rainstorm signal which either results in the Stock Exchange being closed for dealings for an entire day or results in the Stock Exchange being closed prior to its regular time for close of trading on any day PROVIDED THAT there shall be no Market Disruption Event solely by reason of the Stock Exchange opening later than its regular time for open of trading on any day as a result of the tropical cyclone warning signal number 8 or above or the “BLACK” rainstorm signal having been hoisted;

“**Product Conditions**” means these product terms and conditions. These Product Conditions apply to each series of cash settled call/put Warrants over single Unit Trust;

“**Settlement Date**” means three Business Days following:

- (a) with respect to the automatic exercise of Warrants on the Expiry Date in accordance with Product Condition 3.1(b) or Product Condition 3.2(b), the Expiry Date; or
- (b) with respect to the exercise of American Style Warrants on an Exercise Date prior to the Expiry Date in accordance with Product Condition 3.1(a); the Valuation Date;

“**Settlement Disruption Event**” means an event beyond the control of the Issuer as a result of which the Issuer is unable to procure payment of the Cash Settlement Amount electronically through CCASS to the Designated Bank Account;

“**Trust**” means the trust specified as such in the relevant Supplemental Listing Document;

“**Unit**” means the unit specified as such in the relevant Supplemental Listing Document; and

“**Valuation Date**” means:

- (a) with respect to the automatic exercise of Warrants on the Expiry Date in accordance with Product Condition 3.1(b) or Product Condition 3.2(b), each of the five Business Days immediately preceding the Expiry Date, provided that if the Issuer determines, in its sole discretion, that on any Valuation Date a Market Disruption Event has occurred, then that Valuation Date shall be postponed until the first succeeding Business Day on which there is no Market Disruption Event irrespective of whether that postponed Valuation Date would fall on a day that already is or is deemed to be a Valuation Date. For the avoidance of doubt, in the event that a Valuation Date is postponed in accordance with this paragraph (a), the closing price of the Units for such postponed Valuation Date will be the closing price of the Units on the first succeeding Business Day. Accordingly, the closing price of a Valuation Date may be used more than once in calculating the arithmetic mean of the closing prices of one Unit for the determination of the Cash Settlement Amount, so that in no event shall there be less than five closing prices to determine the arithmetic mean of the closing prices of one Unit; or
- (b) with respect to the exercise of American Style Warrants on any Exercise Date prior to the Expiry Date in accordance with Product Condition 3.1(a), the Exercise Date, provided that if the Issuer determines, in its sole discretion, that a Market Disruption Event has occurred on such Exercise Date, then the Valuation Date shall be postponed

until the first succeeding Business Day on which there is no Market Disruption Event, provided that if there is a Market Disruption Event on each of the five Business Days immediately following the original Exercise Date that, but for the Market Disruption Event, would have been the Valuation Date, then:

- (i) that fifth Business Day after the original Exercise Date shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event; and
- (ii) the Issuer shall determine the closing price of the Units on the basis of its good faith estimate of such price that would have prevailed on that fifth Business Day after the original Exercise Date but for the Market Disruption Event,

provided further that if the postponement of the Valuation Date in accordance with paragraphs (a) or (b) above would result in the Valuation Date falling on or after the Expiry Date, then:

- (aa) the Business Day immediately preceding the Expiry Date (the “**Last Valuation Date**”) shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event; and
- (bb) the Issuer shall determine the closing price of the Units on the basis of its good faith estimate of such price that would have prevailed on the Last Valuation Date but for the Market Disruption Event.

2. Warrant Rights and Exercise Expenses

2.1 Warrant Rights

Every Exercise Amount gives each Holder, upon due exercise and compliance with Product Condition 4.1 or Product 4.2, as the case may be, the right to receive the payment of the Cash Settlement Amount, if any.

2.2 Exercise Expenses

On exercise of the Warrants, Holders will be obliged to give an irrevocable authorisation to the Issuer to deduct all Exercise Expenses in accordance with Product Condition 4.1 or Product Condition 4.2, as the case may be.

3. Exercise of American Style Warrants and European Style Warrants, Automatic Exercise and Expiry

3.1 American Style Warrants

The following provisions of this Product Condition 3.1 shall apply to Warrants which are expressed to be American Style.

(a) Exercise of Warrants

The Warrants may be exercised by delivery of an Exercise Notice in accordance with Product Condition 4.1 at any time during the relevant Exercise Period.

(b) Automatic Exercise

Any Warrant with respect to which an Exercise Date has not occurred during the Exercise Period will automatically be exercised if the Cash Settlement Amount on

the Expiry Date is greater than zero (without notice being given to the Holders). The Holders will not be required to deliver any Exercise Notice and the Issuer or its agent will pay to the Holders the Cash Settlement Amount (if any) in accordance with Product Condition 4.1(f).

(c) *Expiry*

Any Warrant with respect to which an Exercise Date has not occurred during the Exercise Period or which has not been automatically exercised in accordance with Product Condition 3.1(b) shall expire immediately without value thereafter and all rights of the Holder and obligations of the Issuer with respect to such Warrant shall cease.

3.2 **European Style Warrants**

The following provisions of this Product Condition 3.2 shall apply to Warrants which are expressed to be European Style.

(a) *Exercise of Warrants*

The Warrants are exercisable only on the Expiry Date.

(b) *Automatic Exercise*

Any Warrant will automatically be exercised if the Cash Settlement Amount on the Expiry Date is greater than zero (without notice being given to the Holders). The Holders will not be required to deliver any Exercise Notice and the Issuer or its agent will pay to the Holders the Cash Settlement Amount (if any) in accordance with Product Condition 4.2(d).

(c) *Expiry*

Any Warrant which has not been automatically exercised in accordance with Product Condition 3.2(b) shall expire immediately without value thereafter and all rights of the Holder and obligations of the Issuer with respect to such Warrant shall cease.

4. **Exercise of Warrants**

4.1 **American Style Warrants**

The following provisions of this Product Condition 4.1 shall apply to Warrants which are expressed to be American Style.

(a) *Exercise of Warrants in Board Lots*

Warrants may only be exercised in Board Lots or integral multiples thereof.

(b) *Delivery of an Exercise Notice*

(i) In order to exercise Warrants, the Holder shall deliver to the Transfer Office an Exercise Notice, such delivery to be made at any time during the relevant Exercise Period. Warrants may not be exercised at any other time.

- (ii) The Exercise Date shall be the Business Day on which an Exercise Notice is delivered to CS Hong Kong and in respect of which there is a valid exercise of Warrants in accordance with the requirements of these Product Conditions, provided that any Exercise Notice received by CS Hong Kong after 10:00 a.m. (Hong Kong time) on any Business Day shall be deemed to have been delivered on the next following Business Day.

(c) *Exercise Notice*

The Exercise Notice shall:

- (i) specify the name(s) of the Holder(s) and the number of Warrants being exercised;
- (ii) be accompanied by the Global Certificate in the name(s) of the exercising Holder(s); and
- (iii) (where applicable) specify the person in whose favour the cheque representing the Cash Settlement Amount should be drawn and the name and address of the bank, broker or other agent to whom the cheque should be sent or, as the case may be, specify the relevant account to which the Cash Settlement Amount should be credited.

(d) *Consequences of delivery of an Exercise Notice*

Delivery of an Exercise Notice in accordance with Product Conditions 4.1(b) and 4.1(c) shall constitute an irrevocable election and undertaking by the Holder specified in such Exercise Notice to exercise the number of Warrants specified in such Exercise Notice and an irrevocable authorisation to deduct the Exercise Expenses in accordance with the calculation set out in the definition of the Cash Settlement Amount.

(e) *Cancellation*

The Issuer will procure that CS Hong Kong will, with effect from the first Business Day following the Exercise Date or the Expiry Date, as the case may be, remove from the Register the name of the person in respect of the Warrants which (i) are the subject of a valid exercise in accordance with these Product Conditions whether pursuant to an Exercise Notice or automatic exercise; or (ii) have expired worthless, and thereby cancel the relevant Warrants.

(f) *Cash Settlement*

Subject to a valid exercise or automatic exercise, of Warrants in accordance with these Product Conditions, the Issuer will make a payment in respect of every Exercise Amount to the relevant Holder (or such other person as the Holder may have directed, if applicable) equal to the Cash Settlement Amount.

The Cash Settlement Amount shall be despatched not later than the Settlement Date by crediting that amount in accordance with the CCASS Rules, to the Designated Bank Account.

If, as a result of a Settlement Disruption Event, it is not possible for the Issuer to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder on the original Settlement Date, the Issuer shall use its reasonable endeavours to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder as soon as reasonably practicable after the original Settlement Date. The Issuer will not be liable to the Holder for any interest in respect of the amount due or any loss or damage that such Holder may suffer as a result of the existence of the Settlement Disruption Event.

4.2 ***European Style Warrants***

The following provisions of this Product Condition 4.2 shall apply to Warrants which are expressed to be European Style.

(a) *Exercise of Warrants in Board Lots*

Warrants may only be exercised in Board Lots or integral multiples thereof.

(b) *No requirement to deliver an Exercise Notice*

The Holders will not be required to deliver an Exercise Notice for any purpose in relation to the Warrants.

(c) *Cancellation*

The Issuer will procure that CS Hong Kong will, with effect from the first Business Day following the Expiry Date, remove from the Register the name of the person in respect of the Warrants which (i) are the subject of an exercise pursuant to automatic exercise in accordance with these Product Conditions; or (ii) have expired worthless, and thereby cancel the relevant Warrants.

(d) *Cash Settlement*

Subject to automatic exercise of Warrants in accordance with these Product Conditions, the Issuer will make a payment in respect of every Exercise Amount to the relevant Holder equal to the Cash Settlement Amount.

The Cash Settlement Amount shall be despatched not later than the Settlement Date by crediting that amount in accordance with the CCASS Rules, to the Designated Bank Account.

If, as a result of a Settlement Disruption Event, it is not possible for the Issuer to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder on the original Settlement Date, the Issuer shall use its reasonable endeavours to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder as soon as reasonably practicable after the original Settlement Date. The Issuer will not be liable to the Holder for any interest in respect of the amount due or any loss or damage that such Holder may suffer as a result of the existence of the Settlement Disruption Event.

5. Adjustments

5.1 *Rights Issues*

If and whenever the Trust shall, by way of Rights (as defined below), offer new Units for subscription at a fixed subscription price to the holders of existing Units pro rata to existing holdings (a “**Rights Offer**”), the Entitlement will be adjusted to take effect on the Business Day on which trading in the Units becomes ex-entitlement in accordance with the following formula:

$$\text{Adjusted Entitlement} = \frac{1 + M}{1 + (R/S) \times M} \times E$$

Where:

- E: Existing Entitlement immediately prior to the Rights Offer
- S: Cum-Rights Unit price determined by the closing price on the Stock Exchange on the last Business Day on which the Units are traded on a cum-Rights basis
- R: Subscription price per Unit as specified in the Rights Offer plus an amount equal to any distributions or other benefits foregone to exercise the Right
- M: Number of new Unit(s) (whether a whole or a fraction) per existing Unit each holder thereof is entitled to subscribe

Provided that if the adjustment to be made would result in the Entitlement being changed by one per cent. or less, then no adjustment will be made to the Entitlement. In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by the reciprocal of the Adjusted Entitlement, where the reciprocal of the Adjusted Entitlement means one divided by the relevant Adjusted Entitlement. This adjustment shall take effect on the same day that the Entitlement is adjusted.

For the purposes of these Product Conditions:

“**Rights**” means the right(s) attached to each existing Unit or needed to acquire one new Unit (as the case may be) which are given to the holders of existing Units to subscribe at a fixed subscription price for new Units pursuant to the Rights Offer (whether by the exercise of one Right, a part of a Right or an aggregate number of Rights).

5.2 ***Bonus Issues***

If and whenever the Trust shall make an issue of Units credited as fully paid to the holders of Units generally (other than pursuant to a scrip distribution or similar scheme for the time being operated by the Trust or otherwise in lieu of a cash distribution and without any payment or other consideration being made or given by such holders) (a “**Bonus Issue**”) the Entitlement will be increased on the Business Day on which trading in the Units of the Trust becomes ex-entitlement in accordance with the following formula:

$$\text{Adjusted Entitlement} = (1 + N) \times E$$

Where:

E: Existing Entitlement immediately prior to the Bonus Issue

N: Number of additional Units (whether a whole or a fraction) received by a holder of existing Units for each Unit held prior to the Bonus Issue

Provided that if the adjustment to be made would result in the Entitlement being changed by one per cent. or less, then no adjustment will be made to the Entitlement. In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by the reciprocal of the Adjusted Entitlement, where the reciprocal of the Adjusted Entitlement means one divided by the relevant Adjusted Entitlement. This adjustment shall take effect on the same day that the Entitlement is adjusted.

5.3 ***Unit Splits or Consolidations***

If and whenever the Trust shall subdivide its Units or any class of its outstanding units into a greater number of units (a “**Subdivision**”) or consolidate the Units or any class of its outstanding units into a smaller number of units (a “**Consolidation**”), the Entitlement in effect immediately prior thereto will be increased (in the case of a Subdivision) or decreased (in the case of a Consolidation) accordingly in each case on the day on which the relevant Subdivision or Consolidation shall have taken effect. In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by the reciprocal of the Adjusted Entitlement, where the reciprocal of the Adjusted Entitlement means one divided by the relevant Adjusted Entitlement. This adjustment shall take effect on the same day that the Entitlement is adjusted.

5.4 ***Merger or Consolidation***

If it is announced that the Trust is to or may merge with or into any other trust or consolidate with or into any other trust or corporation (including becoming, by agreement or otherwise, controlled by any person or corporation) (except where the Trust is the surviving trust in a merger) or that it is to or may sell or transfer all or substantially all of its assets, the rights attaching to the Warrants may in the absolute discretion of the Issuer be amended no later than the Business Day preceding the consummation of such merger, consolidation, sale or transfer (each a “**Restructuring Event**”) (as determined by the Issuer in its absolute discretion).

The rights attaching to the Warrants after the adjustment shall, after such Restructuring Event, relate to the number of units of the trust(s) resulting from or surviving such Restructuring Event or other securities (“**Substituted Securities**”) and/or cash offered in substitution for the affected Units, as the case may be, to which the holder of such number of Units to which the Warrants related immediately before such Restructuring Event would have been entitled upon such Restructuring Event. Thereafter the provisions hereof shall apply to such Substituted Securities, provided that any Substituted Securities may, in the absolute discretion of the Issuer, be deemed to be replaced by an amount in Hong Kong dollars equal to the market value or, if no market value is available, fair value, of such Substituted Securities in each case as determined by the Issuer as soon as practicable after such Restructuring Event is effected.

For the avoidance of doubt, any remaining Units shall not be affected by this Product Condition 5.4 and, where cash is offered in substitution for Units or is deemed to replace Substituted Securities as described above, references in these Product Conditions to the Units shall include any such cash.

5.5 ***Other Adjustments***

Except as provided in Product Conditions 5 and/or 7, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer’s sole and unfettered discretion and without any obligation whatsoever) to make such adjustments as it believes appropriate in circumstances where an event or events occur which it believes in its sole discretion and notwithstanding any prior adjustment made pursuant to the above should, in the context of the issue of the Warrants and the obligations of the Issuer, give rise to such adjustment provided that such adjustment is (a) considered by the Issuer not to be materially prejudicial to the Holders generally (without considering the circumstances of any individual Holder or the tax or other consequences of such adjustment in any particular jurisdiction); or (b) otherwise considered by the Issuer to be appropriate and such adjustment is approved by the Stock Exchange.

5.6 ***Notice of Adjustments***

All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Holders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with General Condition 7.

6. **Termination or Liquidation**

6.1 In the event of a Termination or the liquidation or dissolution of the trustee of the Trust (including any successor trustee appointed from time to time (“**Trustee**”) (in its capacity as trustee of the Trust) or the appointment of a liquidator, receiver or administrator or analogous person under Hong Kong law in respect of the whole or substantially the whole of the Trustee’s undertaking, property or assets, all unexercised Warrants will lapse and shall cease to be valid for any purpose. In the case of a Termination, the unexercised Warrants will lapse and shall cease to be valid on the effective date of the Termination, in the case of a voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator or receiver or administrator or analogous person under any applicable law in respect of the whole or

substantially the whole of the Trustee's undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law.

- 6.2 For the purpose of this Product Condition 6, "**Termination**" means (a) the Trust is terminated, or the Trustee or the manager of the Trust (including any successor manager appointed from time to time) ("**Manager**") is required to terminate the Trust under the trust deed ("**Trust Deed**") constituting the Trust or applicable law, or the termination of the Trust commences; (b) the Trust is held or is conceded by the Trustee or the Manager not to have been constituted or to have been imperfectly constituted; (c) the Trustee ceases to be authorised under the Trust to hold the property of the Trust in its name and perform its obligations under the Trust Deed; or (d) the Trust ceases to be authorised as an authorised collective investment scheme under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

7. Delisting

- 7.1 If at any time the Units cease to be listed on the Stock Exchange, the Issuer shall give effect to the General Conditions and these Product Conditions in such manner and make such adjustments to the rights attaching to the Warrants as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Holders generally are not materially prejudiced as a consequence of such delisting (without considering the individual circumstances of any Holder or the tax or other consequences that may result in any particular jurisdiction).
- 7.2 Without prejudice to the generality of Product Condition 7.1, where the Units are, or, upon the delisting, become, listed on any other stock exchange, the General Conditions and these Product Conditions may, in the absolute discretion of the Issuer, be amended to the extent necessary to allow for the substitution of that other stock exchange in place of the Stock Exchange and the Issuer may, without the consent of the Holders, make such adjustments to the entitlements of Holders on exercise (including, if appropriate, by converting foreign currency amounts at prevailing market rates into Hong Kong currency) as may be appropriate in the circumstances.
- 7.3 The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Holders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Holders in accordance with General Condition 7, as soon as practicable after they are determined.

APPENDIX 3 – GENERAL INFORMATION RELATING TO US EXTRACTED FROM CREDIT SUISSE GROUP ANNUAL REPORT 2007

We are a wholly owned subsidiary of Credit Suisse Group. We set out in this Appendix 3 general information relating to us, which are extracted from the following sections of the Credit Suisse Group Annual Report 2007. References to page numbers in this Appendix 3 are to the pages in Credit Suisse Group Annual Report 2007 and not to the pages in this document.

- 1 Credit Suisse at a glance (pages 10 – 11);
- 2 Risk management (pages 104 – 120);
- 3 Board of Directors (pages 128 – 138);
- 4 Executive Board (pages 139 – 143); and
- 5 Additional information (pages 159 –160).

Credit Suisse at a glance

As one of the world's leading financial services providers, we are committed to delivering our combined financial expertise to corporate, institutional and government clients and high-net-worth individuals worldwide, as well as to retail clients in Switzerland. We serve our diverse clients through our three divisions: Private Banking¹, Investment Banking² and Asset Management³, which cooperate closely to provide holistic financial solutions based on innovative products and specially tailored advice. Founded in 1856, we have a truly global reach today, with operations in over 50 countries and a team of over 48,000 employees from approximately 100 different nations.



1 Private Banking

In Private Banking, we offer comprehensive advice and a broad range of wealth management solutions, including pension planning, life insurance products, tax planning and wealth and inheritance advice, which are tailored to the needs of high-net-worth individuals worldwide. In Switzerland, we supply banking products and services to high-net-worth, corporate and retail clients.



2 Investment Banking

In Investment Banking, we offer investment banking and securities products and services to corporate, institutional and government clients around the world. Our products and services include debt and equity underwriting, sales and trading, mergers and acquisitions advice, divestitures, corporate sales, restructuring and investment research.



3 Asset Management

In Asset Management, we offer integrated investment solutions and services to institutions, governments and private clients globally. We provide access to the full range of investment classes, ranging from money market, fixed income, equities and balanced products, to alternative investments such as real estate, hedge funds, private equity and volatility management.

Risk management

During 2007, our overall 99% position risk, measured on the basis of our economic capital model, decreased 4% compared to 2006. Average one-day, 99% VaR for our trading books increased 44% to CHF 115 million, primarily reflecting increased market volatility. We reported a net new provision for credit losses of CHF 240 million in 2007.

Risk management oversight

Risk governance

The prudent taking of risk in line with our strategic priorities is fundamental to our business as a leading global bank. To meet the challenges in a fast-changing industry with new market players and innovative and complex products, we established and continuously strengthen our risk function, which is independent of, but closely interacts with, the sales and trading functions to ensure appropriate flow of information. Our risk management framework is based on transparency, management accountability and independent oversight. As a consequence of the increased complexity of risks, we have defined our risk perspective broadly. Risk management plays an important role in our business planning process and is strongly supported by senior management and the Board of Directors. The primary objectives of risk management are to protect our financial strength and reputation, while ensuring that capital is well deployed to support business activities and grow shareholder value. Although we have implemented comprehensive risk management processes and sophisticated control systems, we work to limit the impact of negative developments by carefully managing concentrations of risks. Further, the business mix of Private Banking, Investment Banking and Asset Management provides a certain amount of natural risk diversification. In our Investment Banking business, a buy and sell business model has generally mitigated risks and limited our exposure, but the dislocation in the structured and credit markets, beginning in the second half of 2007, has affected our ability to reduce risk exposures. When deemed necessary, risk mitigation is supported by hedging activities. We believe this approach to risk management helped us to limit losses in the difficult market environment of 2007.

Risk organization

Risks arise in all of our business activities and cannot be completely eliminated, but we work to manage risk in our internal control environment. Our risk management organization reflects the specific nature of the various risks in order to ensure that risks are managed within limits set in a transparent

and timely manner. At the level of the Boards of Directors, this includes the following responsibilities:

- Group Board of Directors: responsible to shareholders for the strategic direction, supervision and control of the Group and for defining our overall tolerance for risk;
- Boards of Directors of other Group legal entities: responsible for the strategic direction, supervision and control of their respective legal entity and for defining its tolerance for risk;
- Risk Committees: responsible for assisting the Boards of Directors of the Group and other Group legal entities in fulfilling their oversight responsibilities by providing guidance regarding risk governance and the development of the risk profile and capital structure, including the regular review of major risk exposures and the approval of risk limits; and
- Audit Committees: responsible for assisting the Boards of Directors of the Group and other Group legal entities in fulfilling their oversight responsibilities by monitoring management's approach with respect to financial reporting, internal controls, accounting, and legal and regulatory compliance. Additionally, the Audit Committees are responsible for monitoring the independence and the performance of the internal and external auditors.

Overall risk limits are set by the Board of Directors and its Risk Committee. On a monthly basis, CARMC reviews all risk exposures, concentration risks and risk-related activities. CARMC is responsible for supervising and directing our risk profile on a consolidated basis, recommending risk limits to the Board of Directors and its Risk Committee and for establishing and allocating risk limits within the various businesses. CARMC meetings focus on the following three areas on a rotating basis: asset and liability management/liquidity; market and credit risk; and operational risk/legal and compliance.

Committees are implemented at a senior management level to support risk management. The Risk Processes and Standards Committee is responsible for establishing and approving standards regarding risk management and risk measurement, including methodology and parameters. The

Credit Portfolio and Provisions Review Committee reviews the quality of the credit portfolio with a focus on the development of impaired assets and the assessment of related provisions and valuation allowances. The Reputational Risk and Sustainability Committee sets policies and reviews processes relating to reputational risks. There are also divisional risk management committees, which are closer to the daily business and established to manage risk on a divisional basis.

The risk committees are further supported by Global Treasury, which is responsible for the management of our balance sheet, capital management, liquidity and related hedging policies. The risk management function, which is independent of the business, includes:

- Strategic Risk Management (SRM)
- Risk Measurement and Management (RMM)
- Credit Risk Management (CRM)
- Bank Operational Risk Oversight (BORO)
- Business Continuity Management
- Reputational Risk

The CRO area is responsible for providing risk management oversight and for establishing an organizational basis to manage all risk management matters through four primary risk functions: SRM assesses the overall risk profile on a bank-wide, portfolio level and for individual businesses, and recommends corrective action where necessary; RMM is responsible

for the measurement and reporting of credit risk, market risk and economic capital, managing risk limits and establishing policies on market risk and economic capital; CRM is headed by the Chief Credit Officer and has responsibility for approving credit limits, monitoring and managing individual exposures and assessing and managing the quality of credit portfolios and allowances; and BORO acts as the central hub for the divisional operational risk functions. Finally, we also address critical risk areas such as business continuity and reputational risk management.

Risk types

Within our risk framework, we have defined the following types of risk:

Management risks:

- Strategy risk: outcome of strategic decisions or developments; and
- Reputational risk: damage to our standing in the market.

Chosen risks:

- Market risk: changes in market factors such as prices, volatilities and correlations;
- Credit risk: changes in the creditworthiness of other entities; and
- Expense risk: difference between operating expenses and income in a crisis.

Key management bodies and committees

Group / Bank		
Board of Directors		
Audit Committee Risk Committee		
Chief Executive Officer		
Executive Board		
Capital Allocation & Risk Management Committee (CARMC)		
ALM ¹ / Capital / Funding / Liquidity	Position Risks	OpRisk / LCD ²
Risk Processes & Standards Committee	Credit Portfolio & Provisions Review Committee	Reputational Risk & Sustainability Committee
Divisions		
PB RMC	IB RMC	AM RMC

¹ Asset and Liability Management ² Legal and Compliance Department

Consequential risks:

- Operational risk: inadequate or failed internal processes, people and systems or external events; and
- Liquidity risk: inability to fund assets or meet obligations at a reasonable price.

Management risks are difficult to quantify. While management of strategy risk is at the Executive Board level, a process has been implemented to capture reputational risk. Chosen risks are, in general, highly quantifiable, but are challenging in complexity and scale, especially when aggregating them across all positions and types of financial instruments. Additionally, the traditional boundaries between market risks and credit risk have become blurred. For operational risk management, we have primarily set up processes on divisional and regional levels and liquidity management is centralized with Global Treasury.

Risk limits

A sound system of risk limits is fundamental to effective risk management. The limits define our maximum on- and off-balance sheet exposure given the market environment, business strategy and financial resources available to absorb losses.

We use an economic capital limit structure to limit overall risk-taking. The level of risks incurred by the divisions is further restricted by a variety of specific limits. For example, there are consolidated controls over trading exposures, the mismatch of interest-earning assets and interest-bearing liabilities, private equity and seed money and emerging market country exposures. Risk limits are allocated to lower organizational levels within the businesses, and numerous other limits are established for specific risks, including a system of individual counterparty credit limits that is used to control concentration risks.

Revaluation impact on risk metrics

In connection with ongoing control processes, we identified mismarks and pricing errors by a small number of traders in certain ABS positions in our CDO trading business in Investment Banking. We have not revised 2007 position risk or VaR for the CHF 1,177 million valuation reductions on these ABS positions, as we do not consider the impact of these valuation reductions to be material to our economic capital, position risk, VaR or related trends. For further information, refer to II – Operating and financial review – Credit Suisse – Revaluing of certain asset-backed securities.

Economic capital and position risk

Concept

Economic capital represents good current market practice for measuring and reporting all quantifiable risks; it measures risk in terms of economic realities rather than regulatory or accounting rules. The development and usage of economic capital methodologies and models have increased across the industry over recent years. In the absence of a standardized industry-wide approach, comparisons across firms may not be meaningful.

We use economic capital as a consistent and comprehensive tool for risk management, capital management and planning and performance measurement. It provides us with a robust framework for managing our risk profile on a consolidated basis and for the assessment of aggregate risk appetite in relation to financial resources. We also consider other factors that are outside the scope of the economic capital framework (for example, strategy, economic and competitive environment and external constraints such as those imposed by regulators or rating agencies). By providing a common terminology for risk across the Group, economic capital increases risk transparency and improves knowledge-sharing.

Position risk, which is a component of the economic capital framework, represents a core top-level risk management tool and is used to assess, monitor and report risk exposures throughout the Group. Position risk is the level of unexpected loss in economic value on our portfolio of positions over a one-year horizon which is exceeded with a given small probability (1% for risk management purposes; 0.03% for capital management purposes). For further details of the economic capital framework, refer to Treasury management – Economic capital.

The economic capital methodology is regularly reviewed in order to ensure that the model remains relevant as markets and business strategies evolve. In 2007, a number of enhancements were implemented to refine the modeling of the 99% position risk component of economic capital. These included refinement of the modeling for private banking corporate and retail lending, international lending and commercial real estate loan origination risks and the recalibration of asset-backed and residential real estate parameters to reflect market volatility. Prior-period balances have been restated for methodology changes in order to show consistent trends and comparisons through time. The total impact of the methodology changes on the year-end 2006 99% position risk was an increase of approximately CHF 528 million, or 4.4%.

Limit management

Position risk is managed through a system of integrated risk limits to control the range of risks inherent in business activi-

ties. The limit structure restricts overall risk-taking capacity and triggers senior management risk discussions in case of substantial changes in our overall risk profile. The calibration of limits is performed in conjunction with the annual planning process in order to ensure our risk appetite is in line with our financial resources.

The Board of Directors and senior management are regularly provided with economic capital results, trends and ratios, together with supporting explanations to provide risk transparency and to facilitate the decision-making process of the firm.

Key position risk trends

Compared to 2006, our 99% position risk decreased 4%, mainly driven by reductions in real estate and structured

assets and fixed income trading exposures, partially offset by increases in international lending and counterparty, equity trading and investments and emerging markets exposures.

The decrease in real estate and structured assets risk was due to reduced ABS and residential mortgage exposures. Fixed income trading risk was down due to reduced credit spread and interest rate exposures, partially offset by increases in energy and other commodity exposures. International lending and counterparty exposures were up due to increased derivatives exposures within Investment Banking. Equity trading and investments were higher due to increased private equity and hedge fund exposures. We increased emerging markets exposures primarily in Eastern Europe and South America.

Group position risk

	end of			% change	
	2007 ¹	2006	2005	07 / 06	06 / 05
Position risk (CHF million)					
Fixed income trading ²	2,280	2,692	1,935	(15)	39
Equity trading and investments	2,911	2,522	2,514	15	0
Private banking corporate and retail lending	2,286	2,174	2,558	5	(15)
International lending and counterparty exposures	3,870	3,417	3,121	13	9
Emerging markets	2,040	1,775	1,403	15	27
Real estate and structured assets ³	3,252	4,738	3,149	(31)	50
Simple sum across risk categories	16,639	17,318	14,680	(4)	18
Diversification benefit	(4,682)	(4,801)	(3,913)	(2)	23
Position risk (99% confidence level for risk management purposes)	11,957	12,517	10,767	(4)	16
Position risk (99.97% confidence level for capital management purposes)	21,660	22,548	19,383	(4)	16

Prior balances have been restated for methodology changes in order to show meaningful trends. The position risk (99% confidence level for risk management purposes) for the Bank was CHF 11,630 million as of the end of 2007. The major difference between position risk of the Group and the Bank relates to the risks within Clariden Leu, Neue Aargauer Bank, BANK-nov and Corporate Center.

¹ Does not reflect the valuation reductions from revaluing certain ABS positions in our CDO trading business, as we do not consider the impact of these valuation reductions to be material to our economic capital, position risk, VaR or related trends. For further information, refer to Revaluation impact on risk metrics. ² This category comprises fixed income trading, foreign exchange and commodity exposures. ³ This category comprises the real estate investments of the Group, commercial and residential real estate, ABS exposure and real estate acquired at auction.

Market risk

Market risk is the risk of loss arising from adverse changes in interest rates, foreign currency exchange rates, equity prices, commodity prices and other relevant market parameters, such as market volatilities. We define our market risk as potential changes in fair values of financial instruments in response to market movements. A typical transaction may be exposed to a number of different market risks.

We devote considerable resources to ensure that market risk is comprehensively captured, accurately modeled and reported and effectively managed. Trading and non-trading portfolios are managed at various organizational levels, from the overall risk positions at the Group level down to specific portfolios. We use market risk measurement and management methods designed to meet or exceed industry standards. These include both general tools capable of calculating comparable exposures across our many activities as well as

focused tools that can specifically model unique characteristics of certain instruments or portfolios. The tools are used for internal market risk management, internal market risk reporting and external disclosure purposes. The principal measurement methodologies are VaR and scenario analysis. Additionally, the market risk exposures are also reflected in our economic capital calculations. The risk management techniques and policies are regularly reviewed to ensure that they remain appropriate.

Value-at-Risk

VaR measures the potential loss in terms of fair value changes due to adverse market movements over a given time interval at a given confidence level. VaR as a concept is applicable for all financial risk types with valid regular price histories. Positions are aggregated by risk type rather than by product. For example, interest rate risk includes risk arising from interest rate, foreign exchange, equity and commodity options, money market and swap transactions and bonds. The use of VaR allows the comparison of risk in different businesses, such as fixed income and equity, and also provides a means of aggregating and netting a variety of positions within a portfolio to reflect actual correlations and offsets between different assets.

Historical financial market rates, prices and volatilities serve as a basis for the statistical VaR model underlying the potential loss estimation. We use a ten-day holding period and a confidence level of 99% to model the risk in our trading portfolios. These assumptions are compliant with the standards published by the Basel Committee on Banking Supervision and other related international standards for market risk management. For some purposes, such as backtesting, disclosure and benchmarking with competitors, the resulting VaR figures are scaled down or calculated using one-day holding period values.

Credit Suisse has approval from the SFBC, as well as from certain other regulators of our subsidiaries, to use our VaR model in the calculation of trading book market risk capital requirements. We continue to receive regulatory approval for ongoing enhancements to the methodology, and the model is subject to regular reviews by regulators and auditors.

We use a historical simulation model for the majority of risk types and businesses within our trading portfolios. Where insufficient data is available for such an approach, an "extreme-move" methodology is used. The model is based on the profit and loss distribution resulting from the historical changes of market rates, prices and volatilities applied to evaluate the portfolio. This methodology also avoids any explicit assumptions on correlation between risk factors. During 2007, we increased the length of the historical time series dataset used to calculate VaR from two to approximately three years to

capture a wider range of historical events. The VaR model uses assumptions and estimates that we believe are reasonable, but different assumptions or estimates could result in different estimates of VaR.

As a risk measure, VaR only quantifies the potential loss on a portfolio under normal market conditions. Other risk measures, such as scenario analysis, are used to estimate losses associated with unusually severe market movements. VaR also assumes that the price data from the recent past can be used to predict future events. If future market conditions differ substantially from past market conditions, then the risk predicted by VaR may be too conservative or too liberal.

Scenario analysis

We regularly perform scenario analysis for all of our businesses exposed to market risk to estimate the potential economic loss that could arise from extreme, but plausible, stress events. The scenario analysis calculations performed are specifically tailored towards their respective risk profile. In addition, to identify areas of risk concentration and potential vulnerability to stress events across the Group, we have developed a set of scenarios which are consistently applied across all businesses. Key scenarios include significant movements in credit markets, interest rates, equity prices and exchange rates, as well as adverse changes in counterparty default rates. The scenario analysis framework also considers the impact of various scenarios on key capital adequacy measures such as regulatory capital and economic capital ratios. The Board of Directors and senior management are regularly provided with scenario analysis estimates, scenario analysis trend information and supporting explanations to create transparency on key risk exposures and to support senior management in managing risks.

Scenario analysis estimates the impact that could arise from extreme, but plausible, stress events by applying predefined scenarios to the relevant portfolios. Scenarios are typically defined in light of past economic or financial market stress periods, but statistical analysis is also used to define the less severe scenarios in the framework.

Scenario analysis estimates the loss that could arise if specific events in the economy or in financial markets were to occur. Seldom do past events recur in exactly the same way. Therefore, it is necessary to use business experience to choose a set of meaningful scenarios and to assess the scenario results in light of current economic and market conditions.

The scenario analysis framework is periodically reviewed to help ensure that it remains relevant given changes in portfolio composition and market conditions. During the financial market turbulence experienced in the second half of 2007, the

scenario analysis framework helped management to identify and quantify the impact of material changes in market values on our portfolio. Given the speed and severity of the collapse in US subprime mortgage values in the second half of 2007, the parameters for various ABS and RMBS were updated at the end of the third quarter of 2007.

Trading portfolios

Risk measurement and management

We assume market risk in our trading portfolios primarily through the trading activities of the Investment Banking segment. Our other segments also engage in trading activities, but to a much lesser extent.

For the purposes of this disclosure, VaR is used to quantify market risk in the trading portfolio, which includes those financial instruments treated as part of the trading book for our regulatory capital purposes. This classification of assets as trading is done for purposes of analyzing our market risk exposure, not for financial statement purposes.

We are active in most of the principal trading markets of the world, using the majority of the common trading and hedging products, including derivatives such as swaps, futures, options and structured products (some of which are customized transactions using combinations of derivatives and executed to meet specific client or proprietary needs). As a result of our broad participation in products and markets, our trading strategies are correspondingly diverse and exposures are generally spread across a diversified range of risk factors and locations.

As part of our overall risk management, we hold a portfolio of hedges. Hedges are impacted by market movements, simi-

lar to other trading securities, and may result in gains or losses on the hedges which offset losses or gains on the portfolios they were designed to hedge.

Development of trading portfolio risks

The table entitled "One-day, 99% VaR" shows our trading-related market risk exposure, as measured by scaled one-day, 99% VaR. As we measure trading book VaR for internal risk management purposes using the US dollar as the base currency, the VaR figures were translated into Swiss francs using the respective daily currency translation rates. VaR estimates are computed separately for each risk type and for the whole portfolio using the historical simulation methodology. The diversification benefit reflects the net difference between the sum of the 99th percentile loss for each individual risk type and for the total portfolio.

Our one-day, 99% VaR as of December 31, 2007, was CHF 216 million, compared to CHF 89 million as of December 31, 2006. The average VaR was CHF 115 million for 2007, compared to CHF 80 million for 2006. The changes in VaR were caused primarily by the inclusion of increased market volatility in the data used to calculate VaR, the recalibration of the VaR model during 3Q07 to account for the increase in observed correlations across risk categories and increased equity, foreign exchange and commodity exposures. If the recalibration of the VaR model had been in place as of the end of 2006, it is estimated that the end-of-period one-day, 99% VaR would have been CHF 112 million rather than CHF 89 million. 2007 VaR does not reflect the valuation reductions from revaluing certain ABS positions in our CDO trading business.

One-day, 99% VaR

in / end of period	Interest rate and credit spread	Foreign exchange	Commodity	Equity	Diversi- fication benefit	Total
2007 (CHF million)						
Average ¹	74	25	17	79	(80)	115
Minimum ¹	46	8	8	51	- ²	56
Maximum ¹	131	58	36	126	- ²	216
End of period ¹	124	48	31	91	(78)	216
2006 (CHF million)						
Average	57	19	10	59	(65)	80
Minimum	42	9	6	44	- ²	53
Maximum	82	38	20	90	- ²	124
End of period	62	24	15	57	(69)	89
2005 (CHF million)						
Average	61	13	6	41	(55)	66
Minimum	36	6	1	23	- ²	49
Maximum	78	30	16	63	- ²	88
End of period	69	11	11	57	(61)	87

¹ Does not reflect the valuation reductions from revaluing certain ABS positions in our CDO trading business, as we do not consider the impact of these valuation reductions to be material to our economic capital, position risk, VaR or related trends. For further information, refer to Revaluation impact on risk metrics. ² As the maximum and minimum occur on different days for different risk types, it is not meaningful to calculate a portfolio diversification benefit.

Various techniques are used to assess the accuracy of the VaR model used for trading portfolios, including backtesting. In line with industry practice, we present backtesting using actual daily trading revenues. Actual daily trading revenues are compared with VaR calculated using a one-day holding period. A backtesting exception occurs when the daily loss exceeds the daily VaR estimate.

We had nine backtesting exceptions in 2007, compared with two backtesting exceptions in 2006. The backtesting exceptions in 2007 were primarily driven by a sharp increase in market volatility in the second half of 2007, as the effects from the dislocation of the US subprime mortgage market spilled over into the wider credit, equity, interest rate and foreign exchange markets. We had 15 backtesting exceptions using backtesting profit and loss, a subset of actual daily trading revenues, which includes only the impact of daily movements in financial market variables, such as interest rates, equity prices and foreign exchange rates on the previous night's positions. The VaR model is subject to regular assessment and evaluation to seek to maintain accuracy given current market conditions and positions. In response to the backtesting performance, we made a change to the methodology to take account of the increase in observed correlations between risk categories.

The histogram entitled "Actual daily trading revenues" compares the actual trading revenues for 2007 with those for

2006. The dispersion of trading revenues indicates the day-to-day volatility in our trading activities.

Banking portfolios

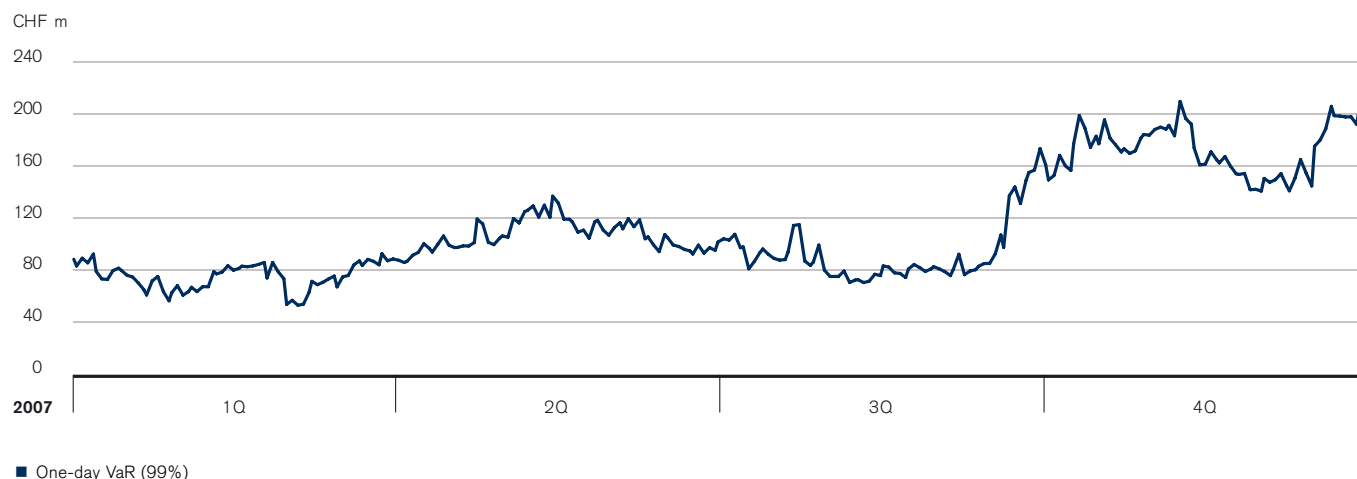
Risk measurement and management

The market risks associated with our non-trading portfolios primarily relate to asset and liability mismatch exposures, equity instrument participations and investments in bonds and money market instruments. All of our businesses and the Corporate Center have non-trading portfolios that carry some market risks.

The market risks associated with the non-trading portfolios are measured, monitored and limited using several tools, including economic capital, scenario analysis, sensitivity analysis and VaR. For the purpose of this disclosure, the aggregated market risks associated with our non-trading portfolios are measured using sensitivity analysis. The sensitivity analysis for the non-trading activities measures the amount of potential change in economic value resulting from specified hypothetical shocks to market factors. It is not a measure for the potential impact on reported earnings in the current period, since the non-trading activities generally are not marked to market through earnings.

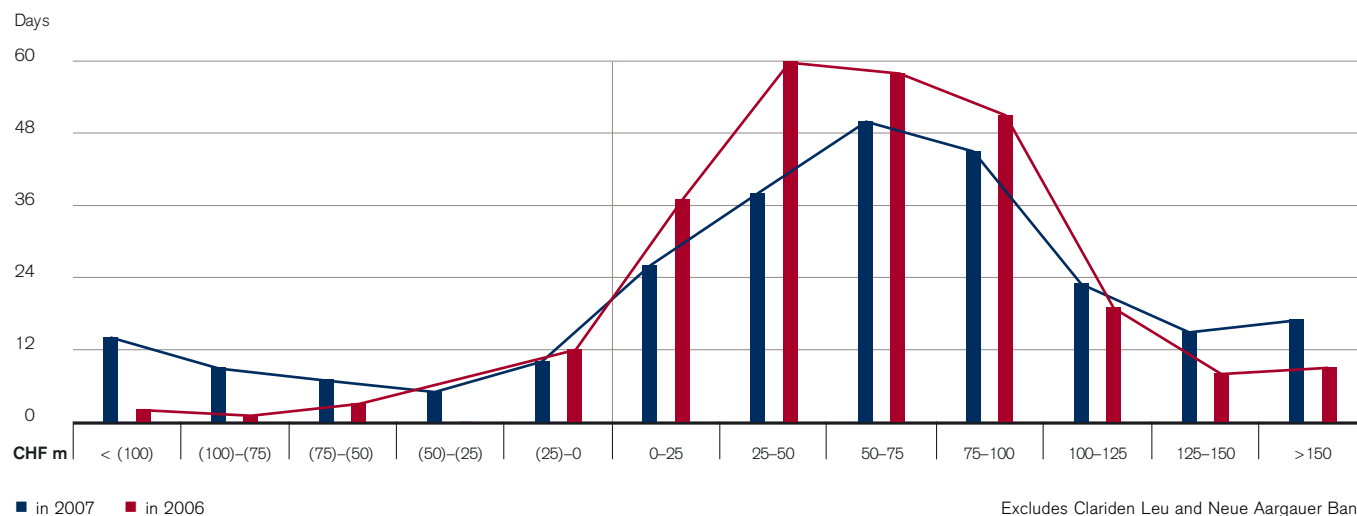
The majority of our real estate positions are held in our trading book and included in the VaR disclosure presented above. These primarily comprise US and certain European res-

Daily VaR



Does not reflect the valuation reductions from revaluing certain ABS positions in our CDO trading business, as we do not consider the impact of these valuation reductions to be material to our economic capital, position risk, VaR or related trends. For further information, refer to Revaluation on risk metrics.

Actual daily trading revenues



Does not reflect the valuation reductions from revaluing certain ABS positions in our CDO trading business, as we do not consider the impact of these valuation reductions to be material to our economic capital, position risk, VaR or related trends. For further information, refer to Revaluation on risk metrics.

idential and commercial mortgage exposures, whether held directly or as part of structured products. In addition, we also hold certain real estate-related risks, such as certain Swiss and Asian mortgages, in our non-trading portfolio. For details of our overall exposure to real estate risks, refer to Economic capital and position risk.

Development of non-trading portfolio risks

We assume non-trading interest rate risks through interest rate-sensitive positions originated by Private Banking and risk-transferred to Global Treasury, money market and funding activities by Global Treasury and the deployment of our consolidated equity as well as other activities, including market-making and trading activities involving banking book positions at the divisions. Savings accounts and many other retail banking products have no contractual maturity date or direct market-

linked interest rate and are risk-transferred from Private Banking to Global Treasury on a pooled basis using replicating portfolios (approximating the repricing behavior of the underlying product). Global Treasury and other desks running interest rate risk positions actively manage the positions within approved limits. The impact of a one-basis-point parallel change of yield curves on the fair value of interest rate-sensitive non-trading book positions would have amounted to CHF 4.4 million as of December 31, 2007, compared to CHF 3.6 million, as of December 31, 2006. The change is mainly due to the longer duration of our deployed equity. Non-trading interest rate risk is assessed using other measures including the potential value change resulting from a significant change in yield curves in relation to the total eligible regulatory capital, which is regularly assessed on a consolidated and standalone basis for the major legal entities. As of December 31, 2007, the fair value impacts of an adverse 200-basis-point move in yield curves and of a statistical one-year, 99% adverse change in yield curves in relation to the total eligible regulatory capital were 2.0% and 1.9%, respectively, which are significantly below the 20% threshold used by regulators to identify banks that potentially run excessive levels of non-trading interest rate risk.

Our non-trading equity portfolio includes positions in hedge funds, private equity and other instruments that may not be strongly correlated with general equity markets. Equity risk on non-trading positions is measured using sensitivity analysis that estimates the potential change in value resulting from a 10% decline in the equity markets of developed nations and a 20% decline in the equity markets of emerging market nations. The estimated impact of this scenario would be a decrease of approximately CHF 483 million in the value of the non-trading portfolio as of December 31, 2007, compared to a decrease of approximately CHF 454 million in the value of the non-trading portfolio as of December 31, 2006. The main reason for the change is an increase in private equity and hedge fund exposures.

We assume limited commodity risk in our non-trading portfolio. Commodity risk on non-trading positions is measured using sensitivity analysis that estimates the potential change in value resulting from a 20% weakening in commodity prices. The estimated impact of this scenario would be a decrease of approximately CHF 1 million in the value of the non-trading portfolio as of December 31, 2007 and December 31, 2006.

For details of the exposure to foreign exchange risk in our non-trading portfolio, refer to Treasury management – Foreign exchange exposure and interest rate management.

Credit risk

Definition of credit risk

Credit risk is the possibility of a loss being incurred as the result of a borrower or counterparty failing to meet its financial obligations. In the event of a default, a bank generally incurs a loss equal to the amount owed by the debtor, less any recoveries resulting from foreclosure, liquidation of collateral or the restructuring of the debtor company.

The majority of our credit risk is concentrated in Private Banking and Investment Banking. Credit risk exists within lending products, commitments and letters of credit, and results from counterparty exposure arising from derivatives, foreign exchange and other transactions.

Credit risk management approach

Effective credit risk management is a structured process to assess, quantify, price, monitor and manage risk on a consistent basis. This requires careful consideration of proposed extensions of credit, the setting of specific limits, diligent ongoing monitoring during the life of the exposure, active use of credit mitigation tools and a disciplined approach to recognizing credit impairment.

Our credit risk management framework is regularly refined and covers all banking business areas that are exposed to credit risk. The framework is designed to cover virtually all of the credit exposures in the banking business and comprises seven core components:

- individual counterparty rating systems;
- transaction rating systems;
- a counterparty credit limit system;
- country concentration limits;
- risk-based pricing methodologies;
- active credit portfolio management; and
- a credit risk provisioning methodology.

We evaluate credit risk through a credit request and approval process, ongoing credit and counterparty monitoring and a credit quality review process. Experienced credit officers analyze credit requests and assign internal ratings based on their analysis and evaluation of the client's creditworthiness and the type of credit transaction.

Counterparty and transaction rating

For the purposes of internal ratings, we have developed a set of credit rating models tailored for different client segments in both Private Banking and Investment Banking (e.g. international corporates, financial institutions, asset finance, small and medium-sized entities, commodity traders, residential mortgages, etc.). The models are built from statistical data

and then subject to a thorough business review before implementation. Each credit rating model is validated independently prior to implementation and on a regular basis. At the time of initial credit approval and review, relevant quantitative data (e.g., financial statements, financial projections, etc.) as well as qualitative factors relating to the counterparty are used in the models and result in the assignment of a credit rating or probability of default, which measures the counterparty's risk of default over a one-year period.

Additionally, an estimate of expected loss in the event of a counterparty default is assigned based on the structure of each transaction. The counterparty credit rating is used in combination with credit (or credit equivalent) exposure and the loss given default (LGD) assumption to estimate the potential credit loss. These credit risk estimates are used consistently for the purposes of business and credit portfolio steering, credit policy, approval and monitoring, management reporting, risk-adjusted performance measurement, economic capital measurement and allocation and certain financial accounting purposes. In 2007, the overall internal credit rating system received approval by the SFBC for application under the Basel II Advanced Internal Ratings Based (A-IRB) approach. This approach also allows us to price transactions involving credit risk more accurately, based on risk/return estimates.

Credit approval process and provisioning

Senior credit managers make credit decisions on a transaction-by-transaction basis, at authority levels reflecting the amount and complexity of the transactions, and the overall exposures to counterparties and their related entities. These approval authority levels are set by each legal entity.

A system of credit limits is used to manage individual counterparty credit risk. Other limits are also established to address concentration risk in the portfolio, including a comprehensive set of country limits and limits for certain products. Credit exposures to individual counterparties, industry segments or product groupings and adherence to the related limits are monitored by credit officers, industry analysts and other relevant specialists. In addition, credit risk is regularly supervised by credit and risk management committees, taking current market conditions and trend analysis into consideration. We regularly analyze our industry diversification and concentrations.

A rigorous credit quality review process provides an early identification of possible changes in the creditworthiness of clients and includes regular asset and collateral quality reviews, business and financial statement analysis and relevant economic and industry studies. Other key factors considered in the review process include current and projected business and economic conditions, historical experience,

regulatory requirements and concentrations of credit by industry, country, product and counterparty rating. Regularly updated watch-lists and review meetings are used for the identification of counterparties where adverse changes in creditworthiness could occur due to events such as announced mergers, earnings weaknesses and lawsuits.

The review process culminates in a quarterly determination of the appropriateness of allowances for credit losses. A systematic provisioning methodology is used to identify potential credit risk-related losses. Impaired transactions are classified as potential problem exposure, non-performing exposure or non-interest-earning exposure and the exposures are generally managed within credit recovery units. The Credit Portfolio and Provisions Review Committee regularly determines the adequacy of allowances, taking into consideration whether the levels are sufficient for credit losses and whether allowances can be released or if they should be increased.

Loans

Compared to the end of 2006, gross loans increased CHF 32.2 billion, or 15%, reflecting business and market developments in Investment Banking as well as business growth in Private Banking. During 2007, gross loans in Investment Banking increased from CHF 44.6 billion to CHF 65.3 billion, mainly due to increases in commercial and industrial loans and loans to financial institutions. In Private Banking, gross loans increased from CHF 164.8 billion to CHF 176.4 billion, reflecting growth in nearly all businesses.

Ratings and risk mitigation

To ensure that ratings are consistent and comparable across all businesses, we have developed an internal rating scale which is benchmarked to the external rating agencies utilizing the historical probability of default associated with external ratings. The relationship between the probability of default and external agency ratings is reviewed annually and adjustments are made to calibrate the internal rating classification to the assumed probability of default in the external ratings.

Risk mitigation

We actively manage our credit exposure utilizing credit hedges and collateral (cash and marketable securities). Credit hedges represent the notional exposure that has been transferred to other market counterparties, generally through the use of credit default swaps. While credit hedges are not available for many of Private Banking's counterparties, a large portion of its lending portfolio is secured with collateral that can be readily liquidated, primarily cash and marketable securities. The following risk mitigation tables for Private Banking and Invest-

ment Banking illustrate the effects of risk mitigation on loans and undrawn irrevocable credit facilities.

Risk mitigation impact for Private Banking

end of 2007	Gross exposure ¹	Cash and marketable securities	Net exposure ¹
Internal ratings (CHF million)			
AAA	1,057	(12)	1,045
AA	4,432	(24)	4,408
A	14,206	(785)	13,421
BBB	212,437	(113,102)	99,335
BB	71,572	(4,332)	67,240
B	4,374	(67)	4,307
CCC	283	0	283
CC	0	0	0
C	0	0	0
D	1,538	(17)	1,521
Total	309,899	(118,339)	191,560

¹ Includes loans and undrawn irrevocable credit facilities.

Risk mitigation impact for Investment Banking

end of 2007	Gross exposure ¹	Credit hedges	Cash and marketable securities	Net exposure ¹
Internal ratings (CHF million)				
AAA	8,928	0	(337)	8,591
AA	18,096	(2,614)	(51)	15,431
A	37,290	(7,265)	(4,205)	25,820
BBB	42,789	(15,625)	(631)	26,533
BB	20,366	(3,356)	(595)	16,415
B	42,296	(4,248)	(2,367)	35,681
CCC	5,724	(526)	(153)	5,045
CC	541	(301)	0	240
C	340	0	0	340
D	2,024	(1)	0	2,023
Total	178,394	(33,936)	(8,339)	136,119

Excludes non-rated positions of CHF 688 million representing unsettled positions in non-broker dealer entities.

¹ Includes loans and undrawn irrevocable credit facilities.

Loss given default

The tables below present our loans, net of risk mitigation, across LGD buckets. LGD represents the expected loss on a transaction should default occur and takes into account structure, collateral, seniority of the claim and, in certain areas, the type of counterparty. LGD estimates have been developed separately by Private Banking and Investment Banking, based

on historical experience. The Private Banking LGD measurement system takes into account collateral pledged against the exposure and guarantees received. The LGD measurement system is validated independently on a regular basis and has been approved by the regulatory authorities for application in the Basel II A-IRB approach. The concentration in BBB and BB rated counterparties with low LGD exposure largely

reflects the Private Banking residential mortgage business, which is highly collateralized. In Investment Banking, the LGD measurement is primarily determined by the seniority ranking of the exposure, with the exposure adjusted for risk mitigation

and guarantees received. A majority of net loans in Investment Banking are senior unsecured loans, which have an expected LGD of 55%.

Loss given default for Private Banking

end of 2007	Funded net exposure	Loss given default buckets					
		0-10%	11-20%	21-40%	41-60%	61-80%	81-100%
Internal ratings (CHF million)							
AAA	277	46	116	57	36	2	20
AA	2,666	803	515	538	361	368	81
A	8,300	2,850	2,832	1,939	304	339	36
BBB	71,496	31,490	14,085	17,849	6,590	1,202	280
BB	52,102	15,986	12,162	16,121	4,230	927	2,676
B	3,384	1,267	577	1,134	331	62	13
CCC	108	42	14	19	33	0	0
CC	0	0	0	0	0	0	0
C	0	0	0	0	0	0	0
D	1,411	62	184	277	507	126	255
Total	139,744	52,546	30,485	37,934	12,392	3,026	3,361

Loss given default for Investment Banking

end of 2007	Funded net exposure	Loss given default buckets					
		0-10%	11-20%	21-40%	41-60%	61-80%	81-100%
Internal ratings (CHF million)							
AAA	1,540	4	0	0	1,536	0	0
AA	3,628	319	0	239	3,070	0	0
A	3,907	1	0	136	3,770	0	0
BBB	9,116	0	0	5,196	3,613	288	19
BB	5,727	137	0	3,829	1,753	8	0
B	13,821	390	0	10,814	2,158	387	72
CCC	4,502	17	0	3,140	1,144	50	151
CC	214	162	0	28	24	0	0
C	340	0	0	220	120	0	0
D	350	120	0	53	177	0	0
Total	43,145	1,150	0	23,655	17,365	733	242

Excludes non-rated positions of CHF 688 million representing unsettled positions in non-broker dealer entities.

Impaired exposure and allowances

Non-performing loans

A loan is considered impaired when we believe it is probable that we will be unable to collect all amounts due in accordance with the contractual terms of the loan agreement. A loan is classified as non-performing when the contractual payments

of principal and/or interest are in arrears for 90 days. A loan can also be classified as non-performing if the contractual payments of principal and/or interest are less than 90 days past due. We continue to accrue interest for collection purposes; however, a corresponding provision against the accrual is booked through the consolidated statements of income. In

Loans

end of	Wealth Management		Corporate & Retail Banking	
	2007	2006	2007	2006
Loans (CHF million)				
Mortgages	31,450	29,505	48,128	46,435
Loans collateralized by securities	23,267	20,372	202	465
Other loans	916	558	3,786	3,087
Consumer loans	55,633	50,435	52,116	49,987
Real estate	4,996	3,975	15,888	14,825
Commercial and industrial loans	10,661	7,986	27,910	27,123
Loans to financial institutions	4,970	6,812	2,803	2,246
Governments and public institutions	67	16	1,349	1,415
Corporate loans	20,694	18,789	47,950	45,609
Gross loans	76,327	69,224	100,066	95,596
Net (unearned income) / deferred expenses	12	10	40	68
Allowance for loan losses ²	(74)	(78)	(865)	(1,150)
Net loans ³	76,265	69,156	99,241	94,514
Impaired loans (CHF million)				
Non-performing loans	101	147	638	748
Non-interest-earning loans	31	19	346	524
Total non-performing loans	132	166	984	1,272
Restructured loans	0	0	7	22
Potential problem loans	6	19	366	464
Total other impaired loans	6	19	373	486
Gross impaired loans	138	185	1,357	1,758
of which with a specific allowance	137	177	1,182	1,437
of which without a specific allowance	1	8	175	321
Allowance for loan losses (CHF million)				
Balance at beginning of period	78	126	1,150	1,600
Change in accounting	0	0	0	0
Discontinued operations	0	0	0	0
Net additions charged to statements of income	4	(15)	(62)	(55)
Gross write-offs	(6)	(49)	(267)	(444)
Recoveries	0	17	64	53
Net write-offs	(6)	(32)	(203)	(391)
Provisions for interest	(1)	0	(16)	2
Foreign currency translation impact and other adjustments, net	(1)	(1)	(4)	(6)
Balance at end of period ²	74	78	865	1,150
of which a specific allowance	50	56	731	1,007
of which an inherent credit loss allowance	24	22	134	143
Loan metrics (%)				
Total non-performing loans / gross loans	0.2	0.2	1.0	1.3
Total other impaired loans / gross loans	0.0	0.0	0.4	0.5
Gross impaired loans / gross loans	0.2	0.3	1.4	1.8
Allowance for loan losses / total non-performing loans	56.1	47.0	87.9	90.4
Allowance for loan losses / total other impaired loans	–	410.5	231.9	236.6
Allowance for loan losses / gross impaired loans	53.6	42.2	63.7	65.4

The disclosure presents our lending exposure from a risk management perspective.

¹ Includes Asset Management and Corporate Center. ² Allowance for loan losses reflects allowances on loans which are not carried at fair value. ³ Loans carried at fair value amounted to CHF 31,047 million as of the end of 2007.

	Private Banking		Investment Banking		Other ¹		Credit Suisse	
	2007	2006	2007	2006	2007	2006	2007	2006
	79,578	75,940	0	0	0	0	79,578	75,940
	23,469	20,837	0	0	0	0	23,469	20,837
	4,702	3,645	1,017	1,110	0	0	5,719	4,755
	107,749	100,422	1,017	1,110	0	0	108,766	101,532
	20,884	18,800	2,213	1,491	0	0	23,097	20,291
	38,571	35,109	34,661	22,616	11	172	73,243	57,897
	7,773	9,058	25,909	18,658	125	0	33,807	27,716
	1,416	1,431	1,459	736	0	0	2,875	2,167
	68,644	64,398	64,242	43,501	136	172	133,022	108,071
	176,393	164,820	65,259	44,611	136	172	241,788	209,603
	52	78	(72)	(71)	0	1	(20)	8
	(939)	(1,228)	(295)	(255)	0	(1)	(1,234)	(1,484)
	175,506	163,670	64,892	44,285	136	172	240,534	208,127
	739	895	234	152	0	0	973	1,047
	377	543	0	2	0	0	377	545
	1,116	1,438	234	154	0	0	1,350	1,592
	7	22	42	0	0	0	49	22
	372	483	175	34	0	0	547	517
	379	505	217	34	0	0	596	539
	1,495	1,943	451	188	0	0	1,946	2,131
	1,319	1,614	244	188	0	0	1,563	1,802
	176	329	207	0	0	0	383	329
	1,228	1,726	255	465	1	50	1,484	2,241
	0	0	(61)	0	0	0	(61)	0
	0	0	0	0	0	(51)	0	(51)
	(58)	(70)	99	(60)	(1)	2	40	(128)
	(273)	(493)	(22)	(237)	0	(1)	(295)	(731)
	64	70	29	70	0	1	93	141
	(209)	(423)	7	(167)	0	0	(202)	(590)
	(17)	2	16	46	2	0	1	48
	(5)	(7)	(21)	(29)	(2)	0	(28)	(36)
	939	1,228	295	255	0	1	1,234	1,484
	781	1,063	68	28	1	0	850	1,091
	158	165	227	227	(1)	1	384	393
	0.6	0.9	0.4	0.3	-	-	0.6	0.8
	0.2	0.3	0.3	0.1	-	-	0.2	0.3
	0.8	1.2	0.7	0.4	-	-	0.8	1.0
	84.1	85.4	126.1	165.6	-	-	91.4	93.2
	247.8	243.2	135.9	750.0	-	-	207.0	275.3
	62.8	63.2	65.4	135.6	-	-	63.4	69.6

addition, for any accrued but unpaid interest at the date the loan is deemed non-performing, a corresponding provision is booked against the accrual through the consolidated statements of income. At the time a loan is deemed non-performing and on a periodic basis, the remaining principal is evaluated for collectibility and an allowance is established for any shortfall between the net recoverable amount and the remaining principal balance.

A loan can be further downgraded to non-interest-earning when the collection of interest is in such a doubtful state that further accrual of interest is deemed inappropriate. At that time and on a periodic basis going forward, any unreserved remaining principal balance is evaluated for collectibility and an additional provision is established as required. A write-off of a loan occurs when it is determined that there is no possibility to recover the principal. Write-offs also occur due to sales, settlements or restructurings of loans or when uncertainty as to the repayment of either principal or accrued interest exists.

Generally, a loan may be restored to performing status when all delinquent principal and interest payments become current in accordance with the terms of the loan agreement and certain performance criteria are met.

Total gross impaired loans declined CHF 185 million in 2007, as total non-performing loans declined CHF 242 million, offset in part by total other impaired loans which increased CHF 57 million. This was as a result of the credit environment, which remained fundamentally favorable in 2007, and continued settlements and recoveries during the year.

Potential problem loans

As of December 31, 2007, we had potential problem loans of CHF 547 million, an increase of CHF 30 million from the end of 2006. These loans are considered potential problem loans because, although interest payments are being made, doubt exists as to the timing and/or certainty of the repayment of contractual principal. These loans are classified as impaired.

Restructured loans

As of December 31, 2007, we had restructured loans of CHF 49 million, an increase of CHF 27 million from the end of 2006. A loan is considered a restructured loan when the current conditions are based on concessions to the counterparty, but we have received all repayments and interest during the last year. After this one-year period, the loan remains a restructured loan if the current conditions are below the refinancing costs.

Credit provisions

We maintain valuation allowances on loans that are not fair valued and which we consider adequate to absorb losses arising from the existing credit portfolio. Valuation allowances are deducted from total assets, while provisions are included in total liabilities. We provide for credit losses based on a regular and detailed analysis of all counterparties, taking collateral value into consideration. If uncertainty exists as to the repayment of either principal or interest, a valuation allowance is either created or adjusted accordingly. Credit provisions are reviewed on a quarterly basis by senior management.

In determining the amount of the credit provisions, loans are assessed on a case-by-case basis, and the following factors are considered:

- the financial standing of a customer based on financial and business information, including a realistic assessment of the likelihood of repayment of the loan within an acceptable period of time considering the net present value of future cash flows;
- the extent of other commitments to the same customer;
- the realizable fair value of any collateral for the loans;
- the recovery rate; and
- the costs associated with obtaining repayment and realization of any such collateral.

Judgment is exercised in determining the extent of the valuation allowance and is based on management's evaluation of the risk in the portfolio, current economic conditions, recent loss experience, and credit and geographic concentration trends. Vulnerable sectors continue to be tracked and monitored closely, with active management leading to the requirement of collateral, the purchase of credit protection facilities and/or the tightening of credit terms or maturities where appropriate.

Loan valuation allowances and provisions for inherent credit losses

In accordance with SFAS 5, the inherent loss allowance is estimated for all loans not specifically identified as impaired, which, on a portfolio basis, are considered to contain probable inherent loss. Inherent losses in the Private Banking lending portfolio are determined based on current risk ratings, collateral and exposure structure, applying historical default and loss experience in the ratings and loss parameters. In Investment Banking, loans are segregated by risk, industry or country rating in order to estimate the inherent losses. Inherent losses on loans and lending-related commitments are estimated based on historical loss and recovery experience and recorded in valuation allowances and provisions. A provision for inherent loss for off-balance sheet lending-related expo-

sure (contingent liabilities and irrevocable commitments) is also determined, using a methodology similar to that used for the loan portfolio.

Provision for credit loss

Net additions charged to the income statement in 2007 were CHF 240 million, compared to net reductions of CHF 111 million in 2006 and CHF 144 million in 2005. Net additions of loan valuation allowances in 2007 were mainly a result of fewer releases of valuation allowances and higher provisions mainly relating to a guarantee provided in a prior year to a third party bank in Investment Banking.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Our primary aim is the early identification, recording, assessment, monitoring, prevention and mitigation of operational risks, as well as timely and meaningful management reporting. Where appropriate, we transfer operational risks to third-party insurance companies.

Operational risk is inherent in most aspects of our activities and is comprised of a large number of disparate risks. While market and credit risk are often chosen for the prospect of gain, operational risk is normally accepted as a necessary consequence of doing business. In comparison to market or credit risk, the sources of operational risk are difficult to identify comprehensively and the amount of risk is also intrinsically difficult to measure. We, therefore, manage operational risk differently from market and credit risk. We believe that effective management of operational risks requires a common bank-wide framework with ownership residing with the management responsible for the relevant business process. Additionally, we have established a central team within the CRO function that focuses on the coordination of consistent policy, tools and practices throughout the Group for the management, measurement, monitoring and reporting of relevant operational risks. This team is also responsible for the overall operational risk framework, measurement methodology and capital calculations. Knowledge and experience are shared throughout the Group to maintain a coordinated approach.

Each individual business and management level takes responsibility for its own operational risks and the provision of adequate resources and procedures for the management of those risks. Operational risk is thus controlled through a network of controls, procedures, reports and responsibilities. In addition to the quarterly firm-level CARMC meetings covering operational risk, operational risk exposures are discussed at

divisional risk management committees, which have senior staff representatives from all the relevant functions. We utilize a number of firm-wide tools for the management, measurement, monitoring and reporting of operational risk. These include: self-assessments; the collection, reporting and analysis of internal and external loss data; and key risk indicator reporting.

We have employed the same methodology to calculate economic capital for operational risk since 2000, and have approval from the SFBC to use a similar methodology for the Advanced Measurement Approach (AMA) under the Basel II Accord. The economic capital/AMA methodology is based upon the identification of a number of key risk scenarios that describe all of the major operational risks that we face. Groups of senior staff review each scenario and discuss the likelihood of occurrence and the potential severity of loss. Internal and external loss data, along with certain business environment and internal control factors (for example, self-assessment results and key risk indicators) are considered as part of this process. Based on the output from these meetings, we enter the scenario probabilities and severities into an event model that generates a loss distribution. Insurance mitigation is included in the capital assessment where appropriate, by considering the level of insurance coverage for each scenario, incorporating haircuts as appropriate. Based on the loss distribution, the level of capital required to cover operational risk can then be calculated.

In connection with ongoing internal control processes, we identified mismarks and pricing errors by a small number of traders in certain ABS positions in our CDO trading business in Investment Banking and immediately undertook an internal review of this business. Our Executive Board continues to assign the highest priority to the prompt remediation of the related material weakness and reports regularly on these remediation efforts to the Audit Committee and Board of Directors. For further information, refer to II – Operating and financial review – Credit Suisse – Revaluing of certain asset-backed securities positions.

Reputational risk




Our policy is to avoid any action or transaction that brings with it the risk of a potentially unacceptable level of damage to our reputation.

Reputational risks may arise from a variety of sources, including the nature or purpose of a proposed transaction, the identity or nature of a potential client, the regulatory or political climate in which the business will be transacted, the potentially controversial environmental or social impacts of a trans-

action or significant public attention surrounding the transaction itself. Where the presence of these or other factors gives rise to potential reputational risk, the relevant business proposal is required to be submitted through the reputational risk review process. This involves a vetting of the proposal by senior management and its subsequent referral to one of the regional reputational risk approvers, each of whom is independent of the business segments and who has authority to

approve, reject, or impose conditions on our participation. In order to inform our stakeholders about how we manage some of the environmental and social risks inherent to the banking business, we publish our Corporate Citizenship Report, in which we also describe our efforts to conduct our operations in a manner that is environmentally and socially responsible and broadly contributes to society.

Reputational risk process

Responsible	Tasks
 Global Reputational Risk Committee	<ul style="list-style-type: none"> ■ Representation on Executive Board ■ Sets policy, reviews key issues, can overrule a rejection
 Regional CEO	<ul style="list-style-type: none"> ■ Can veto an approval but cannot overrule a rejection
 Reputational Risk Approver Business area head or designee Originator (any employee)	<ul style="list-style-type: none"> ■ Reviews, approves, rejects or modifies a submission ■ Endorses submission ■ Initiates approval process

Notices

Notices to shareholders are made by publication in the Swiss Official Commercial Gazette (*Schweizerisches Handelsamtsblatt*). The Board of Directors may designate further means of communication for publishing notices to shareholders. Notices

required under the listing rules of the SWX will either be published in two Swiss newspapers in German and French and sent to the SWX or otherwise be communicated to the SWX in accordance with applicable listing rules. The SWX may disseminate the relevant information.

Board of Directors

Membership and qualifications

The AoA provide that the Board of Directors shall consist of a minimum of seven members. The Board of Directors currently consists of 13 members. We believe that the size of the Board must be such that the committees can be staffed with qualified members, but, at the same time, the Board must be small enough to ensure an effective and rapid decision-making process. The members are elected individually for a period of three years and are eligible for re-election. There is no requirement in the AoA for a staggered board. One year of office is understood to be the period of time from one ordinary AGM of shareholders to the close of the next ordinary AGM. While the AoA do not provide for any age or term limitations, our OGR specify that the members of the Board shall retire at the ordinary AGM in the year in which they reach the age of 70. We do not believe that imposing a term limitation for our Board members is appropriate. However, the Board considers the number of years a Board member has served on the Board when performing the annual independence review. Currently, three members of the Board have served for more than nine years. The annual independence review did not conclude that the independence of the respective individuals would be impaired as a result of this tenure. None of our directors has a service contract with us or any of our subsidiaries providing for benefits upon termination of service.

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

The Chairman's and Governance Committee regularly considers the composition of the Board as a whole and in light of staffing requirements for the committees. The Chairman's and Governance Committee recruits and evaluates candidates for Board membership based on a set of criteria established by the Committee. The Committee may also retain outside consultants with respect to the identification and recruitment of potential new Board members. In assessing candidates, the

Chairman's and Governance Committee considers the requisite skills and characteristics of Board members as well as the composition of the Board as a whole. Among other considerations, the Committee takes into account independence, diversity, age, skills and management experience in the context of the needs of the Board to fulfill its responsibilities. The Board also considers other activities and commitments of an individual in order to be satisfied that a proposed member of the Board can devote enough time to a Board position at Credit Suisse Group.

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

Meetings

In 2007, the Board held six full-day meetings in person. Furthermore, the Board held three additional meetings to address urgent matters. From time to time, the Board may also take certain urgent decisions via circular resolution. Such matters have usually been discussed at a previous Board meeting or are administrative in nature.

All members of the Board are expected to spend the necessary time outside these meetings needed to discharge their responsibilities appropriately. The Chairman calls the meeting with sufficient notice and prepares an agenda for each meet-

ing. However, any other Board member has the right to call an extraordinary meeting, if deemed necessary. The Chairman has the discretion to invite members of management or others to attend the meetings. Generally, all members of the Executive Board attend the meetings to ensure effective interaction with the Board. At most meetings, the Board holds separate private sessions, without management present, to discuss particular issues. Minutes are kept of the proceedings and resolutions of the Board.

Meeting attendance

The members of the Board of Directors are expected to attend all or substantially all meetings of the Board and the committees on which they serve. The Chairman attends selected committee meetings as a guest. In 2007, each member of the Board and its committees attended most of the scheduled meetings.

Board of Directors meetings: Nine meetings were held during 2007. Ten members of the Board of Directors attended all meetings, two members of the Board attended at least 90%, and one member attended at least 80% of the scheduled meetings.

Chairman's and Governance Committee meetings: Ten meetings were held during 2007. Three members of the Chairman's and Governance Committee attended all meetings, and one member attended at least 80% of the scheduled meetings.

Audit Committee meetings: Ten meetings were held during 2007, including a full day workshop dedicated to foster the committee members' understanding of certain internal control programs and projects. Three members of the Audit Committee attended all meetings, and one member attended at least 90% of the scheduled meetings.

Compensation Committee meetings: Seven meetings were held during 2007. All members of the Compensation Committee attended all meetings.

Risk Committee meetings: Six meetings were held during 2007. Two members of the Risk Committee attended all meetings, and one member attended at least 80% of the scheduled meetings.

Independence

The Board currently consists solely of directors who have no executive functions within the Group. As of December 31, 2007, all but one member of the Board was independent. In its independence determination, the Board takes into account

the factors set forth in the OGR, the Committee Charters and applicable laws and listing standards. Our independence standards are also periodically measured against other emerging best practice standards.

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

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

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

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

Chairman of the Board

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

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

Board responsibilities

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

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

tion concerning the Group. Should a member of the Board require information or wish to review our documents outside a meeting, he or she can address this request to the Chairman of the Board.

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

Board committees

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

Chairman's and Governance Committee

The Chairman's and Governance Committee consists of the Chairman of the Board, the chairmen of the committees of the Board and other members appointed by the Board. A majority of the committee's members must be independent. Currently all members of the Chairman's and Governance Committee are independent. The members are:

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

The Chairman's and Governance Committee has its own charter, which has been approved by the Board. It generally meets on a monthly basis, each meeting usually lasting about one hour. The meetings are usually attended by the Chief Executive Officer and the General Counsel. It is at the Chairman's discretion to ask other members of management to attend all or part of a meeting.

The Chairman's and Governance Committee acts as an advisor to the Chairman of the Board and discusses a broad variety of topics in preparation for Board meetings. In addition, the Chairman's and Governance Committee is responsible for the development and occasional review of a set of Corporate Governance Guidelines, which are then recommended to the full Board for approval. It periodically reviews our other governance documents to ensure that they are up-to-date and com-

plete. At least once annually, the Chairman's and Governance Committee evaluates the independence of the Board members and reports its findings to the Board for final determination. The Chairman's and Governance Committee is also responsible for identifying, evaluating, recruiting and nominating new Board members in accordance with the criteria established by the Committee, subject to applicable laws and regulations.

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

Audit Committee

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

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

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

In addition, the SEC requires disclosure about whether a member of the Audit Committee is an audit committee financial expert within the meaning of the US Sarbanes-Oxley Act

of 2002. The Board has determined that Peter F. Weibel is an audit committee financial expert.

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

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

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

The Audit Committee is regularly informed about significant projects aimed at further improving such processes and receives regular updates on major litigation matters as well as significant regulatory and compliance matters. The Audit Committee also oversees the work of our external auditor and pre-approves the retention of, and fees paid to, the external auditor for all audit and non-audit services. For this purpose, it has developed and approved a policy that is designed to help ensure that the independence of the external auditor is maintained at all times. The policy limits the scope of services that the external auditor may provide to us or any of our subsidiaries to audit and certain permissible types of non-audit services, including audit-related services, tax services and other services that have been pre-approved by the Audit Committee. The Audit Committee pre-approves all other services on a case-by-case basis. The external auditor is required to report periodically to the Audit Committee about the scope of the services it has provided and the fees for the services it has performed to date. Furthermore, the Audit Committee has established procedures for the receipt, retention and treatment of complaints regarding the accounting, internal controls or

auditing matters, including a so-called whistleblower hotline to provide the option to report complaints on an anonymous basis. The Audit Committee performs a self-assessment once a year where it reviews its own performance against the responsibilities listed in the charter and the committee's objectives and determines any special focus objectives for the coming year.

Compensation Committee

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

- Aziz R.D. Syriani (Chairman)
- Thomas W. Bechtler
- Robert H. Benmosche
- Anton van Rossum

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

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

Risk Committee

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

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

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

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

Members of the Board of Directors and the Committees

Walter B. Kielholz, Chairman ¹⁾

Hans-Ulrich Doerig, Vice-Chairman ^{1) 4)}

Thomas W. Bechtler ²⁾

Robert H. Benmosche ²⁾

Peter Brabeck-Letmathe

Noreen Doyle ³⁾

Jean Lanier ³⁾

Anton van Rossum ²⁾

Aziz R.D. Syriani ^{1) 2)}

David W. Syz ³⁾

Ernst Tanner ⁴⁾

Richard E. Thornburgh ⁴⁾

Peter F. Weibel ^{1) 3)}

¹⁾ Member of the Chairman's and Governance Committee

²⁾ Member of the Compensation Committee

³⁾ Member of the Audit Committee

⁴⁾ Member of the Risk Committee

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



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

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

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

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

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

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

Mr. Kielholz is a Board member of the Geneva Association, the European Financial Roundtable and the Institute of International Finance.

In addition, Mr. Kielholz is Chairman of the Supervisory Board of Avenir Suisse and a member of the Board and the Committee of *economiesuisse*. Mr. Kielholz is a member of the Zurich Friends of the Arts, the Lucerne Festival Foundation Board and Chairman of the Zürcher Kunstgesellschaft (Zurich Art Society), which runs Zurich's Kunsthau museum.

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

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

After completing his studies at the University of St. Gallen with degrees in Economics and Law, including a doctorate received in 1968, and after five years at JP Morgan in New

York, Mr. Doerig joined Credit Suisse in 1973. In 1982, he was appointed a member of the Executive Board of Credit Suisse with responsibility for the multinational division, securities trading, capital markets, corporate finance and commercial banking Asia. From 1993 to 1996, he served as Vice-Chairman of the Board of Directors of Credit Suisse. In 1996, he became President of the Executive Board of Credit Suisse. During 1997, he served as Chief Executive Officer of Credit Suisse First Boston.

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

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

Thomas W. Bechtler has been a member of the Board since 1994 and of the Compensation Committee since 2006, on which he had already served from 2003 to 2004. From 1999 to 2003, he served on the Audit Committee and from 2003 to 2006 on the Risk Committee. His term as a member of the Board expires at the AGM in 2008. The Board has determined him to be independent under the Group's independence standards.

Mr. Bechtler studied Law at the universities of Zurich and Geneva. After graduating in 1973, he obtained a Master of Laws degree from Harvard University, Massachusetts, in 1975, and a doctorate from Zurich University in 1976. Mr. Bechtler is the Vice-Chairman and the delegate of the Boards of Directors of Hesta AG, Zug, and Hesta Tex AG, Zug, both largely family-owned companies which own Zellweger Luwa AG, Uster, and Schiesser Group AG, Küsnacht. Mr. Bechtler has been Chairman of the latter companies since 1994 and 1992, respectively.

Mr. Bechtler's other board memberships include: Bucher Industries, Niederweningen (since 1987), Conzetta Holding AG, Zurich (since 1987), Sika AG, Baar (Vice-Chairman; since 1989) and Swiss Reinsurance Company, Zurich (since 1993). Mr. Bechtler is a member of the Board of Trustees of Swisscontact, Zurich, and serves as the Chairman of the Zurich Committee of Human Rights Watch.

Robert H. Benmosche

Born 1944, US Citizen

Credit Suisse Group

Paradeplatz 8, 8070 Zurich, Switzerland

Robert H. Benmosche has been a member of the Board since 2002 and of the Compensation Committee since 2003. His term as a member of the Board expires at the AGM in 2008. The Board has determined him to be independent under the Group's independence standards.

Mr. Benmosche was Chairman of the Board and Chief Executive Officer of MetLife, Inc., New York, from the demutualization of the company in 2000 and of Metropolitan Life Insurance Company, New York, from 1998. He retired from these positions in June 2006. Before joining MetLife in 1995, Mr. Benmosche was with PaineWebber, New York, for 13 years, most recently in the position of an Executive Vice President. He received a B.A. degree in Mathematics from Alfred University in 1966.

He does not hold any other significant board memberships.

Peter Brabeck-Letmathe

Born 1944, Austrian Citizen

Nestlé SA

Avenue Nestlé 55, 1800 Vevey, Switzerland

Peter Brabeck-Letmathe has been a member of the Board since 1997 and served as Vice-Chairman from 2000 to 2005. From 2000 to 2005 he was also a member of the Compensation Committee and from 2003 to 2005 of the Chairman's and Governance Committee. His term as a member of the Board expires at the AGM in 2008. The Board has determined him to be independent under the Group's independence standards.

Mr. Brabeck-Letmathe studied Economics at the University of World Trade in Vienna. After graduating in 1968, he joined Nestlé's sales operations in Austria. His career at Nestlé includes a variety of assignments in several European countries as well as in Latin America. Since 1987, he has been based at Nestlé's headquarters in Vevey. Since 1997, Mr. Brabeck-Letmathe has served as the Chief Executive Officer of Nestlé and a member of Nestlé's Board of Directors. In 2005, Mr. Brabeck-Letmathe was appointed Chairman of the Board of Directors of Nestlé. In April 2008, Mr Brabeck-Letmathe will retire from his function as Chief Executive Officer of Nestlé.

Mr. Brabeck-Letmathe is a member of the Boards of Directors of L'Oréal SA, Paris (since 1997), and Roche Holding SA, Basel (since 2000). He is also a member of the Foundation Board of the World Economic Forum, a member of the European Round Table of Industrialists and serves as the Manufacturer Co-Chair of ECR Europe.

Noreen Doyle

Born 1949, US and Irish Citizen

Credit Suisse Group

Paradeplatz 8, 8070 Zurich, Switzerland

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

Ms. Doyle has been First Vice President and Head of Banking of the European Bank for Reconstruction and Development (EBRD) from 2001 to 2005. She joined the EBRD in 1992 as head of syndications, was appointed Chief Credit Officer in 1994 and became Deputy Vice President, Risk Management, in 1997. Prior to joining the EBRD, Ms. Doyle spent 18 years at Bankers Trust Company with assignments in Houston, New York and London.

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

She currently serves on the Boards of Directors of the Newmont Mining Corporation, of QinetiQ Group plc., a UK-based defense technology and security company, and of Rexam plc., a global consumer packaging company (all since 2005).

Jean Lanier

Born 1946, French Citizen

Credit Suisse Group

Paradeplatz 8, 8070 Zurich, Switzerland

Jean Lanier has been a member of the Board and the Audit Committee since 2005. His term as a member of the Board expires at the AGM in 2008. The Board has determined him to be independent under the Group's independence standards.

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

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

aging Director of Pargesa, based in Paris and Geneva, from 1988 to 1990.

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

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

Anton van Rossum

Born 1945, Dutch Citizen

Credit Suisse Group

Paradeplatz 8, 8070 Zurich, Switzerland

Anton van Rossum has been a member of the Board and the Compensation Committee since 2005. His term as a member of the Board expires at the AGM in 2008. The Board has determined him to be independent under the Group's independence standards.

Mr. van Rossum was the Chief Executive Officer of Fortis, the leading Benelux banking and insurance group, from 2000 to 2004. He was also a member of the Board of Directors of Fortis and chaired the Boards of the principal subsidiaries of the group.

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

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

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

Aziz R.D. Syriani

Born 1942, Canadian Citizen

The Olayan Group

111 Poseidonos Avenue, P.O. Box 70228

Glyfada, Athens 16610, Greece

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

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

Mr. Syriani serves on the Board of Directors of Occidental Petroleum Corporation, Los Angeles (since 1983), where he is currently the Lead Independent Director and Chairman of the Audit Committee, as well as a member of the Executive and the Corporate Governance Committee.

David W. Syz

Born 1944, Swiss Citizen

ecodocs AG

Dufourstrasse 21, 8702 Zollikon, Switzerland

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

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

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

Mr. Syz is Chairman of the Board of Huber & Suhner AG, Pfäffikon (since 2005, Vice-Chairman from 2004 to 2005), and the Chairman of the Board of ecodocs AG, Zollikon (since 2004). Moreover, he is the Chairman of the Supervisory Board of the Climate Cent Foundation (since 2005), an organization mandated with the implementation of the CO₂ reduction program according to the Kyoto Protocol.

Ernst Tanner

Born 1946, Swiss Citizen

Chocoladenfabriken Lindt & Sprüngli AG

Seestrasse 204, 8802 Kilchberg, Switzerland

Ernst Tanner has been a member of the Board since 2002 and member of the Risk Committee since 2003. His term as a member of the Board expires at the AGM in 2008. The Board has determined him to be independent under the Group's independence standards.

Mr. Tanner is Chairman of the Board (since 1994) and Chief Executive Officer (since 1993) of Lindt & Sprüngli AG, Kilchberg, a Swiss chocolate producer listed on the SWX Swiss Exchange. Before joining Lindt & Sprüngli, Mr. Tanner worked at Johnson & Johnson, which he joined in 1969, most recently as Company Group Chairman of Johnson & Johnson Europe.

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

Richard E. Thornburgh

Born 1952, US Citizen

Corsair Capital LLC

717 Fifth Avenue, New York, NY 10022, US

Richard E. Thornburgh has been a member of the Board and the Risk Committee since 2006. His term as a member of the Board expires at the AGM in 2009. Due to his former executive function at Credit Suisse, the Board has determined that he is not independent under the Group's independence standards.

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

He received a BBA from the University of Cincinnati, Ohio, in 1974 and an MBA from the Harvard Business School, Massachusetts, in 1976 and then began his investment banking career in New York with The First Boston Corporation, a predecessor firm of Credit Suisse First Boston. In 1995, Mr. Thornburgh was appointed Chief Financial and Administrative Officer and a member of the Executive Board of CS First Boston. In 1997, he was appointed member of the Group Executive Board where he served until 2005. From 1997 to

1999, Mr. Thornburgh was the Chief Financial Officer of Credit Suisse Group and from 1999 to 2002, he was Vice-Chairman of the Executive Board of Credit Suisse First Boston. In addition, he performed the function of Chief Financial Officer of Credit Suisse First Boston from May 2000 through 2002. From 2003 to 2004, he was the Chief Risk Officer of Credit Suisse Group. In 2004, he was appointed Executive Vice-Chairman of Credit Suisse First Boston.

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

Peter F. Weibel

Born 1942, Swiss Citizen

Credit Suisse Group

Paradeplatz 8, 8070 Zurich, Switzerland

Peter F. Weibel has been a member of the Board and the Chairman's and Governance Committee as well as the Chairman of the Audit Committee since 2004. His term as a member of the Board expires at the AGM in 2010. The Board has determined him to be independent under the Group's independence standards and an audit committee financial expert within the meaning of the US Sarbanes-Oxley Act of 2002.

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

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

Honorary Chairman of Credit Suisse Group

Rainer E. Gut

Born 1932, Swiss Citizen

Credit Suisse Group

Paradeplatz 8, 8070 Zurich, Switzerland

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

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

Secretaries of the Board of Directors

Pierre Schreiber

Béatrice Fischer

Executive Board

Members of the Executive Board

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

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

Brady W. Dougan, CEO ¹⁾

Walter Berchtold, CEO Private Banking

David J. Blumer, CEO Asset Management

Paul Calello, CEO Investment Banking ²⁾

D. Wilson Ervin, CRO

Renato Fassbind, CFO

Tobias Guldemann, Group CRO

Ulrich Körner, CEO Credit Suisse Switzerland

Kai S. Nargolwala, CEO Credit Suisse Asia Pacific ³⁾

Urs Rohner, COO and General Counsel

Robert Shafir, CEO Credit Suisse Americas ⁴⁾

Eric M. Varvel, CEO Credit Suisse Europe, Middle East and Africa ⁵⁾

¹⁾ since May 5, 2007. Prior to that Mr. Dougan was CEO Investment Banking. In addition, he was also acting CEO Credit Suisse Americas until July 31, 2007.

²⁾ since May 5, 2007. Prior to that Mr. Calello was CEO Credit Suisse Asia Pacific, a function he continued to hold ad interim until year-end 2007.

³⁾ since January 1, 2008

⁴⁾ since August 1, 2007

⁵⁾ since February 1, 2008, succeeding Michael G. Philipp

Thomas J. Sanzone, Chief Information Officer, stepped down from the Executive Board effective February 29, 2008.

Brady W. Dougan

Born 1959, US Citizen

Credit Suisse

Paradeplatz 8, 8070 Zurich, Switzerland

Brady W. Dougan is the Chief Executive Officer (since May 2007). Prior to that he was Chief Executive Officer Investment

Banking and acting Chief Executive Officer Credit Suisse Americas (since January 2006). He has served on the Executive Board since 2003.

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

Mr. Dougan does not hold any significant board memberships.

Walter Berchtold

Born 1962, Swiss Citizen

Credit Suisse

Paradeplatz 8, 8070 Zurich, Switzerland

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

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

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

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



Executive Board of Credit Suisse (from left to right): Ulrich Körner, Walter Berchtold, Eric M. Varvel, Brady W. Dougan, Urs Rohner, Paul Calello, Renato Fassbind, David J. Blumer, Tobias Guldemann, Robert Shafir, Kai S. Nargolwala, Michael Ryan (extended member), D. Wilson Ervin

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

Mr. Berchtold is a member of the Board of the Swiss Bankers Association.

David J. Blumer

Born 1968, Swiss Citizen

Credit Suisse

Paradeplatz 8, 8070 Zurich, Switzerland

David J. Blumer is the Chief Executive Officer Asset Management at Credit Suisse and a member of the Executive Board (since January 2006).

Mr. Blumer obtained a degree in Economics from the University of Zurich in 1995. Thereafter he joined Credit Suisse in the trading area where he held several positions in Zurich, New York and London. From 1999 to 2003, he was a member of the Special Services Group on the Structured Investment Product desk. In 2003, he was appointed Head of Product Management and, in 2004, he assumed responsibility for Trading and Sales at Credit Suisse Financial Services and was appointed member of the Executive Board of the Credit Suisse division.

Mr. Blumer is a member of the Forum of Young Global Leaders of the World Economic Forum.

Paul Calello

Born 1961, US Citizen

Credit Suisse

11 Madison Avenue, New York, NY 10010, US

Paul Calello is the Chief Executive Officer Investment Banking at Credit Suisse (since May 2007). Prior to that he was Chief Executive Officer Credit Suisse Asia Pacific, a function he continued to hold ad interim until year-end 2007. He has been a member of the Executive Board since 2004.

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

Before joining Credit Suisse First Boston, Mr. Calello worked for Bankers Trust in the Global Markets Group in New York and Tokyo from 1987 to 1990, and for the Federal

Reserve System in the Monetary and Economic Policy Group in Boston and Washington from 1983 to 1985.

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

Mr. Calello does not hold any significant board memberships.

D. Wilson Ervin

Born 1960, US Citizen

Credit Suisse

11 Madison Avenue, New York, NY 10010, US

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

Mr. Ervin received a B.A. in Economics from Princeton University, New Jersey, in 1982. He joined Credit Suisse First Boston in 1982 and held various responsibilities, including positions in fixed income and equity capital markets, Australian investment banking and in the Mergers & Acquisitions group. In 1990, Mr. Ervin joined the newly founded Credit Suisse Financial Products, the former derivatives unit of the bank, where he was responsible for new product structuring in the Americas and US corporate marketing. From 1999 to 2005, Mr. Ervin was head of Strategic Risk Management for Credit Suisse First Boston.

Mr. Ervin does not hold any significant board memberships.

Renato Fassbind

Born 1955, Swiss Citizen

Credit Suisse

Paradeplatz 8, 8070 Zurich, Switzerland

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

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

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

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

Tobias Guldemann

Born 1961, Swiss Citizen

Credit Suisse

Paradeplatz 8, 8070 Zurich, Switzerland

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

Mr. Guldemann studied Economics at the University of Zurich and received a doctorate from the same university in 1989. He joined Credit Suisse's Internal Audit Department in 1986 before transferring to the Investment Banking area in 1990. He later became Head of Derivatives Sales (in 1992), Head of Treasury Sales (in 1993) and Head of Global Treasury Coordination at Credit Suisse (in 1994). In 1997, he was made responsible for the management support of the Chief Executive Officer of Credit Suisse First Boston before becoming Deputy Chief Risk Officer of Credit Suisse Group, a function he held from 1998 to July 2004. From 2002 to 2004, he also served as Head of Strategic Risk Management at Credit Suisse.

Mr. Guldemann does not hold any significant board memberships.

Ulrich Körner

Born 1962, Swiss and German Citizen

Credit Suisse

Paradeplatz 8, 8070 Zurich, Switzerland

Ulrich Körner is the Chief Executive Officer Credit Suisse Switzerland and Head of Private and Business Banking Switzerland (since January 2006). He has served on the Executive Board since 2003.

Mr. Körner graduated from the University of St. Gallen in 1988, majoring in Banking, and received a doctorate from the same university in 1993. From 1989 to 1993, he was an auditor with PricewaterhouseCoopers and from 1993 to 1998, he was a management consultant with McKinsey & Company in Zurich. In 1998, he joined Credit Suisse as its Chief Financial Officer. From July 2000 to the end of 2001, he served as Head of Technology and Services at Credit Suisse Financial Services. In 2002, he was appointed Chief Financial Officer of Credit Suisse Financial Services and, in 2004, he became Chief Operating and Chief Financial Officer of the former Credit Suisse.

Mr. Körner is the Vice-Chairman of the Board of Trustees of the Swiss Finance Institute and a member of the Board of the Institute of Economics of the University of St. Gallen.

Kai S. Nargolwala

Born 1950, British Citizen

Credit Suisse

Two Exchange Square, 8 Connought Place,

Hong Kong, People's Republic of China

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

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

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

Urs Rohner

Born 1959, Swiss Citizen

Credit Suisse

Paradeplatz 8, 8070 Zurich, Switzerland

Urs Rohner is the General Counsel and Chief Operating Officer Credit Suisse and a member of the Executive Board (since June 2004).

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

Mr. Rohner is a member of the Admission Board and of the Committee of the Admission Board of the SWX Swiss Exchange, Zurich, and serves on the Board of the Zurich Opera House.

Robert Shafir

Born 1960, US Citizen

Credit Suisse

11 Madison Avenue, New York, NY 10010, US

Robert Shafir is the Chief Executive Officer Credit Suisse Americas and a member of the Executive Board (since August 2007).

Mr. Shafir received a B.A. in Economics from Lafayette College in 1980 and an M.B.A. from Columbia University, Graduate School of Business, in 1984.

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

Mr. Shafir does not hold any significant board memberships.

Eric M. Varvel

Born 1963, US Citizen

Credit Suisse

One Cabot Square, London, E14 4QJ, UK

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

Mr. Varvel holds a B.A. in Business Finance from Brigham Young University.

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

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

Mr. Varvel does not hold any significant board memberships.

Additional information

Changes of control and defense measures

Duty to make an offer

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

Clauses on changes of control

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

Internal and external auditors

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

Internal Audit

Our Internal Audit function comprises a team of around 250 professionals, more than 220 of whom are directly involved in

auditing activities. The Head of Internal Audit, Heinz Leiboldgut, reports directly to the Audit Committee.

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

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

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

External auditors

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

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

	2007	2006 ¹	% change 07 / 06
Fees for audit services (in CHF m)			
Audit services ²	46.7	69.8	(33)
Audit-related services ³	18.5	15.2	22
Tax services ⁴	2.1	4.0	(48)

¹ Includes fees relating to Winterthur. ² The decrease in fees for audit services predominantly relates to the sale of Winterthur, efficiencies in conducting SOX 404 work including the impact of PCAOB Auditing Standard No. 5, the merger of Clariden Leu and reduced Basel II Swiss regulatory work. ³ Audit-related services are primarily in respect of: (i) reports related to the Group's compliance with provisions or calculations required by agreements; (ii) internal control-related reports beyond that required for the consolidated audit; (iii) accounting advice; (iv) audits of private equity funds and employee benefit plans; and (v) regulatory advisory services. ⁴ Tax services are in respect of tax compliance and consultation services, including: (i) preparation and/or review of tax returns of the Group and its subsidiaries; (ii) assistance with tax audits and appeals; (iii) expatriate tax return preparation services; and (iv) confirmations relating to the Qualified Intermediary status of Group entities.

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

KPMG provides a report as to its independence to the Audit Committee at least once a year. In addition, our policy on the engagement of public accounting firms, which has been approved by the Audit Committee, strives to further ensure an appropriate degree of independence of our external auditor. The policy limits the scope of services that may be provided to us or any of our subsidiaries by KPMG to audit and certain permissible types of non-audit services, including audit-related and tax services that have been pre-approved by the Audit Committee. The Audit Committee pre-approves all other services on a case-by-case basis. All KPMG services in 2007

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

Liquidation

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

APPENDIX 4 – FINANCIAL STATEMENTS RELATING TO US EXTRACTED FROM CREDIT SUISSE GROUP ANNUAL REPORT 2007

We are a wholly owned subsidiary of Credit Suisse Group. We set out in this Appendix 4 financial statements relating to us, which are extracted from the following sections of the Credit Suisse Group Annual Report 2007 in this Appendix 4. References to page numbers in this Appendix 4 are to the pages in Credit Suisse Group Annual Report 2007 and not to the pages in this document. For further information on our financial statements (including the notes to such statements), we refer you to the complete Credit Suisse Group Annual Report 2007 on our website at www.credit-suisse.com.

- 1 Consolidated financial statements – Credit Suisse (Bank) (pages 279 – 336); and
- 2 Parent company financial statements – Credit Suisse (Bank) (pages 337 – 350).

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Report of the Group Auditors and the Independent Registered Public Accounting Firm to the General Meeting of
Credit Suisse, Zurich

We have audited the accompanying consolidated balance sheets of Credit Suisse and subsidiaries (the "Bank") as of December 31, 2007 and 2006, and the related consolidated statements of income, changes in shareholder's equity, comprehensive income and cash flows, and notes thereto, for each of the years in the three-year period ended December 31, 2007. These consolidated financial statements are the responsibility of the Bank's management and the Board of Directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We confirm that we meet the legal requirements concerning professional qualification and independence.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States) and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Bank as of December 31, 2007 and 2006, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2007, in conformity with U.S. generally accepted accounting principles, and comply with Swiss law.

In accordance with Swiss law, we recommend that the consolidated financial statements submitted to you be approved.

As discussed in Notes 1 and 2 to the consolidated financial statements, in 2007 the Bank changed its method of accounting for certain financial instruments accounted for at fair value, in 2006 the Bank changed its method of accounting for defined benefit pension plans and in 2005 the Bank changed its method of accounting for share-based compensation.

We have also 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, 2007, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated March 18, 2008 expressed an adverse opinion on the effectiveness of the Bank's internal control over financial reporting.

KPMG Klynveld Peat Marwick Goerdeler SA

David L. Jahnke
Auditor in Charge

Robert S. Overstreet

Zurich, Switzerland
March 18, 2008

Consolidated statements of income

	Reference to notes	2007	2006	2005
in				
Consolidated statements of income (CHF million)				
Interest and dividend income	5	61,604	49,392	35,361
Interest expense	5	(53,994)	(43,423)	(28,822)
Net interest income	5	7,610	5,969	6,539
Commissions and fees	6	17,922	16,379	13,273
Trading revenues		5,806	9,162	5,693
Other revenues	7	5,966	5,102	3,626
Net revenues		37,304	36,612	29,131
Provision for credit losses	8	227	(97)	(134)
Compensation and benefits	9	15,648	15,132	13,444
General and administrative expenses	10	6,865	6,654	7,737
Commission expenses		2,391	2,122	1,798
Total other operating expenses		9,256	8,776	9,535
Total operating expenses		24,904	23,908	22,979
Income from continuing operations before taxes, minority interests, extraordinary items and cumulative effect of accounting changes		12,173	12,801	6,286
Income tax expense	24	846	2,137	659
Minority interests		5,013	3,620	2,064
Income from continuing operations before extraordinary items and cumulative effect of accounting changes		6,314	7,044	3,563
Extraordinary items, net of tax		0	(24)	0
Cumulative effect of accounting changes, net of tax		–	–	12
Net income		6,314	7,020	3,575

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

Consolidated balance sheets

	Reference to notes	2007	end of 2006
Assets (CHF million)			
Cash and due from banks		36,304	27,865
Interest-bearing deposits with banks		4,526	3,910
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	11	296,341	318,572
of which reported at fair value		183,719	–
Securities received as collateral, at fair value		28,728	32,310
Trading assets, at fair value	12	530,125	449,422
of which encumbered		141,764	141,404
Investment securities	13	14,515	20,304
of which reported at fair value		14,267	19,560
of which encumbered		1,908	54
Other investments	14	27,907	20,188
of which reported at fair value		25,080	18,324
Net loans	15	221,570	190,883
of which reported at fair value		31,047	–
allowance for loan losses		1,000	1,305
Premises and equipment	16	5,590	5,443
Goodwill	17	9,746	9,889
Other intangible assets	18	421	475
of which reported at fair value		179	181
Other assets	20	157,969	147,503
of which reported at fair value		49,298	11,265
of which encumbered		12,084	26,426
Total assets		1,333,742	1,226,764

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

	Reference to notes	2007	end of 2006
Liabilities and shareholder's equity (CHF million)			
Due to banks	21	106,979	104,724
of which reported at fair value		6,348	–
Customer deposits	21	307,598	280,200
of which reported at fair value		5,551	–
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	11	300,476	288,442
of which reported at fair value		140,424	–
Obligation to return securities received as collateral, at fair value		28,728	32,310
Trading liabilities, at fair value	12	200,575	197,936
Short-term borrowings		14,398	16,287
of which reported at fair value		8,120	2,764
Long-term debt	22	157,282	144,021
of which reported at fair value		107,290	44,208
Other liabilities	20	162,353	117,836
of which reported at fair value		24,221	14,916
Minority interests		24,019	18,963
Total liabilities		1,302,408	1,200,719
Common shares		4,400	4,400
Additional paid-in capital		20,849	19,593
Retained earnings		15,872	11,652
Treasury shares, at cost		(5,497)	(6,149)
Accumulated other comprehensive income/(loss)	23	(4,290)	(3,451)
Total shareholder's equity		31,334	26,045
Total liabilities and shareholder's equity		1,333,742	1,226,764
<hr/>			
end of		2007	2006
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.

Statements of changes in shareholder's equity

	Common shares	Additional paid-in capital	Retained earnings	Treasury shares, at cost ¹	Accumulated other comprehensive income	Total shareholder's equity	Number of common shares outstanding ²
2007 (CHF million)							
Balance at beginning of period	4,400	19,593	11,652	(6,149)	(3,451)	26,045	43,996,652
Net income	-	-	6,314	-	-	6,314	-
Cumulative effect of accounting changes, net of tax	-	-	(680)	-	10	(670) ³	-
Other comprehensive income, net of tax	-	-	-	-	(849)	(849)	-
Repurchase of treasury shares	-	-	-	(287)	-	(287)	-
Share-based compensation, net of tax	-	833	-	939	-	1,772	-
Dividends on share-based compensation, net of tax	-	112	-	-	-	112	-
Cash dividends paid	-	-	(1,167) ⁴	-	-	(1,167)	-
Other	-	311	(247)	-	-	64	-
Balance at end of period	4,400	20,849	15,872	(5,497)	(4,290)	31,334	43,996,652
2006 (CHF million)							
Balance at beginning of period	4,400	18,770	7,045	(1,895)	(2,532)	25,788	43,996,652
Net income	-	-	7,020	-	-	7,020	-
Cumulative effect of accounting changes, net of tax	-	-	45	-	(306)	(261)	-
Other comprehensive income, net of tax	-	-	-	-	(613)	(613)	-
Issuance of treasury shares	-	(4)	-	-	-	(4)	-
Repurchase of treasury shares	-	-	-	(4,664)	-	(4,664)	-
Share-based compensation, net of tax	-	846	-	410	-	1,256	-
Dividends on share-based compensation, net of tax	-	(19)	-	-	-	(19)	-
Cash dividends paid	-	-	(2,458)	-	-	(2,458)	-
Balance at end of period	4,400	19,593	11,652	(6,149)	(3,451)	26,045	43,996,652
2005 (CHF million)							
Balance at beginning of period	4,400	18,736	5,372	(3,131)	(3,309)	22,068	43,996,652
Net income	-	-	3,575	-	-	3,575	-
Other comprehensive income, net of tax	-	-	-	-	777	777	-
Repurchase of treasury shares	-	-	-	(171)	-	(171)	-
Share-based compensation, net of tax	-	30	-	1,407	-	1,437	-
Cash dividends paid	-	-	(1,902)	-	-	(1,902)	-
Other	-	4	-	-	-	4	-
Balance at end of period	4,400	18,770	7,045	(1,895)	(2,532)	25,788	43,996,652

¹ Reflects Credit Suisse Group shares which are reported as treasury shares. Those shares are held to economically hedge share award obligations. ² The Bank's total share capital is fully paid and consists of 43,996,652 registered shares with nominal value of CHF 100 per share. Each share is entitled to one vote. The Bank has no warrants or convertible rights on its own shares outstanding. ³ Includes CHF 165 million related to SFAS 157, CHF (832) million related to SFAS 159, CHF (13) million related to FIN 48 and CHF 10 million reclassified from accumulated other comprehensive income as a result of SFAS 159, all net of tax. ⁴ Includes CHF 10 million dividends paid by the Bank to Credit Suisse Group, and CHF 1,157 million dividends paid by Credit Suisse Holdings (USA) to Credit Suisse Group on its preference stock interest.

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

Comprehensive income

in	2007	2006	2005
Comprehensive income (CHF million)			
Net income	6,314	7,020	3,575
Gains/(losses) on cash flow hedges	2	(36)	7
Cumulative translation adjustments	(1,168)	(729)	1,061
Unrealized gains/(losses) on securities	15	51	(71)
Minimum pension liability adjustment	–	101	(220)
Actuarial gains/(losses)	304	–	–
Net prior service cost	(2)	–	–
Other comprehensive income/(loss), net of tax ¹	(849)	(613)	777
Comprehensive income	5,465	6,407	4,352

¹ For details on the components of other comprehensive income, refer to Note 23 – Accumulated other comprehensive income.

Consolidated statements of cash flows

in	2007	2006	2005
Operating activities of continuing operations (CHF million)			
Net income	6,314	7,020	3,575
Income from continuing operations	6,314	7,020	3,575
Adjustments to reconcile net income to net cash provided by/(used in) operating activities of continuing operations (CHF million)			
Impairment, depreciation and amortization	860	988	894
Provision for credit losses	227	(97)	(134)
Deferred tax provision	(1,193)	585	(595)
Share of net income from equity method investments	(91)	2	(54)
Cumulative effect of accounting changes, net of tax	-	-	(12)
Trading assets and liabilities	(64,779)	(25,848)	(7,249)
(Increase)/decrease in accrued interest, fees receivable and other assets	(63,377)	(60,763)	(30,021)
Increase/(decrease) in accrued expenses and other liabilities	60,266	28,294	6,095
Other, net	7,818	2,227	1,004
Total adjustments	(60,269)	(54,612)	(30,072)
Net cash provided by/(used in) operating activities of continuing operations	(53,955)	(47,592)	(26,497)
Investing activities of continuing operations (CHF million)			
(Increase)/decrease in interest-bearing deposits with banks	(455)	330	(571)
(Increase)/decrease in central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	3,327	9,841	(47,562)
Purchase of investment securities	(445)	(1,641)	(12,409)
Proceeds from sale of investment securities	2,884	1,234	412
Maturities of investment securities	3,451	3,533	6,081
Investments in subsidiaries and other investments	(8,395)	(6,541)	(2,293)
Proceeds from sale of other investments	2,188	1,705	1,483
(Increase)/decrease in loans	(36,137)	(26,477)	(17,957)
Proceeds from sales of loans	339	3,142	2,158
Capital expenditures for premises and equipment and other intangible assets	(1,296)	(1,488)	(901)
Proceeds from sale of premises and equipment and other intangible assets	90	34	44
Other, net	(43)	95	261
Net cash provided by/(used in) investing activities of continuing operations	(34,492)	(16,233)	(71,254)

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

Consolidated statements of cash flows – continued

in	2007	2006	2005
Financing activities of continuing operations (CHF million)			
Increase/(decrease) in due to banks and customer deposits	46,290	51,154	40,790
Increase/(decrease) in short-term borrowings	(49)	483	(936)
Increase/(decrease) in central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	30,590	(1,392)	36,975
Issuances of long-term debt	77,786	76,596	51,170
Repayments of long-term debt	(62,638)	(49,402)	(29,110)
Issuance of trust preferred securities	22	0	0
Issuances of treasury shares	0	(4)	0
Repurchase of treasury shares	(287)	(4,664)	(171)
Dividends paid/capital repayments	(1,106)	(2,528)	(1,904)
Other, net	7,522	1,970	(84)
Net cash provided by/(used in) financing activities of continuing operations	98,130	72,213	96,730
Effect of exchange rate changes on cash and due from banks (CHF million)			
Effect of exchange rate changes on cash and due from banks	(1,244)	(468)	3,260
Net increase/(decrease) in cash and due from banks (CHF million)			
Net increase/(decrease) in cash and due from banks	8,439	7,920	2,239
Cash and due from banks at beginning of period	27,865	19,945	17,706
Cash and due from banks at end of period	36,304	27,865	19,945
Cash paid for income taxes and interest (CHF million)			
Cash paid for income taxes	2,541	1,481	1,586
Cash paid for interest	54,128	41,609	27,892
Assets acquired and liabilities assumed in business acquisitions (CHF million)			
Fair value of assets acquired	335	199	1,554
Fair value of liabilities assumed	300	199	1,364

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

Notes to the consolidated financial statements

1 Summary of significant accounting policies

The accompanying consolidated financial statements of Credit Suisse, the Swiss bank subsidiary of the Group (the Bank), are prepared in accordance with US GAAP and are stated in CHF. The financial year for the Bank ends on December 31. Certain reclassifications have been made to the prior year's consolidated financial statements to conform to the current year's presentation and had no impact on net income 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 valuation of certain financial assets and liabilities, the allowance for loan losses, the impairment of assets other than loans, 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. Actual results could differ from management's estimates.

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

Pensions and other post-retirement benefits

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

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

For single-employer defined benefit plans, the Bank uses the projected unit credit actuarial method to determine the present value of its PBO and the current and past service costs related to its defined benefit and other post-retirement benefit plans. The measurement date used by the Bank to perform the actuarial revaluations is September 30.

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

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

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

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

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

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

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

Own shares and own bonds

The Bank's shares are wholly-owned by Credit Suisse and are not subject to trading. The Bank may buy and sell Credit Suisse Group shares, own bonds and derivatives on Credit

Suisse Group shares within its normal trading and market-making activities. In addition, the Bank may hold Credit Suisse Group shares to physically hedge commitments arising from employee share-based compensation awards. Credit Suisse Group shares are reported as trading assets, unless those shares are held to economically hedge share award obligations. Hedging shares are reported as treasury shares, resulting in a reduction to total shareholder's equity. Derivatives on

Credit Suisse Group shares are recorded as assets or liabilities and carried at fair value. Dividends received on Credit Suisse Group shares and unrealized and realized gains and losses on Credit Suisse Group shares are recorded according to the classification of the shares as trading assets or treasury shares. Purchases of bonds originally issued by the Bank are recorded as an extinguishment of debt.

2 Recently issued accounting standards

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

Recently adopted accounting standards

SFAS 159

As a result of the adoption of SFAS 159 and election of certain existing instruments under the fair value option as of January 1, 2007, the Bank reported a decrease in opening retained earnings of CHF 832 million, net of tax. For further information, refer to Note 31 – Financial instruments.

SFAS 158

The cumulative effect of the Bank adopting the recognition provisions of SFAS 158 as of December 31, 2006, was an after-tax decrease in AOCI and consolidated net assets of CHF 306 million. For further information, refer to Note 27 – Pension and other post-retirement benefits.

SFAS 157

As a result of the adoption of SFAS 157 as of January 1, 2007, the Bank reported an increase in opening retained earnings of CHF 165 million, net of tax. For further information, refer to Note 31 – Financial instruments.

3 Business developments

The Bank had no significant acquisitions in 2006 and 2005 and no significant divestitures in 2007, 2006 and 2005. For

further information, refer to Note 3 – Business developments in V – Consolidated financial statements – Credit Suisse Group.

4 Segment information

For purpose of presentation of reportable segments, the Bank has included accounts of affiliate entities wholly owned by the same parent which are managed together with the operating segments of the Bank. These affiliate entities include certain bank and trust affiliates, primarily managed by Private Banking. Income from continuing operations before taxes, minority interests, extraordinary items and cumulative effect of

accounting changes of these non-consolidated affiliate entities included in the segment presentation for the years ended December 31, 2007, 2006 and 2005 were CHF 1,078 million, CHF 994 million and CHF 791 million, respectively. For the same periods net revenues of these non-consolidated affiliate entities included in the segment presentation were CHF 2,501 million, CHF 2,141 million and CHF 1,855 million,

respectively, and total assets of these non-consolidated affiliate entities included in the segment presentation as of December 31, 2007 and 2006, were CHF 56.2 billion and

CHF 44.9 billion, respectively. For further information, refer to Note 5 – Segment information in V – Consolidated financial statements – Credit Suisse Group.

Net revenues and income from continuing operations before taxes

in	2007	2006	2005
Net revenues (CHF million)			
Private Banking	13,522	11,678	10,495
Investment Banking	18,958	20,469	15,547
Asset Management	2,577	2,861	2,801
Adjustments ^{1,2}	2,247	1,604	288
Net revenues	37,304	36,612	29,131
Income from continuing operations before taxes, minority interests, extraordinary items and cumulative effect of accounting changes (CHF million)			
Private Banking	5,486	4,596	3,966
Investment Banking	3,649	5,951	1,599
Asset Management	354	508	1,006
Adjustments ^{1,3}	2,684	1,746	(285)
Income from continuing operations before taxes, minority interests, extraordinary items and cumulative effect of accounting changes	12,173	12,801	6,286

¹ Adjustments represent certain consolidating entries and balances, including those relating to items that are managed but are not legally owned by the Bank and vice-versa and certain expenses that were not allocated to the segments. ² Includes minority interest-related revenues of CHF 5,046 million, CHF 3,788 million and CHF 2,074 million in 2007, 2006 and 2005, respectively, from the consolidation of certain private equity funds and other entities in which the Bank does not have a SEI in such revenues. ³ Includes minority interest income of CHF 4,864 million, CHF 3,683 million and CHF 2,042 million in 2007, 2006 and 2005, respectively, from the consolidation of certain private equity funds and other entities in which the Bank does not have a SEI in such income.

Total assets

end of	2007	2006
Total assets (CHF million)		
Private Banking	376,800	340,741
Investment Banking	1,140,740	1,046,557
Asset Management	27,784	20,448
Adjustments ¹	(211,582)	(180,982)
Total assets	1,333,742	1,226,764

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

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

in	2007	2006	2005
Net revenues (CHF million)			
Switzerland	9,893	8,832	8,043
EMEA	9,797	9,002	7,254
Americas	15,021	16,126	11,595
Asia Pacific	2,593	2,652	2,239
Net revenues	37,304	36,612	29,131
Income from continuing operations before taxes, minority interests, extraordinary items and cumulative effect of accounting changes (CHF million)			
Switzerland	3,237	3,184	2,147
EMEA	2,665	2,068	1,388
Americas	6,325	7,232	2,515
Asia Pacific	(54)	317	236
Income from continuing operations before taxes, minority interests, extraordinary items and cumulative effect of accounting changes	12,173	12,801	6,286

The designation of net revenues and income from continuing operations 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	2007	2006
Total assets (CHF million)		
Switzerland	163,416	147,137
EMEA	448,717	388,809
Americas	607,944	578,738
Asia Pacific	113,665	112,080
Total assets	1,333,742	1,226,764

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

5 Net interest income

in	2007	2006	2005
Net interest income (CHF million)			
Loans	8,208	6,952	5,496
Investment securities	713	667	490
Trading assets	22,851	17,554	13,764
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	22,462	19,125	12,673
Other	7,370	5,094	2,938
Interest and dividend income	61,604	49,392	35,361
Deposits	(15,991)	(12,268)	(7,416)
Short-term borrowings	(894)	(625)	(367)
Trading liabilities	(8,665)	(6,606)	(4,845)
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(21,134)	(17,881)	(11,677)
Long-term debt	(4,653)	(4,337)	(3,671)
Other	(2,657)	(1,706)	(846)
Interest expense	(53,994)	(43,423)	(28,822)
Net interest income	7,610	5,969	6,539

6 Commissions and fees

in	2007	2006	2005
Commissions and fees (CHF million)			
Lending business	2,015	1,590	1,146
Investment and portfolio management	5,319	4,441	3,904
Other securities business	216	174	189
Fiduciary	5,535	4,615	4,093
Underwriting	1,808	2,735	2,461
Brokerage	5,438	4,762	3,376
Underwriting and brokerage	7,246	7,497	5,837
Other customer services	3,126	2,677	2,197
Commissions and fees	17,922	16,379	13,273

7 Other revenues

in	2007	2006	2005
Other revenues (CHF million)			
Minority interests without SEI	4,915	3,670	2,085
Loans held-for-sale	(638)	31	62
Long-lived assets held-for-sale	30	20	25
Equity method investments	200	114	271
Other investments	732	772	668
Other	727	495	515
Other revenues	5,966	5,102	3,626

8 Provision for credit losses

in	2007	2006	2005
Provision for credit losses (CHF million)			
Allowance for loan losses	25	(116)	(126)
Provisions for lending-related and other exposures	202	19	(8)
Provision for credit losses	227	(97)	(134)

9 Compensation and benefits

in	2007	2006	2005
Compensation and benefits (CHF million)			
Salaries and bonuses	13,848	13,373	11,879
Social security	833	845	661
Other	967	914	904
Compensation and benefits	15,648	15,132	13,444

10 General and administrative expenses

in	2007	2006	2005
General and administrative expenses (CHF million)			
Occupancy expenses	859	861	813
IT, machinery, etc.	487	500	491
Provisions and losses ¹	99	(199)	1,337
Travel and entertainment	587	596	527
Professional services	2,257	2,129	1,856
Depreciation of property and equipment	826	807	802
Amortization and impairment of other intangible assets	34	182	96
Other	1,716	1,778	1,815
General and administrative expenses	6,865	6,654	7,737

¹ Includes provisions for litigation in 2005 and credits for insurance settlements for litigation and related costs in 2006.

11 Securities borrowed, lent and subject to repurchase agreements

end of	2007	2006
Securities borrowed or purchased under agreements to resell (CHF million)		
Central bank funds sold and securities purchased under resale agreements	184,729	170,734
Deposits paid for securities borrowed	111,612	147,838
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	296,341	318,572
Securities lent or sold under agreements to repurchase (CHF million)		
Central bank funds purchased and securities sold under repurchase agreements	244,782	244,544
Deposits received for securities lent	55,694	43,898
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	300,476	288,442

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

12 Trading assets and liabilities

end of	2007	2006
Trading assets (CHF million)		
Debt securities	208,988	214,076
Equity securities ¹	194,379	148,967
Derivative instruments	97,356	57,744
Other	29,402	28,635
Trading assets	530,125	449,422
Trading liabilities (CHF million)		
Short positions	122,655	139,899
Derivative instruments	77,920	58,037
Trading liabilities	200,575	197,936

¹ Including convertible bonds.

13 Investment securities

end of	2007	2006
Investment securities (CHF million)		
Debt securities held-to-maturity	248	744
Securities available-for-sale	14,267	19,560
Total investment securities	14,515	20,304

end of	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
2007 (CHF million)				
Debt securities issued by foreign governments	248	1	0	249
Debt securities held-to-maturity	248	1	0	249
Debt securities issued by foreign governments	14,165	16	499	13,682
Corporate debt securities	358	0	0	358
Other	18	1	0	19
Debt securities available-for-sale	14,541	17	499	14,059
Equity securities available-for-sale	163	45	0	208
Securities available-for-sale	14,704	62	499	14,267
2006 (CHF million)				
Debt securities issued by foreign governments	744	1	0	745
Debt securities held-to-maturity	744	1	0	745
Debt securities issued by foreign governments	18,900	9	590	18,319
Corporate debt securities	617	0	0	617
Other	380	10	1	389
Debt securities available-for-sale	19,897	19	591	19,325
Equity securities available-for-sale	181	54	0	235
Securities available-for-sale	20,078	73	591	19,560

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
2007 (CHF million)						
Debt securities issued by foreign governments	11	0	12,602	499	12,613	499
Debt securities available-for-sale	11	0	12,602	499	12,613	499
2006 (CHF million)						
Debt securities issued by foreign governments	1,353	2	16,450	588	17,803	590
Other	341	1	0	0	341	1
Debt securities available-for-sale	1,694	3	16,450	588	18,144	591

Management determined that the unrealized losses on debt securities are primarily attributable to general market interest rate, credit spread or exchange rate movements. No impairment charges were recorded as the Bank has the intent and

ability to hold the debt securities for a reasonable period of time sufficient for a forecasted recovery of the decline in market value below cost.

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

in	Debt securities			Equity securities		
	2007	2006	2005	2007	2006	2005
Additional information (CHF million)						
Proceeds from sales	2,878	1,226	383	6	8	30
Realized gains	23	70	20	0	2	14
Realized losses	(6)	(79)	(8)	0	0	(29)

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 %)
2007 (CHF million)						
Due within 1 year	0	0	–	2,815	2,794	3.54
Due from 1 to 5 years	248	249	3.85	6,686	6,465	2.88
Due from 5 to 10 years	0	0	–	5,040	4,800	3.39
Total debt securities	248	249	3.85	14,541	14,059	3.18

14 Other investments

end of	2007	2006
Other investments (CHF million)		
Equity method investments	2,558	1,450
Non-marketable equity securities ¹	24,887	18,324
Real estate held for investment	410	359
Life settlement contracts on investment method	52	55
Total other investments	27,907	20,188

¹ Includes private equity and restricted stock investments, as well as certain investments in non-marketable mutual funds for which the Bank has neither significant influence nor control over the investee.

There were no significant non-marketable equity securities, which have been in a continuous unrealized loss position. The Bank performs a regular impairment analysis of real estate portfolios. No significant impairment charges were recorded in 2007, 2006 and 2005.

Accumulated depreciation related to real estate held for investment amounted to CHF 313 million, CHF 329 million and CHF 390 million for 2007, 2006 and 2005, respectively. For further information, refer to Note 16 – Other investments in V – Consolidated financial statements – Credit Suisse Group.

15 Loans

end of	2007	2006
Loans (CHF million)		
Banks	2,128	554
Commercial	45,961	44,232
Consumer	70,197	68,982
Public authorities	982	1,000
Lease financings	2,604	3,361
Switzerland	121,872	118,129
Banks	10,593	8,900
Commercial	69,448	48,862
Consumer	19,021	15,170
Public authorities	1,592	905
Lease financings	115	228
Foreign	100,769	74,065
Gross loans	222,641	192,194
Net (unearned income)/deferred expenses	(71)	(6)
Allowance for loan losses	(1,000)	(1,305)
Net loans	221,570	190,883
Impaired loan portfolio (CHF million)		
Gross impaired loans	1,540	1,780
of which with a specific allowance	1,185	1,515
of which without a specific allowance	355	265

in	2007	2006	2005
Allowance for loan losses (CHF million)			
Balance at beginning of period	1,305	1,965	2,697
Change in accounting ¹	(61)	0	0
Change in scope of consolidation	(92)	0	0
Net additions charged to statements of income	25	(116)	(126)
Gross write-offs	(236)	(696)	(902)
Recoveries	83	140	132
Net write-offs	(153)	(556)	(770)
Provisions for interest	3	47	69
Foreign currency translation impact and other adjustments, net	(27)	(35)	95
Balance at end of period	1,000	1,305	1,965
of which a specific allowance	640	936	1,613
of which an inherent credit loss allowance	360	369	352

¹ Related to the adoption of SFAS 159.

As of December 31, 2007 and 2006, the Bank did not have any material commitments to lend additional funds to debtors whose loan terms have been modified in troubled debt restructurings.

in / end of	2007	2006	2005
Additional loan information (CHF million)			
Average balance of impaired loans	1,480	2,014	3,265
Interest income which was recognized	18	23	25
Interest income recognized on a cash basis	18	35	43
Net gains/(losses) on the sale of loans	(638)	31	62
Total non-performing loans	1,037	1,373	1,904

16 Premises and equipment

end of	2007	2006
Premises and equipment (CHF million)		
Buildings and improvements	3,337	3,383
Land	781	809
Leasehold improvements	1,746	1,716
Software	2,228	1,914
Equipment	2,904	3,269
Premises and equipment	10,996	11,091
Accumulated depreciation	(5,406)	(5,648)
Total premises and equipment, net	5,590	5,443

The carrying value of the Bank's premises and equipment is tested for impairment on a regular basis. This revaluation process identifies premises and equipment to be written down to their fair values, establishing a new cost base. No significant impairment charges were recorded in 2007, 2006 and 2005.

17 Goodwill

	Private Banking	Investment Banking	Asset Manage- ment	Credit Suisse (Bank)
2007 (CHF million)				
Balance at beginning of period	382	7,088	2,419	9,889
Goodwill acquired during the year	206	157	197	560
Other	(24)	(501)	(178)	(703)
Balance at end of period	564	6,744	2,438	9,746
2006 (CHF million)				
Balance at beginning of period	384	7,524	2,563	10,471
Goodwill acquired during the year	1	52	0	53
Other	(3)	(488)	(144)	(635)
Balance at end of period	382	7,088	2,419	9,889

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

18 Other intangible assets

end of	2007			2006		
	Gross carrying amount	Accumu- lated amorti- zation	Net carrying amount	Gross carrying amount	Accumu- lated amorti- zation	Net carrying amount
Other intangible assets (CHF million)						
Tradenames/trademarks	31	(23)	8	33	(24)	9
Client relationships	357	(226)	131	388	(217)	171
Other	110	(109)	1	116	(110)	6
Total amortized other intangible assets	498	(358)	140	537	(351)	186
Unamortized other intangible assets	281	–	281	289	–	289
Total other intangible assets	779	(358)	421	826	(351)	475

The aggregate amortization expenses for 2007, 2006 and 2005 were CHF 28 million, CHF 43 million and CHF 96 million, respectively. For further information, refer to Note 20 –

Other intangible assets in V – Consolidated financial statements – Credit Suisse Group.

Estimated amortization expenses (CHF million)

2008	23
2009	20
2010	14
2011	13
2012	13

19 Life settlement contracts

2007	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	178	332	259	268	378	4,919	6,334
Carrying value, in CHF m	10	21	15	16	26	1,993	2,081
Face value, in CHF m	11	22	15	17	38	4,926	5,029
Investment method							
Number of contracts	-	-	-	-	-	4	4
Carrying value, in CHF m	-	-	-	-	-	52	52
Face value, in CHF m	-	-	-	-	-	81	81
2006							
Fair value method							
Number of contracts	72	213	351	248	191	3,462	4,537
Carrying value, in CHF m	3	10	21	15	9	258	316
Face value, in CHF m	3	11	23	16	11	613	677
Investment method							
Number of contracts	-	-	-	-	-	5	5
Carrying value, in CHF m	-	-	-	-	-	55	55
Face value, in CHF m	-	-	-	-	-	102	102

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

20 Other assets and other liabilities

end of	2007	2006
Other assets (CHF million)		
Cash collateral on derivative instruments	18,766	14,917
Derivative instruments used for hedging	1,039	1,648
Brokerage receivables	54,890	49,242
Assets held-for-sale	48,206	53,346
of which loans	47,975	53,178
of which real estate	231	168
Interest and fees receivable	10,700	8,657
Deferred tax assets	5,728	4,835
Prepaid expenses	521	452
Other	18,119	14,406
Other assets	157,969	147,503
Other liabilities (CHF million)		
Cash collateral on derivative instruments	48,968	22,610
Derivative instruments used for hedging	73	959
Brokerage payables	55,823	33,196
Provisions ¹	2,219	2,050
of which off-balance sheet risk	266	138
Interest and fees payable	11,737	12,239
Current tax liabilities	3,083	2,885
Deferred tax liabilities	537	466
Failed sales	10,627	18,384
Other	29,286	25,047
Other liabilities	162,353	117,836

¹ Includes provision for bridge commitments.

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

21 Deposits

end of	2007			2006		
	Switzer-land	Foreign	Total	Switzer-land	Foreign	Total
Deposits (CHF million)						
Non-interest-bearing demand deposits	7,385	1,581	8,966	6,742	914	7,656
Interest-bearing demand deposits	45,957	29,919	75,876	44,147	21,715	65,862
Savings deposits	32,943	38	32,981	35,220	24	35,244
Time deposits	63,970	232,784	296,754	62,302	213,860	276,162
Total deposits	150,255	264,322	414,577	148,411	236,513	384,924
of which due to banks	–	–	106,979	–	–	104,724
of which customer deposits	–	–	307,598	–	–	280,200

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

As of December 31, 2007 and 2006, CHF 126 million and CHF 190 million, respectively, of overdrawn deposits were reclassified as loans. As of December 31, 2007 and 2006, the Bank had CHF 294.5 billion and CHF 274.3 billion,

respectively, of individual time deposits issued in Switzerland and in foreign offices in the Swiss franc equivalent amounts of USD 100,000 or more.

22 Long-term debt

end of	2007	2006
Long-term debt (CHF million)		
Senior	138,237	127,367
Subordinated	19,045	16,654
Long-term debt	157,282	144,021
of which reported at fair value	107,290	44,208

end of	2008	2009	2010	2011	2012	Thereafter	Total
Long-term debt (CHF million)							
Senior debt							
Fixed rate	3,161	3,683	4,869	5,745	4,100	12,804	34,362
Variable rate	25,136	22,321	17,509	11,368	12,122	15,419	103,875
Interest rates (range in %) ¹	1.1-15.1	1.1-5.4	1.5-5.5	1.6-8.3	1.8-9.8	2.0-12.3	–
Subordinated debt							
Fixed rate	1,374	2,062	1,567	2,255	2,303	7,787	17,348
Variable rate	180	–	–	–	–	1,517	1,697
Interest rates (range in %) ¹	4.1-8.6	4.0-8.3	2.2-8.3	3.1-6.9	3.1-8.0	3.0-10.3	–
Total long-term debt	29,851	28,066	23,945	19,368	18,525	37,527	157,282
of which structured notes	16,731	15,645	15,534	7,778	6,393	12,621	74,702

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

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

23 Accumulated other comprehensive income

	Gains/ (losses) on cash flow hedges	Cumulative translation adjustments	Unrealized gains/ (losses) on securities	Minimum pension liability adjustment	Actuarial gains/ (losses)	Net prior service cost	Accumu- lated other comprehen- sive income
2007 (CHF million)							
Balance at beginning of period	(1)	(2,811)	106	–	(754)	9	(3,451)
Increase/(decrease)	6	(1,168)	19	–	248	0	(895)
Reclassification adjustments, included in net income	(4)	0	(4)	–	56	(2)	46
Adoption of SFAS 159, net of tax	6	0	4	–	0	0	10
Balance at end of period	7	(3,979)	125	–	(450)	7	(4,290)
2006 (CHF million)							
Balance at beginning of period	35	(2,082)	55	(540)	–	–	(2,532)
Increase/(decrease)	(33)	(728)	70	101	–	–	(590)
Reclassification adjustments, included in net income	(3)	(1)	(19)	0	–	–	(23)
Adoption of SFAS 158, net of tax	0	0	0	439	(754)	9	(306)
Balance at end of period	(1)	(2,811)	106	0	(754)	9	(3,451)
2005 (CHF million)							
Balance at beginning of period	28	(3,143)	126	(320)	–	–	(3,309)
Increase/(decrease)	(3)	1,070	2	(220)	–	–	849
Reclassification adjustments, included in net income	10	(9)	(73)	–	–	–	(72)
Balance at end of period	35	(2,082)	55	(540)	–	–	(2,532)

For income tax expense/(benefit) on the movements of accumulated other comprehensive income, refer to Note 24 – Tax and Note 27 – Pension and other post-retirement benefits.

24 Tax

Income from continuing operations before taxes in Switzerland and foreign countries

in	2007	2006	2005
Income from continuing operations before taxes (CHF million)			
Switzerland	3,237	3,184	2,147
Foreign	8,936	9,617	4,139
Income from continuing operations before taxes, minority interests, extraordinary items and cumulative effect of accounting changes	12,173	12,801	6,286

Details of current and deferred taxes

in	2007	2006	2005
Current and deferred taxes (CHF million)			
Switzerland	578	570	563
Foreign	1,461	982	692
Current income tax expense	2,039	1,552	1,255
Switzerland	128	76	19
Foreign	(1,321)	509	(615)
Deferred income tax expense/(benefit)	(1,193)	585	(596)
Income tax expense	846	2,137	659
Income tax expense/(benefit) on cumulative effect of accounting changes	–	–	6
Income tax expense/(benefit) reported in shareholder's equity related to:			
Gains/(losses) on cash flow hedges	0	(4)	1
Cumulative translation adjustment	(97)	(56)	110
Unrealized gains/(losses) on securities	7	23	(3)
Minimum pension liability adjustment	–	67	(120)
Actuarial gains/(losses)	124	(159)	–
Net prior service cost	0	5	–
Dividends	(5)	0	0
Cumulative effect of accounting changes	(265)	(3)	–
Share-based compensation and treasury shares	(56)	(259)	(3)

Reconciliation of taxes computed at the Swiss statutory rate

in	2007	2006	2005
Taxes computed at the Swiss statutory rate (CHF million)			
Income tax expense computed at the statutory tax rate of 22%	2,678	2,816	1,383
Increase/(decrease) in income taxes resulting from			
Foreign tax rate differential	(337)	347	(119)
Non-deductible amortization of intangible assets and goodwill impairment	8	59	23
Other non-deductible expenses	373	312	225
Additional taxable income	288	317	247
Lower taxed income	(1,106)	(733)	(511)
Income taxable to minority interests	(1,050)	(783)	(449)
Changes in tax law and rates	31	3	(1)
Changes in deferred tax valuation allowance ¹	692	(35)	(241)
Other ²	(731)	(166)	102
Income tax expense	846	2,137	659

¹ In 2007, 2006 and 2005 there was a tax benefit of CHF 39 million, CHF 115 million and CHF 325 million, respectively, resulting from the release of valuation allowance on deferred tax assets on net operating loss carry-forwards, offset by additions. ² Included in 2007 is a CHF 512 million benefit related to previously unrecognized deferred tax assets due to changes in the assessment of certain US state and local tax positions. Included in 2006 and 2005 is an amount of CHF 109 million and CHF 131 million, respectively, relating to the release of tax contingency accruals following the favorable resolution of tax matters. 2007 and 2005 also included a charge of CHF 11 million and CHF 146 million, respectively, relating to the reversal of deferred tax assets on net operating loss carry-forwards, which was offset by an equivalent release of valuation allowance on deferred tax assets on net operating loss carry-forwards.

As of December 31, 2007, the Bank had accumulated undistributed earnings from foreign subsidiaries of CHF 11.2 billion. No deferred tax 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	2007	2006
Tax effect of temporary differences (CHF million)		
Employment compensation and benefits	2,309	2,126
Loans	780	184
Investment securities	29	68
Provisions	523	1,006
Derivatives	121	149
Real estate	62	80
Net operating loss carry-forwards	3,669	1,985
Other	159	241
Gross deferred tax assets before valuation allowance	7,652	5,839
Less valuation allowance	(1,378)	(721)
Gross deferred tax assets net of valuation allowance	6,274	5,118
Employment compensation and benefits	(119)	(89)
Loans	(13)	(56)
Investment securities	(272)	(44)
Business combinations	(361)	(174)
Derivatives	(109)	(107)
Leasing	(92)	(189)
Real estate	(61)	(74)
Other	(56)	(16)
Gross deferred tax liabilities	(1,083)	(749)
Net deferred tax assets	5,191	4,369

Amounts and expiration dates of net operating loss carry-forwards

end of 2007	Total
Net operating loss carry-forwards (CHF million)	
Due to expire within 1 year	17
Due to expire within 2 to 5 years	329
Due to expire within 6 to 10 years	664
Due to expire within 11 to 20 years	7,396
Amount due to expire	8,406
Amount not due to expire	1,760
Total net operating loss carry-forwards	10,166

Movements in the valuation allowance

in	2007	2006	2005
Movements in the valuation allowance (CHF million)			
Balance at beginning of period	721	891	1,124
Net changes	657	(170)	(233)
Balance at end of period	1,378	721	891

Tax benefits associated with share-based compensation

Tax benefits associated with share-based compensation recorded in the consolidated statements of income were CHF 819 million, CHF 513 million and CHF 679 million in 2007, 2006 and 2005, respectively. For further information on share-based compensation, refer to Note 25 – Employee share-based compensation and other benefits.

The Bank realized windfall tax benefits of CHF 73 million, CHF 252 million and CHF 46 million in 2007, 2006 and 2005, respectively, upon settlement of share-based compensation. In 2007, CHF 13 million of tax benefits was recognized in respect of tax on dividend equivalent payments, in accordance with EITF 06-11, which was early adopted by the Bank. However, windfall deductions and dividend equivalents aggregating CHF 1.4 billion for 2007 and 2005 did not result in a reduction of income taxes payable because certain entities

are in a net operating loss position. When the income tax benefit of these deductions is realized, an estimated CHF 560 million tax benefit will be recorded in additional paid-in capital.

FIN 48

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

Interest and penalties are reported as tax expense. The amount of interest and penalties recognized in the consolidated statements of income was CHF 29 million for 2007 and the amount of interest and penalties recognized in the consolidated balance sheets was CHF 340 million.

Reconciliation of the beginning and ending amount of gross unrecognized tax benefits**2007 (CHF million)**

Balance at beginning of period	1,475
Increases in unrecognized tax benefits as a result of tax positions taken during a prior period	180
Decreases in unrecognized tax benefits as a result of tax positions taken during a prior period	(255)
Increases in unrecognized tax benefits as a result of tax positions taken during the current period	233
Decreases in unrecognized tax benefits relating to settlements with tax authorities	(130)
Reductions to unrecognized tax benefits as a result of a lapse of the applicable statute of limitations	(32)
Other (including foreign currency translation)	(121)
Balance at end of period	1,350

The total amount of net unrecognized tax benefits that, if recognized, would affect the effective tax rate was CHF 1,402 million and CHF 1,186 million on January 1, 2007 and December 31, 2007, respectively.

It is reasonably possible that there will be a decrease of between zero and CHF 280 million in unrecognized tax benefits within 12 months of the reporting date.

The Bank remains open to examination from federal, state, provincial or similar local jurisdictions from the following years onward in these major countries: Japan – 2005; Switzerland – 2004; the UK – 1997; and the US – 1993.

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

25 Employee share-based compensation and other benefits**Share-based compensation**

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

Compensation expense

Total compensation expense for share-based compensation recognized in the consolidated statements of income in compensation and benefits was CHF 2,564 million, CHF 1,597 million and CHF 2,118 million for 2007, 2006 and 2005, respectively. As of December 31, 2007, the total estimated

unrecognized compensation expense of CHF 2,335 million related to non-vested share-based compensation will be recognized over the remaining weighted-average requisite service period of 1.3 years.

The Group generally repurchases its own shares in the open market to satisfy obligations in connection with share-based compensation but can also issue new shares out of available conditional capital. For the year ended December 31,

2007, the Group delivered approximately 22.1 million shares to employees.

Fair value assumptions for share-based compensation

The following table illustrates the significant assumptions used to estimate the fair value of share options, PIP and ISU based on the annual incentive performance bonus performance process.

Significant fair value assumptions

end of	2007	2006	2005
Significant assumptions			
Expected volatility, in % ¹	22.95	24.80	29.00
Expected dividend yield, in % ¹	2.41	3.24	3.03
Expected risk-free interest rate, in %	2.63	2.36	1.86
Expected term, in years	3	5	5

¹ Due to current and changing market conditions, the Group refined its methodology in 2005 for estimating the expected volatility and expected dividend yield to include management's assessment of how future implied market yields impact the overall expected assumptions.

Credit Suisse Incentive Share Unit

The compensation expense recognized in 2007 for these awards was CHF 1,127 million. The estimated unrecognized compensation expense related to these awards as of December 31, 2007, was CHF 1,513 million and will be recognized over a period of two years. None of the ISUs were vested as of December 31, 2007.

On January 22, 2008, the Bank granted 45.7 million ISUs. The fair value of the ISU Base Unit was CHF 54.90, and the fair value of the ISU Leverage Unit was CHF 10.69. The fair value of the ISU Leverage Unit was based on a valuation using

an expected volatility of 32.04%, an expected dividend yield of 5.46%, an expected risk-free rate of 2.45% and an expected term of three years. For the ISUs granted in January 2008, there is no cap on the total payout of additional shares, however, the number of additional shares per ISU Base Unit is limited to a maximum of ten shares. The recognition of accounting expense for the ISUs granted on January 22, 2008, began in 2008 and thus had no impact on the 2007 consolidated financial statements. The expected unrecognized compensation expense of CHF 2,792 million will be recognized over a period of three years, subject to early retirement rules.

Incentive Share Unit activities

2007	ISU Base
Number of awards (million)	
Balance at beginning of period	0.0
Granted	27.2
Settled	(0.4)
Forfeited	(1.4)
Balance at end of period	25.4

Performance Incentive Plan

The compensation expense recognized in 2007 related to PIP I and PIP II was CHF 432 million. The estimated unrecognized compensation expense related to PIP I and PIP II as of

December 31, 2007, was CHF 257 million and will be recognized over a period of three years. None of the PIP units were due for settlement as of December 31, 2007.

Performance Incentive Plan activities

	2007		2006		2005	
	PIP II	PIP I	PIP II	PIP I	PIP II	PIP I
Number of awards (million)						
Balance at beginning of period	5.9	12.0	-	12.2	-	-
Granted	0.4	-	6.1	-	-	13.5
Settled	-	-	-	-	-	-
Forfeited	(0.1)	(0.1)	(0.2)	(0.2)	-	(1.3)
Balance at end of period	6.2	11.9	5.9	12.0	-	12.2
of which vested	1.5	5.2	-	2.6	-	-
of which unvested	4.7	6.7	5.9	9.4	-	12.2

Shares

The compensation expense recognized in 2007 related to shares awarded under phantom share, LPA and special awards was CHF 1,004 million. The estimated unrecognized

compensation expense related to these awards as of December 31, 2007, was CHF 565 million and will be recognized over a period of four years.

Share award activities

	2007		2006		2005	
	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	50.7	60.70	46.5	47.73	75.1	47.44
Granted	4.3	81.49	26.2	72.51	22.9	49.09
Settled	(24.2)	59.03	(18.8)	45.98	(45.9)	48.40
Forfeited	(2.3)	62.66	(3.2)	55.62	(5.6)	43.88
Balance at end of period	28.5	65.13	50.7	60.70	46.5	47.73
of which vested	0.3	-	2.7	-	3.6	-
of which unvested	28.2	-	48.0	-	42.9	-

Share options

The weighted-average fair value of options granted during 2006 and 2005 was CHF 12.12 and CHF 9.50, respectively. There were no options granted during 2007. As of December 31, 2007, the aggregate intrinsic value of options outstanding and exercisable was CHF 445 million and the weighted-average remaining contractual term was 3.6 years. As of the exercise date, the total intrinsic value of options exercised during 2007, 2006 and 2005 was CHF 302 million, CHF 232 million and CHF 139 million, respectively. Cash received from option

exercises during 2007, 2006 and 2005 was CHF 336, CHF 327 million and CHF 193 million, respectively.

As of December 31, 2007, there were 1.6 million fully vested and exercisable options outstanding containing a cash settlement feature. These options had a weighted-average exercise price of CHF 68.10 and a weighted-average remaining contractual term of 1.8 years. During 2007, there were 0.1 million exercises of options with a cash settlement feature, no forfeitures and 0.2 million of these options were settled for CHF 8.3 million in cash.

Share option activities

	2007		2006		2005	
	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 options						
Balance at beginning of period	45.6	59.01	53.9	56.84	60.6	54.23
Granted	–	–	0.1	71.60	0.1	48.61
Exercised	(7.2)	47.45	(7.3)	44.56	(6.1)	31.93
Settled	(0.3)	61.49	(0.4)	59.49	–	74.00
Forfeited	(0.7)	75.31	(0.6)	51.55	(0.6)	50.04
Expired	(0.2)	35.52	(0.1)	17.65	(0.1)	14.38
Balance at end of period	37.2	61.07	45.6	59.01	53.9	56.84
Exercisable at end of period	36.1	60.43	41.2	59.58	50.6	57.84

26 Related parties

Credit Suisse 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 Credit Suisse Group. The Bank generally enters into these transactions in the ordinary course of business and believes that

these transactions are generally on market terms that could be obtained from unrelated third parties.

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

Related party assets and liabilities

end of	2007	2006
Assets (CHF million)		
Cash and due from banks	2,815	2,458
Interest-bearing deposits with banks	2,348	1,979
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	498	509
Securities received as collateral	542	187
Trading assets	141	369
Loans	8,609	7,058
Other assets	177	122
Total assets	15,130	12,682
Liabilities (CHF million)		
Due to banks/customer deposits	18,696	19,808
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	100	0
Obligation to return securities received as collateral	542	187
Trading liabilities	296	257
Short-term borrowings	0	133
Long-term debt	10,028	10,207
Other liabilities	542	754
Total liabilities	30,204	31,346

Related party revenues and expenses

in	2007	2006	2005
Revenues (CHF million)			
Interest and dividend income	444	295	90
Interest expense	(1,277)	(753)	(540)
Net interest income	(833)	(458)	(450)
Commissions and fees	(5)	(4)	45
Other revenues	246	238	253
Total non-interest revenues	241	234	298
Net revenues	(592)	(224)	(152)
Expenses (CHF million)			
Other expenses	(226)	(486)	(675)
Total operating expenses	(226)	(486)	(675)

Related party guarantees

end of	2007	2006
Guarantees (CHF million)		
Credit guarantees and similar instruments	62	77
Performance guarantees and similar instruments	1	0
Derivatives	376	320
Other guarantees	59	3
Total at end of period	498	400

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

in	2007	2006	2005
Loans to members of the Board of Directors (CHF million) ¹			
Balance at beginning of period	22	17	17
Additions	0	5	1
Reductions	(7)	0	(1)
Balance at end of period	15	22	17
Loans to members of the Executive Board (CHF million) ²			
Balance at beginning of period	22	12	27
Additions	3	12	8
Reductions	(3)	(2)	(23)
Balance at end of period	22	22	12

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

Liabilities due to own pension funds

Liabilities due to the Bank's own pension funds as of December 31, 2007 and 2006, of CHF 678 million and CHF 771

million, respectively, are reflected in various liability accounts in the Bank's consolidated balance sheets.

²⁷ Pension and other post-retirement benefits

Pension plans

The Bank participates in a defined benefit pension plan sponsored by Credit Suisse 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. The measurement date for the Group defined benefit pension plan, single-employer defined benefit pension plans and other post-retirement defined benefit plans is September 30.

Group pension plan

The Bank covers pension requirements for its employees in Switzerland through the participation in a defined benefit pension plan sponsored by Credit Suisse Group. Various legal entities within Credit Suisse Group participate in the plan and the plan is set up as an independent trust domiciled in Zurich. Credit Suisse Group accounts for the plan as a single-employer defined benefit pension plan and uses the projected unit credit actuarial method to determine the net periodic pension expense, PBO and the ABO. Following the implementation of SFAS 158, the funded status of the plan is recorded in the consolidated balance sheets. The Bank accounts for the

defined benefit pension plan sponsored by Credit Suisse Group as a Group pension plan because other legal entities within Credit Suisse 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 and can be used to provide benefits to any employee of any participating legal entity. The Bank's contributions to the Group plan comprise approximately 90% of the total assets contributed to the 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 plan during the period as net periodic pension expense and only recognizes a liability for any contributions due and unpaid. No other expense or balance sheet amounts related to this plan are recognized by the Bank. The Bank's contributions are determined using a predetermined formula based on each employee's salary level and age and approximates 167% of each employee's contribution. During 2007, 2006 and 2005, the Bank contributed and recognized as expense approximately CHF 333 million, CHF 285 million and CHF 260 million, respectively. The Bank expects to contribute CHF 332 million to the Group plan during 2008. 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 2007, 2006 and 2005 would have been lower by CHF 186 million, CHF 150 million and CHF 175 million, respectively, and the Bank would have recognized CHF 74 million, CHF 69 million and CHF 27 million, respectively, as amortization of actuarial losses and prior service cost for the Group plan.

As of the measurement date, the ABO of the Group plan was CHF 10.5 billion, the PBO was CHF 11.7 billion and the fair value of plan assets was CHF 12.0 billion. As of December 31, 2007, the Group plan was overfunded on an ABO basis by CHF 1,555 million and overfunded on a PBO basis by CHF 385 million, which takes into account fourth quarter contributions of CHF 76 million. If the Bank had accounted for the Group plan as a defined benefit plan, the Bank would have had to recognize the funded status of the plan on a PBO basis of CHF 347 million as of December 31, 2007, as an asset in the consolidated balance sheets in accordance with SFAS 158, resulting in an increase in AOCI within total shareholder's equity.

The calculation of the expense and liability associated with the defined benefit pension plan requires an extensive use of assumptions, which include the expected long-term rate of return on plan assets and discount rate as determined by Credit Suisse Group. As of the measurement date, if the Bank had accounted for the Group plan as a defined benefit plan, the expected long-term rate of return on plan assets would have been 5%, and the discount rate used in the measurement of the benefit obligation and the net periodic pension cost would have been 4% and 3.3%, respectively.

International pension plans

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

Other post-retirement defined benefit plans

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

International single-employer defined benefit plans and other post-retirement defined benefit plans

Pension cost

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

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

Total pension cost

in	International single- employer defined benefit pension plans			Other post- retirement defined benefit plans		
	2007	2006	2005	2007	2006	2005
Total pension costs (CHF million)						
Service costs on benefit obligation	46	51	61	1	2	1
Interest costs on benefit obligation	149	129	121	9	9	8
Expected return on plan assets	(158)	(139)	(142)	–	–	–
Amortization of recognized transition obligation/(asset)	–	(1)	(2)	–	–	–
Amortization of recognized prior service cost	1	1	1	(3)	–	–
Amortization of recognized actuarial (gains)/losses	75	71	48	11	9	9
Net periodic pension costs	113	112	87	18	20	18
Settlement (gains)/losses	–	(5)	–	–	–	–
Curtailement (gains)/losses	–	(9)	–	–	–	–
Total pension costs	113	98	87	18	20	18

Total pension costs reflected in the consolidated statements of income in compensation and benefits – other for 2007, 2006 and 2005 were CHF 131 million, CHF 118 million and CHF 105 million, respectively.

Benefit obligation

The following table shows the changes in PBO and fair value of plan assets, 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 ABO.

Funded status of the plans

	International single-employer defined benefit pension plans		Other post-retirement defined benefit plans	
in	2007	2006	2007	2006
PBO (CHF million)				
Beginning of the measurement period	2,894	2,579	137	169
Service cost	46	51	1	2
Interest cost	149	129	9	9
Plan amendments	–	–	–	(19)
Curtailments	–	(41)	–	–
Actuarial (gains)/losses	(255)	222	15	(5)
Benefit payments	(63)	(60)	(7)	(7)
Exchange rate (gains)/losses	(191)	14	(10)	(12)
End of the measurement period	2,580	2,894	145	137
Fair value of plan assets (CHF million)				
Beginning of the measurement period	2,163	2,039	–	–
Actual return on plan assets	260	192	–	–
Employer contributions	366	41	7	7
Curtailments	–	(42)	–	–
Benefit payments	(63)	(60)	(7)	(7)
Exchange rate gains/(losses)	(177)	(7)	–	–
End of the measurement period	2,549	2,163	–	–
Total amount recognized (CHF million)				
Funded status of the plan – over/(underfunded)	(31)	(731)	(145)	(137)
Fourth quarter employer contributions	6	–	2	1
Total amount recognized in the consolidated balance sheet at December 31	(25)	(731)	(143)	(136)
Total amount recognized (CHF million)				
Noncurrent assets	162	–	–	–
Current liabilities	(8)	(6)	(7)	(8)
Noncurrent liabilities	(179)	(725)	(136)	(128)
Total amount recognized in the consolidated balance sheet at December 31	(25)	(731)	(143)	(136)
ABO (CHF million)				
End of measurement	2,463	2,736	–	–

The total net amount recognized in the consolidated balance sheets in other assets and other liabilities – other as of December 31, 2007 and 2006 was an underfunding of CHF 168 million and CHF 867 million, respectively.

In 2008, the Bank expects to contribute CHF 192 million to the international single-employer defined benefit pension plans and CHF 7 million to other post-retirement defined benefit plans.

The table below discloses both the aggregate PBO and ABO as well as the aggregate fair value of plan assets for those plans that are underfunded as of September 30, 2007 and 2006, respectively. The significant decrease in 2007 from 2006 primarily relates to the overfunded UK pension plan as of the measurement date on September 30, 2007.

PBO and ABO in excess of fair value of plan assets for defined benefit pension plans

September 30	PBO exceeds fair value of plan assets		ABO exceeds fair value of plan assets	
	2007	2006	2007	2006
CHF million				
PBO	287	2,886	179	1,935
ABO	249	2,729	168	1,818
Fair value of plan assets	96	2,147	3	1,227

As of December 31, 2006, the Bank adopted SFAS 158, which requires actuarial gains/(losses) and prior service costs to be recognized in AOCI and that these amounts be adjusted as they are subsequently recognized as components of net periodic pension cost. For further information, refer to Note 2

– Recently issued accounting standards. As of December 31, 2007, no net transition obligation is included in AOCI and as a consequence, no further amortization will be recorded in net periodic pension costs.

Amounts recognized in AOCI, net of tax

in	International single-employer defined benefit pension plans		Other post-retirement defined benefit plans		Total	
	2007	2006	2007	2006	2007	2006
Amounts recognized in AOCI (CHF million)						
Actuarial gains/(losses)	(404)	(708)	(46)	(46)	(450)	(754)
Prior service cost	(3)	(3)	10	12	7	9
Total	(407)	(711)	(36)	(34)	(443)	(745)

The following table discloses the changes in other comprehensive income due to actuarial gains/(losses) and prior service costs recognized in AOCI during 2007 and the amortization of

the aforementioned items as components of net periodic pension cost for the period.

Changes in plan assets and benefit obligations recognized in other comprehensive income

in 2007	International single-employer defined benefit pension plans			Other post-retirement defined benefit plans			Total net
	Gross	Tax	Net	Gross	Tax	Net	
Amounts recognized in other comprehensive income (CHF million)							
Actuarial gains/(losses)	357	(103)	254	(15)	9	(6)	248
Prior service cost	–	–	–	–	–	–	–
Amortization of actuarial gains/(losses)	75	(25)	50	11	(5)	6	56
Amortization of prior service cost	1	(1)	0	(3)	1	(2)	(2)
Total	433	(129)	304	(7)	5	(2)	302

Amounts in AOCI, net of tax, expected to be amortized in 2008

in 2008	International single- employer defined benefit pension plans	Other post- retirement defined benefit plans
CHF million		
Amortization of actuarial (gains)/losses	25	5
Amortization of prior service cost	1	(2)
Total	26	3

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

September 30	2007	2006	2007	2006
Net benefit pension cost (%)				
Discount rate	5.2	5.1	5.8	5.5
Salary increases	4.4	4.2	–	–
Expected long-term rate of return on plan assets	7.3	7.2	–	–
Benefit obligation (%)				
Discount rate	5.9	5.2	6.2	5.8
Salary increases	4.5	4.4	–	–

Plan assets and investment strategy

As of September 30, 2007 and 2006, there were no material amounts of Group debt and equity securities included in plan

assets for the international single-employer defined benefit pension plans and other post-retirement defined benefit plans.

Weighted-average asset allocation as of the measurement date

September 30	2007	2006
Weighted-average asset allocation (%)		
Equity securities	58.3	44.7
Debt securities	20.4	49.8
Real estate	3.7	0.2
Alternative investments	14.6	0.2
Insurance	2.5	4.9
Liquidity	0.5	0.2
Total	100.0	100.0

Weighted-average target asset allocation to be applied prospectively

September 30, 2007 (%)

Equity securities	55.0
Debt securities	20.0
Real estate	5.0
Alternative investments	15.0
Liquidity	5.0
Total	100.0

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)		
2008	73	7
2009	77	8
2010	81	8
2011	82	9
2012	85	9
Thereafter	461	52

Defined contribution pension plans

The Bank also contributes to various defined contribution pension plans primarily in the US and the UK but also in other

countries throughout the world. The contributions to these plans during 2007, 2006 and 2005 were CHF 256 million, CHF 247 million and CHF 237 million, respectively.

28 Derivatives and hedging activities

Details of fair value, cash flow and net investment hedges

in	2007	2006	2005
Fair value, cash flow and net investment hedges (CHF million)			
Fair value hedges			
Net gain/(loss) on the ineffective portion	14	2	21
Cash flow hedges			
Net gain/(loss) on the ineffective portion	0	0	1
Expected reclassification from AOCI into earnings during the next 12 months	7	0	11
Net investment hedges			
Net gain/(loss) on hedges included in AOCI	121	(93)	(178)

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

29 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
2007 (CHF million)								
Credit guarantees and similar instruments	3,181	2,007	1,153	2,822	9,163	7,777	23	5,064
Performance guarantees and similar instruments	4,249	3,851	1,338	2,806	12,244	10,494	141	3,469
Securities lending indemnifications	40,006	0	0	0	40,006	40,006	0	40,006
Derivatives	127,332	234,805	522,879	233,832	1,118,848	1,118,848	37,853	– ²
Other guarantees	2,942	322	243	365	3,872	3,838	0	1,564
Total guarantees	177,710	240,985	525,613	239,825	1,184,133	1,180,963	38,017	50,103
2006 (CHF million)								
Credit guarantees and similar instruments	3,153	1,326	2,175	3,196	9,850	7,450	8	4,581
Performance guarantees and similar instruments	3,657	4,307	1,046	1,883	10,893	9,687	162	3,069
Securities lending indemnifications	36,834	0	0	0	36,834	36,834	0	36,834
Derivatives	41,465	69,135	437,067	122,859	670,526	670,526	4,828	– ²
Other guarantees	2,584	397	132	213	3,326	3,326	0	1,356
Total guarantees	87,693	75,165	440,420	128,151	731,429	727,823	4,998	45,840

¹ Total net amount is computed as the gross amount less any participations. ² Collateral for derivatives accounted for as guarantees is not considered significant.

Lease commitments

Lease commitments (CHF million)	
2008	629
2009	564
2010	508
2011	469
2012	403
Thereafter	4,592
Future operating lease commitments	7,165
Less minimum non-cancellable sublease rentals	803
Total net future minimum lease commitments	6,362

Rental expense for operating leases

in	2007	2006	2005
Rental expense for operating leases (CHF million)			
Minimum rental expense	680	673	672
Sublease rental income	(142)	(158)	(146)
Total net rental expense	538	515	526

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
2007 (CHF million)							
Irrevocable commitments under documentary credits	5,854	76	19	1	5,950	5,221	2,439
Loan commitments	180,390	14,946	30,742	11,251	237,329	237,077	160,978
Forward reverse repurchase agreements	40,403	0	0	0	40,403	40,403	40,403
Other commitments	2,603	593	465	1,205	4,866	4,866	346
Total other commitments	229,250	15,615	31,226	12,457	288,548	287,567	204,166
2006 (CHF million)							
Irrevocable commitments under documentary credits	5,305	18	23	0	5,346	4,965	2,705
Loan commitments	167,907	14,464	28,625	14,541	225,537	224,225	132,452
Forward reverse repurchase agreements	5,535	122	0	40	5,697	5,697	5,697
Other commitments	1,095	184	275	3,293	4,847	4,847	112
Total other commitments	179,842	14,788	28,923	17,874	241,427	239,734	140,966

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

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

30 Transfers and servicing of financial assets

Securitization activity

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

Securitization activity

in	2007	2006	2005
Proceeds received from securitization (CHF million)			
CMBS			
Proceeds from securitizations	24,735	30,089	17,939
Gains on securitizations ¹	527	704	411
RMBS			
Proceeds from securitizations	37,562	46,023	69,942
Gains on securitizations ¹	79	84	55
CDO			
Proceeds from securitizations	3,758	10,343	8,183
Gains on securitizations ¹	60	120	164
ABS ²			
Proceeds from securitizations	3,844	5,503	10,518
Gains on securitizations ¹	11	50	9

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

Key economic assumptions used in measuring fair value of retained interests

end of	2007							
	CMBS ¹	RMBS	CDO ²	ABS	CMBS ¹	RMBS	CDO ²	ABS
Key economic assumptions								
Weighted-average life, in years	4.4	6.8	9.7	13.6	3.2	3.4	5.4	5.1
Prepayment speed assumption (rate per annum), in % ³	–	0-30.0	–	8.1-11.0	–	0-92.0	–	25.0
Cash flow discount rate (rate per annum), in % ⁴	1.3-14.9	4.1-45.0	0-16.7	9.3-10.9	1.0-31.9	0-39.7	0-21.5	26.3
Expected credit losses (rate per annum), in %	0.5-10.6	0-40.2	0-12.0	4.7-6.0	1.6-28.0	0-29.7	0-17.0	21.7

Retained interests, key economic assumptions and sensitivity analysis

in 2007	CMBS ¹	RMBS	CDO ²	ABS
CHF million, except where indicated				
Fair value of retained interests	2,641	1,471	148	109
of which non-investment grade	194	110	57	45
Weighted-average life, in years	4.3	5.4	5.3	15.3
Prepayment speed assumption (rate per annum), in % ³	–	0.5-32.0	–	6.0-26.2
Impact on fair value from 10% adverse change	–	(15.1)	–	(1.1)
Impact on fair value from 20% adverse change	–	(29.8)	–	(2.3)
Cash flow discount rate (rate per annum), in % ⁴	0-17.8	8.0-28.3	11.7-14.0	12.8
Impact on fair value from 10% adverse change	(52.7)	(31.5)	(7.0)	(4.5)
Impact on fair value from 20% adverse change	(105.3)	(63.0)	(12.9)	(9.0)
Expected credit losses (rate per annum), in %	2.6-8.5	2.0-2.6	7.7-8.1	8.7
Impact on fair value from 10% adverse change	(15.6)	(16.0)	(4.6)	(2.3)
Impact on fair value from 20% adverse change	(32.4)	(32.8)	(8.2)	(5.6)

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 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. ⁴ The rate is based on the weighted-average yield on the retained interest.

Variable interest entities

As of December 31, 2007, the Bank consolidated all VIEs for which it is the primary beneficiary under FIN 46(R). For further

information, refer to Note 32 – Transfers and servicing of financial assets in V – Consolidated financial statements – Credit Suisse Group.

Consolidated and non-consolidated VIEs

end of	2007	2006
Total assets of consolidated VIEs (CHF million)		
CDO	6,672	6,538
CP conduit	1	1
Financial intermediation	17,397	15,186
Total assets of consolidated VIEs	24,070	21,725
Total assets of non-consolidated VIEs (CHF million)		
CDO	16,360	15,636
CP conduit	12,642	7,038
Financial intermediation	99,288	90,584
Total assets of non-consolidated VIEs	128,290	113,258
Total maximum exposure to loss of non-consolidated VIEs (CHF million)		
CDO	2,453	1,678
CP conduit	17,347	12,548
Financial intermediation	20,556	19,115

Collateralized debt obligations

We believe the Bank's maximum loss exposure is generally equal to the carrying value of the retained interests, which are reported as trading assets and carried at fair value and totaled

CHF 2.5 billion and CHF 1.7 billion as of December 31, 2007 and December 31, 2006, respectively.

Commercial paper conduits

As of December 31, 2007, the Bank's maximum loss exposure to a non-consolidated CP conduit was CHF 17.4 billion, which consisted of CHF 12.5 billion of funded assets and the CP conduit's commitments to purchase CHF 4.9 billion of additional assets. As of December 31, 2006, the Bank's maximum loss exposure was CHF 12.5 billion.

Financial intermediation

The Bank's maximum loss exposure to non-consolidated VIEs related to financial intermediation activities was CHF 20.6 billion and CHF 19.1 billion as of December 31, 2007 and December 31, 2006, respectively. This exposure consists of the carrying value of the Bank's interests held as trading assets, derivatives or loans and the notional amount of guarantees to VIEs, not the total assets of the VIEs.

31 Financial instruments

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

Cumulative effect adjustment to opening retained earnings due to adoption of fair value option

as of January 1, 2007	Carrying value prior to adoption	Net gains/ (losses)	Fair value after adoption
Balance sheet items (CHF million)			
Other investments	34	1	35
Loans	13,694	78	13,772
Other assets	1,313	2	1,315
Due to banks and customer deposits	(229)	(21)	(250)
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions, net	(43,102)	(5)	(43,107)
Short-term borrowings	(2,543)	1	(2,542)
Long-term debt	(48,637)	(1,026)	(49,663)
Other liabilities	(211)	(286)	(497)
Minority interests		42	
Pre-tax cumulative effect of adoption of the fair value option		(1,214)	
Deferred taxes		382	
Cumulative effect of adoption of the fair value option (charge to retained earnings)		(832)	

Fair value of assets and liabilities measured at fair value on a recurring basis

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

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

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

2007	Derivatives, net	Private equity investments	Other	Total
Assets (CHF million)				
Balance at beginning of period	192	14,722	10,701¹	25,615
Net realized/unrealized gains/(losses) included in net revenues	6,850	3,652	(6,389)	4,113
Purchases, sales, issuances and settlements	523	(557)	27,444	27,410
Transfers in and/or out of level 3	(1,932)	(195)	17,800	15,673
Balance at end of period	5,633	17,622	49,556¹	72,811
Liabilities (CHF million)				
Balance at beginning of period	-	-	27,939²	27,939
Net realized/unrealized gains/(losses) included in net revenues	-	-	(1,965)	(1,965)
Purchases, sales, issuances and settlements	-	-	14,793	14,793
Transfers in and/or out of level 3	-	-	(8,388)	(8,388)
Balance at end of period	-	-	32,379²	32,379
Net	5,633	17,622	17,177	40,432
Total realized/unrealized gains/(losses) included in net revenues	6,850	3,652	(4,424)	6,078

¹ Includes primarily RMBS, CMBS, CDO, collateralized bond and loan obligations and internally managed private equity funds. ² Includes primarily structured notes.

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

in 2007	Trading revenues	Other revenues	Total revenues
Gains and losses on assets and liabilities (CHF million)			
Net realized/unrealized gains/(losses) included in net revenues	1,191	4,887	6,078
Whereof:			
Changes in unrealized gains or losses relating to assets and liabilities still held as of the reporting date	1,852	2,588	4,440

Non-recurring fair value changes

Certain assets and liabilities are measured at fair value on a non-recurring basis; that is, they are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances (for example, when there is

evidence of impairment). As of December 31, 2007, CHF 6.3 billion of loans have been recorded at fair value, of which CHF 5.7 billion and CHF 0.6 billion were classified as level 2 and level 3, respectively.

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

end of 2007	Aggregate fair value	Aggregate unpaid principal	Difference
Loans (CHF million) ¹			
Non-accrual loans	232	459	(227)
Financial instruments (CHF million)			
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	183,719	183,303	416
Loans	31,047	31,517	(470)
Other assets	33,936	35,420	(1,484)
Due to banks and customer deposits	(5,805)	(5,798)	(7)
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(140,424)	(140,436)	12
Short-term borrowings	(8,120)	(8,409)	289
Long-term debt	(107,290)	(107,323)	33
Other liabilities	(3,648)	(3,646)	(2)

¹ There were no non-performing loans 90 days or more past due which were carried at fair value.

Gains and losses on financial instruments

in 2007	Net gains/(losses)
Financial instruments (CHF million)	
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	19,466 ¹
Trading loans	117 ¹
of which related to credit risk	(113)
Other investments	44 ²
Loans	1,345 ¹
of which related to credit risk	(408)
Other assets	955 ¹
of which related to credit risk	(1,264)
Due to banks and customer deposits	(258) ¹
of which related to credit risk	5
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(21,151) ¹
Short-term borrowings	0 ¹
Long-term debt	(5,567) ²
of which related to credit risk	1,038
Other liabilities	(1,402) ²
of which related to credit risk	(1,402)

¹ Primarily recognized in net interest income. ² Primarily recognized in trading revenues.

Book and estimated fair values of financial instruments

end of	2007		2006	
	Book value	Fair value	Book value	Fair value
Financial assets (CHF million)				
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	296,341	296,366	318,572	318,576
Securities received as collateral	28,728	28,728	32,310	32,310
Trading assets	530,125	530,125	449,422	449,422
Investment securities	14,515	14,516	20,304	20,305
Loans	221,570	221,995	190,883	192,160
Other financial assets ¹	220,337	220,328	194,105	194,105
Financial liabilities (CHF million)				
Due to banks and deposits	414,577	418,441	384,924	387,809
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	300,476	300,451	288,442	287,645
Obligation to return securities received as collateral	28,728	28,728	32,310	32,310
Trading liabilities	200,575	200,575	197,936	197,936
Short-term borrowings	14,398	14,396	16,287	16,287
Long-term debt	157,282	157,404	144,021	144,805
Other financial liabilities ²	161,815	161,857	117,370	117,370

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.

32 Assets pledged or assigned

end of	2007	2006
Assets pledged or assigned (CHF million)		
Book value of assets pledged and assigned as collateral	267,493	261,133
of which assets provided with the right to sell or repledge	180,475	200,193
Fair value of collateral received with the right to sell or repledge	619,913	622,761
of which sold or repledged	508,442	508,862
Other information (CHF million)		
Cash restricted under foreign banking regulations	16,220	17,290
Swiss National Bank Liquidity 1 required cash reserves	1,699	1,472

33 Capital adequacy

The Bank, on a consolidated basis, is subject to risk-based capital and leverage guidelines under SFBC and BIS guidelines. These guidelines are used to evaluate risk-based capital adequacy. The Bank has based its capital adequacy calculations on US GAAP, as permitted by SFBC circular 06/8, which replaced SFBC newsletter 32 as of January 1, 2007. The SFBC has advised the Bank that it may continue to include as tier 1 capital CHF 4.8 billion of equity from special purpose

entities which are deconsolidated under FIN 46(R) as of December 31, 2007.

As of December 31, 2007 and 2006, the Bank was adequately capitalized under the regulatory provisions outlined under both SFBC and BIS guidelines.

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

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

end of	2007	2006
Risk-weighted assets (CHF million)		
Risk-weighted positions	259,915	219,927
Market risk equivalents	33,680	12,746
Risk-weighted assets	293,595	232,673
Capital (CHF million)		
Tier 1 capital	32,254	26,600
Tier 2 capital	13,104	13,580
Less reductions	(1,040)	(1,739)
Total capital	44,318	38,441
Capital ratios (%)		
Tier 1 ratio	11.0	11.4
Total capital ratio	15.1	16.5

Broker-dealer operations

Certain Bank broker-dealer subsidiaries are also subject to capital adequacy requirements. As of December 31, 2007, 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, 2007, the Bank was not subject to restrictions on its ability to pay dividends.

34 Litigation

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

35 Significant subsidiaries and associates

Significant subsidiaries

% of equity capital held	Company name	Domicile	Currency	Capital in m
as of December 31, 2007				
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 (Mexico) S.A.	Mexico City, Mexico	MXN	679.4
100	Banco de Investimentos Credit Suisse (Brasil) S.A.	São Paulo, Brazil	BRL	164.8
100	Boston Re Ltd.	Hamilton, Bermuda	USD	2.0
100	Candlewood Capital Partners LLC	Wilmington, United States	USD	0.3
100	Casa de Bolsa Credit Suisse (Mexico) S.A. de C.V.	Mexico City, Mexico	MXN	274.1
100	CJSC Bank Credit Suisse (Moscow)	Moscow, Russia	USD	37.8
100	CND Securitization LLC	Wilmington, United States	USD	183.4
100	Column Canada Financial Corp.	Toronto, Canada	USD	0.0
100	Column Financial, Inc.	Wilmington, United States	USD	0.0
100	Credit Suisse (Australia) Limited	Sydney, Australia	AUD	34.1
100	Credit Suisse (Brasil) Distribuidora de 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) AG	Frankfurt, Germany	EUR	66.0
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	2,258.5
100	Credit Suisse (International) Holding AG	Zug, Switzerland	CHF	42.1
100	Credit Suisse (Italy) S.p.A.	Milan, Italy	EUR	74.6
100	Credit Suisse (Monaco) S.A.M.	Monte Carlo, Monaco	EUR	12.0
100	Credit Suisse (Singapore) Limited	Singapore, Singapore	SGD	621.3
100	Credit Suisse (UK) Limited	London, United Kingdom	GBP	102.3
100 ¹	Credit Suisse (USA), Inc.	Wilmington, United States	USD	0.0
100	Credit Suisse Asia Pacific Services (Singapore) Pte Ltd	Singapore, Singapore	SGD	5.2
100	Credit Suisse Asset Finance Limited	George Town, Cayman Islands	CHF	50.0
100	Credit Suisse Asset Management (Australia) Limited	Sydney, Australia	AUD	0.3
100	Credit Suisse Asset Management (France) S.A.	Paris, France	EUR	31.6
100	Credit Suisse Asset Management (Polska) S.A.	Warsaw, Poland	PLN	5.6
100	Credit Suisse Asset Management (UK) Holding Limited	London, United Kingdom	GBP	14.2
100	Credit Suisse Asset Management Fund Holding (Luxembourg) S.A.	Luxembourg, Luxembourg	CHF	29.6
100	Credit Suisse Asset Management Fund Service (Lux) S.A.	Luxembourg, Luxembourg	CHF	1.5
100	Credit Suisse Asset Management Funds	Zurich, Switzerland	CHF	7.0
100	Credit Suisse Asset Management Funds S.p.A.	Milan, Italy	EUR	5.0
100	Credit Suisse Asset Management Funds UK Limited	London, United Kingdom	GBP	0.5
100	Credit Suisse Asset Management Holding Europe (Luxembourg) S.A.	Luxembourg, Luxembourg	CHF	32.6
100	Credit Suisse Asset Management International Holding	Zurich, Switzerland	CHF	20.0
100	Credit Suisse Asset Management Ltd.	London, United Kingdom	GBP	0.0
100	Credit Suisse Asset Management Limited	Tokyo, Japan	JPY	2,090.0
100	Credit Suisse Asset Management, LLC	Wilmington, United States	USD	485.9
100	Credit Suisse Bond Fund Management Company	Luxembourg, Luxembourg	CHF	0.3

Significant subsidiaries (continued)

% of equity capital held	Company name	Domicile	Currency	Capital in m
100	Credit Suisse Capital LLC	Wilmington, United States	USD	737.6
100	Credit Suisse Energy LLC	Wilmington, United States	USD	0.0
100	Credit Suisse Equities (Australia) Limited	Sydney, Australia	AUD	62.5
100	Credit Suisse Equity Fund Management Company	Luxembourg, Luxembourg	CHF	0.3
100	Credit Suisse Finance (Australia) Limited (formerly known as Credit Suisse First Boston Finance (Australia) Limited)	Sydney, Australia	AUD	10.0
100	Credit Suisse Finance (Guernsey) Limited (formerly known as Credit Suisse First Boston Finance (Guernsey) Ltd.)	St. Peter Port, Guernsey	USD	0.2
100	Credit Suisse Financial Corporation	Wilmington, United States	USD	0.0
100	CSFB Reinsurance Intermediaries LLC	Wilmington, United States	USD	0.0
100	Credit Suisse First Boston (Latam Holdings) LLC	George Town, Cayman Islands	USD	23.8
100	Credit Suisse First Boston Finance B.V.	Amsterdam, The Netherlands	EUR	0.0
100	Credit Suisse First Boston Mortgage Capital LLC	Wilmington, United States	USD	356.6
100	Credit Suisse First Boston RAFT, LLC	Wilmington, United States	USD	0.0
100	Credit Suisse Fund Management S.A.	Luxembourg, Luxembourg	CHF	0.3
100	Credit Suisse Futures (Hong Kong) Limited	Hong Kong, China	HKD	265.8
100	Credit Suisse Holdings (Australia) Limited	Sydney, Australia	AUD	3.0
100	Credit Suisse Holdings (Mauritius) Limited	Port Louis, Mauritius	USD	0.0
100	Credit Suisse Holdings (USA), Inc.	Wilmington, United States	USD	4,185.4
100	Credit Suisse Investment Products (Asia Pacific) Limited	George Town, Cayman Islands	USD	0.0
100	Credit Suisse Leasing 92A, L.P.	New York, United States	USD	85.0
100	Credit Suisse Life & Pensions AG	Vaduz, Liechtenstein	CHF	15.0
100	Credit Suisse Life (Bermuda) Ltd.	Hamilton, Bermuda	USD	1.0
100	Credit Suisse Loan Funding LLC	Wilmington, United States	USD	0.0
100	Credit Suisse Management LLC	Wilmington, United States	USD	896.1
100	Credit Suisse Money Market Fund Management Company	Luxembourg, Luxembourg	CHF	0.3
100	Credit Suisse Portfolio Fund Management Company	Luxembourg, Luxembourg	CHF	0.3
100	Credit Suisse Premium Finance Corp.	Sacramento, United States	USD	0.0
100	Credit Suisse Premium Finance LLC	Wilmington, United States	USD	6.1
100	Credit Suisse Principal Investments Limited	George Town, Cayman Islands	JPY	3,324.0
100	Credit Suisse Private Equity, Inc. (formerly known as Credit Suisse First Boston Private Equity, Inc)	Wilmington, United States	USD	0.0
100	Credit Suisse Securities (Canada), Inc	Toronto, Canada	CAD	3.4
100	Credit Suisse Securities (Europe) Limited	London, United Kingdom	USD	2,150.0
100	Credit Suisse Securities (Hong Kong) Limited	Hong Kong, China	HKD	530.9
100	Credit Suisse Securities (India) Private Limited	Mumbai, India	INR	979.8
100	Credit Suisse Securities (Japan) Ltd.	Tokyo, Japan	JPY	78,100.0
100	Credit Suisse Securities (Singapore) Pte Limited	Singapore, Singapore	SGD	30.0
100	Credit Suisse Securities (Thailand) Limited	Bangkok, Thailand	THB	331.0
100	Credit Suisse Securities (USA) LLC	Wilmington, United States	USD	3,311.8
100	Credit Suisse Capital Funding, Inc. (formerly known as DLJ Capital Funding, Inc)	Wilmington, United States	USD	0.0
100	Credit Suisse Investments (Singapore) LLP	Singapore, Singapore	AUD	5.5

Significant subsidiaries (continued)

% of equity capital held	Company name	Domicile	Currency	Capital in m
100	CS Non-Traditional Products Ltd.	Nassau, Bahamas	USD	0.1
100	DLJ Capital Corporation	Wilmington, United States	USD	4.0
100	DLJ International Capital	George Town, Cayman Islands	USD	0.0
100	DLJ Mortgage Capital, Inc.	Wilmington, United States	USD	0.0
100	Glenstreet Corporation N.V.	Curaçao, Netherlands Antilles	GBP	20.0
100	J O Hambro Investment Management Limited	London, United Kingdom	GBP	0.0
100	Lime Financial Services, Ltd.	Oregon, United States	USD	1.4
100	Pearl Investment Management Limited	Nassau, Bahamas	USD	0.1
100	SPS Holding Corporation	Wilmington, United States	USD	0.1
100	Swiss American Corporation	New York, United States	USD	38.9
80	Column Guaranteed LLC	Wilmington, United States	USD	32.4
80 ²	Credit Suisse International	London, United Kingdom	USD	1,611.1
78	Park Acquisitions Limited	Cardiff, United Kingdom	GBP	0.3
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
0 ⁵	Credit Suisse EBC AG	Zurich, Switzerland	CHF	1.7

¹ 43% of voting rights held by Credit Suisse Group, Guernsey Branch. ² Remaining 20% held directly by Credit Suisse Group. ³ Remaining 42% held directly by Credit Suisse Group. ⁴ Majority interest. ⁵ 100% owned by Credit Suisse Group, but consolidated into Credit Suisse under FIN 46.

Significant associates (value according to the equity method)

Equity interest in %	Company name	Domicile
as of December 31, 2007		
8 ¹	Absolute Invest Ltd. (formerly known as Absolute US AG)	Zug, Switzerland
29	Asian Diversified Total Return Limited Duration Company	George Town, Cayman Islands
25	E.L. & C. Baillieu Stockbroking Ltd.	Melbourne, Australia
25	ICBC Credit Suisse Asset Management Company Ltd.	Beijing, China
19 ¹	SIS Swiss Financial Services Group AG	Zurich, Switzerland
17 ¹	Telekurs Holding AG, Zurich	Zurich, Switzerland
34	USFR Limited Duration Company	George Town, Cayman Islands
30	Woori Credit Suisse Asset Management Co., Ltd.	Seoul, South Korea

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

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

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

Controls and procedures

Evaluation of disclosure controls and procedures

The Bank has evaluated the effectiveness of the design and operation of its disclosure controls and procedures as of the end of the period covered by this report under the supervision and with the participation of management, including the Bank CEO and CFO, pursuant to Rule 13(a)-15(e) under the Securities Exchange Act of 1934 (the Exchange Act). The Bank identified a material weakness in internal control over financial reporting as of December 31, 2007 described below. As a result of this material weakness, the Bank CEO and CFO concluded that, as of the end of the period covered by this report, the operation of the Bank's disclosure controls and procedures were not effective. For further information on the Bank's identification of mismarks and pricing errors by a small number of traders and the related internal review, see II – Operating and financial review – Credit Suisse – Revaluing of certain asset-backed securities positions.

Notwithstanding the existence of this material weakness in internal control over financial reporting, the Bank confirms that its consolidated financial statements in this Annual Report fairly present, in all material respects, the Bank's consolidated financial condition as of December 31, 2007 and 2006, and its consolidated results of operations and cash flows for the years ended December 31, 2007, 2006 and 2005, in conformity with US GAAP.

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 the 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, 2007 using the criteria issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in "Internal Control – Integrated Framework". A material weakness is a deficiency or combination of deficiencies in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Bank's financial statements will not be prevented or detected on a timely basis. The Bank's management has concluded that, as of December 31, 2007, the following material weakness existed.

As of December 31, 2007, the controls over the valuation of ABS positions in the CDO trading business in Investment Banking relating to the supervision and monitoring of the initial valuations of these positions by trading personnel and the related price testing and supervision by product control, which is segregated from trading, were not effective. The Bank's price testing of these positions included modeling techniques that failed to accurately value these positions. This resulted in adjustments to the Bank's preliminary 2007 consolidated financial statements.

As a result of this material weakness in internal control, management, including the Bank CEO and CFO, has concluded that the Bank's internal control over financial reporting was not effective as of December 31, 2007.

The effectiveness of the Bank's internal control over financial reporting as of December 31, 2007 has been audited by KPMG Klynveld Peat Marwick Goerdeler SA, the Bank's independent auditors, as stated in their report, which follows.

Remediation

In connection with the completion of the Bank's internal review, the Bank has been actively engaged in the development and implementation of a remediation plan to address this material weakness in internal control over financial reporting. The Bank has reassigned trading responsibility for the CDO trading business and is enhancing related control processes. The Bank's remediation plan also includes improving the effectiveness of supervisory reviews, formalizing escalation procedures, improving the coordination among trading, product control and risk management, adding additional resources, improving training and enhancing the tools and other technical resources available to our personnel.

The Executive Board continues to assign the highest priority to the prompt remediation of this material weakness and reports regularly on these remediation efforts to the Bank Audit Committee and Board of Directors.

Notwithstanding the existence of this material weakness in internal control over financial reporting, the Bank has performed alternative procedures since mid-February 2008, including an extensive review of the valuations of these positions in its CDO trading business as of December 31, 2007, led by senior personnel. The Bank is confident that as a result of the alternative procedures performed, the Bank's financial statements in this Annual Report are fairly presented, in all material respects, in conformity with US GAAP.

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. For changes in internal control over financial reporting subsequent to the report date, see the changes described above.



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Report of the Group Auditors and the Independent Registered Public Accounting Firm to the General Meeting of
Credit Suisse, Zurich

We have audited Credit Suisse and subsidiaries' (the "Bank") internal control over financial reporting as of December 31, 2007, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Bank's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Bank's internal control over financial reporting based on our audit.

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

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

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

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. The following material weakness has been identified and included in management's assessment: controls over the valuation of asset-backed securities positions in the collateralized debt obligations trading business in Investment Banking relating to the supervision and monitoring of the initial valuations of these positions by trading personnel and the related price testing and supervision by product control, which is segregated from trading, were not effective. 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, 2007 and 2006, and the related consolidated statements of income, changes in shareholder's equity, comprehensive income, and cash flows, and notes thereto, for each of the years in the three-year period ended December 31, 2007. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the 2007 consolidated financial statements, and this report does not affect our report dated March 18, 2008, which expressed an unqualified opinion on those consolidated financial statements.

In our opinion, because of the effect of the aforementioned material weakness on the achievement of the objectives of the control criteria, the Bank has not maintained effective internal control over financial reporting as of December 31, 2007, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We do not express an opinion or any other form of assurance on management's statements referring to corrective actions taken after December 31, 2007, relative to the aforementioned material weakness in internal control over financial reporting.

KPMG Klynveld Peat Marwick Goerdeler SA

David L. Jahnke
 Auditor in Charge

Robert S. Overstreet

Zurich, Switzerland
 March 18, 2008

VIII

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Report of the Statutory Auditors to the General Meeting of

Credit Suisse, Zurich

As statutory auditors of Credit Suisse, we have audited the accounting records and the financial statements (income statement, balance sheet and notes) for the year ended December 31, 2007.

These financial statements are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with Swiss Auditing Standards, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accounting records and financial statements and the proposed appropriation of retained earnings comply with Swiss law and Credit Suisse's Articles of Association.

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

KPMG Klynveld Peat Marwick Goerdeler SA

Philipp Rickert
Auditor in Charge

Hieronymus T. Dormann

Zurich, Switzerland
March 18, 2008

Financial review

The Credit Suisse (Bank) Parent company (the Parent company) recorded net operating income of CHF 12,804 million in 2007, compared to CHF 12,122 million in 2006. After deduction of operating expenses totaling CHF 6,893 million, representing a decrease of 2% in comparison with 2006, gross operating profit was CHF 824 million, or 16%, higher than in 2006 and amounted to CHF 5,911 million.

Depreciation of non-current assets of CHF 1,251 million, and valuation adjustments, provisions and losses of CHF 514 million, resulted in profit before extraordinary items and taxes of CHF 4,146 million. The Parent company recorded net profit of CHF 3,625 million in 2007, reflecting a decrease of CHF 62 million, or 2%, compared to 2006.

Net interest income for 2007 decreased CHF 34 million, or 1%, to CHF 4,755 million compared to 2006. Net commission and service fee activities increased CHF 840 million, or 17%, to CHF 5,695 million. Net trading income increased CHF 434 million, or 39%, to CHF 1,554 million compared to

2006. The Parent company reported net other ordinary income of CHF 800 million, a decrease of CHF 558 million, or 41%, compared to 2006.

Operating expenses were down CHF 142 million, or 2%, to CHF 6,893 million compared to 2006. Personnel expenses increased by CHF 218 million, or 4%, to CHF 5,205 million. Property, equipment and administrative costs totaled CHF 1,688 million, a decrease of CHF 360 million, or 18%, compared to 2006.

Depreciation of non-current assets amounted to CHF 1,251 million, an increase of CHF 796 million, or 175%, compared to 2006. Valuation adjustments, provisions and losses amounted to CHF 514 million compared to CHF 30 million in 2006.

At the AGM on April 25, 2008, the registered shareholders will be asked to approve the Board of Directors' proposed appropriation of retained earnings, which includes a dividend of CHF 2,600 million.

Statements of income

	Reference to notes	in
	2007	2006
Interest income (CHF million)		
Interest and discount income	27,470	18,474
Interest and dividend income from trading portfolio	2,190	1,957
Interest and dividend income from financial investments	137	909
Interest expense	(25,042)	(16,551)
Net interest income	4,755	4,789
Commission and service fee activities (CHF million)		
Commission income from lending transactions	854	573
Securities and investment commissions	4,859	4,200
Other commission and fee income	704	538
Commission expense	(722)	(456)
Net commission and service fee activities	5,695	4,855
Net trading income	3	1,120
Other ordinary income (CHF million)		
Income from the disposal of financial investments	451	160
Income from participations	855	933
Income from real estate	33	38
Other ordinary income	362	437
Other ordinary expenses	(901)	(210)
Net other ordinary income	800	1,358
Net operating income	12,804	12,122
Operating expenses (CHF million)		
Personnel expenses	5,205	4,987
Property, equipment and administrative costs	1,688	2,048
Total operating expenses	6,893	7,035
Gross operating profit	5,911	5,087
Depreciation of non-current assets	1,251	455
Valuation adjustments, provisions and losses	514	30
Profit before extraordinary items and taxes	4,146	4,602
Extraordinary income	3	308
Extraordinary expenses	3	0
Taxes	(829)	(959)
Net profit	3,625	3,687

Balance sheets

	Reference to notes	2007	end of 2006
Assets (CHF million)			
Cash and other liquid assets		4,027	2,193
Money market papers		9,177	2,238
Due from banks		247,714	247,234
Due from customers		241,880	143,258
Mortgages		96,256	88,851
Securities and precious metals trading portfolio		58,288	36,925
Financial investments		8,198	27,308
Participations		17,827	17,820
Tangible fixed assets		2,911	2,837
Intangible assets		806	1,274
Accrued income and prepaid expenses		4,246	3,082
Other assets		24,272	16,006
Total assets		715,602	589,026
of which subordinated assets		534	333
of which assets in respect of participations and qualified shareholders		368,907	289,304
Liabilities and shareholder's equity (CHF million)			
Liabilities in respect of money market papers		61,546	56,271
Due to banks		204,934	180,427
Due to customers, savings and investment deposits		32,943	35,220
Due to customers, other deposits		286,970	207,322
Medium-term notes		941	710
Bonds and mortgage-backed bonds		60,127	50,490
Accrued expenses and deferred income		8,367	7,144
Other liabilities		19,995	16,282
Valuation adjustments and provisions	7	1,527	523
Total liabilities		677,350	554,389
Share capital	8	4,400	4,400
General legal reserves		18,849	18,849
Other reserves		610	610
Retained earnings carried forward		10,768	7,091
Net profit		3,625	3,687
Total shareholder's equity	10	38,252	34,637
Total liabilities and shareholder's equity		715,602	589,026
of which subordinated liabilities		17,776	15,056
of which liabilities in respect of participations and qualified shareholders		156,730	98,936

Off-balance sheet business

end of	2007	2006
CHF million		
Contingent liabilities	151,983	71,483
Irrevocable commitments	108,950	109,399
Liabilities for calls on shares and other equity instruments	18	18
Confirmed credits	183	374
Fiduciary transactions	30,185	29,535
Derivative financial instruments (CHF million)		
Gross positive replacement values	59,377	33,177
Gross negative replacement values	55,029	32,311
Contract volume	4,485,016	3,368,836

The company belongs to the Swiss value-added tax group of Credit Suisse Group, and thus carries joint liability to the Swiss federal tax authority for value-added tax debts of the entire Group.

Contingent liabilities to other Bank entities include guarantees for obligations, performance-related guarantees and letters of comfort issued to third parties. Contingencies with a stated amount are included in the off-balance sheet section of the financial statements. In some instances, the Bank Parent company's exposure is not defined as an amount but relates to

specific circumstances as the solvability of subsidiaries or the performance of a service.

Further, as shareholder of Credit Suisse International, an unlimited company incorporated in England and Wales, the Bank Parent company has a joint and several unlimited obligations to meet any insufficiency in the assets in the event of liquidation.

Notes to the financial statements

1 Description of business activities

The Bank Parent company is a Swiss Bank with total assets of CHF 715.6 billion and shareholder's equity of CHF 38.3 billion as of December 31, 2007.

The Bank is a 100% subsidiary of Credit Suisse Group. For a description of its business activities, refer to I – Information on the company.

2 Accounting and valuation policies

Basis for accounting

The Bank Parent company's stand alone financial statements are prepared in accordance with the accounting rules of the Swiss Federal Law on Banks and Savings Banks, the respective Implementing Ordinance and the Federal Banking Commission Guidelines (Swiss GAAP statutory).

The Bank's consolidated financial statements are prepared in accordance with US GAAP. For a detailed description of the Bank's accounting and valuation principles, refer to Note 1 – Summary of significant accounting policies in VII – Consolidated financial statements – Credit Suisse (Bank).

For significant valuation and income recognition differences between US GAAP and Swiss GAAP (true and fair view), refer to Note 36 – Significant valuation and income recognition differences between US GAAP and Swiss GAAP (true and fair view) in VII – Consolidated financial statements – Credit Suisse (Bank). Additional differences between US GAAP and Swiss GAAP statutory are stated below and should be read in conjunction with Note 1 – Summary of significant accounting policies in VII – Consolidated financial statements – Credit Suisse (Bank).

Foreign currency translations

For US GAAP purposes, foreign currency translation adjustments for available-for-sale securities are reported in accumulated other comprehensive income/(loss), which is part of total shareholder's equity, whereas for Swiss GAAP statutory they are included in the income statement.

Share-based compensation

Under US GAAP, share-based compensation plans are treated as equity awards. Under Swiss GAAP statutory, such plans are treated as liability awards.

Derivatives used for hedging purposes

Cash flow hedges

For US GAAP purposes, the effective portion of a cash flow hedge is reported in accumulated other comprehensive income. For Swiss GAAP statutory purposes, the effective portion of a cash flow hedge is reported in the compensation account, which is part of other assets or other liabilities.

Fair value hedges

Under US GAAP, the full amount of unrealized losses on derivatives classified as hedging instruments and the corresponding gains on available-for-sale securities as hedged items are recognized in income. Under Swiss GAAP statutory, the amount representing the portion above historical cost of financial investments as hedged item is recorded in the compensation account.

Deferred taxes

US GAAP allows the recognition of deferred tax assets on net operating loss carry forwards. Such recognition is not allowed for Swiss GAAP statutory purposes.

Participations

The portfolio valuation method is applied to the participation positions.

Undisclosed reserves

Unlike US GAAP, Swiss GAAP statutory financial statements may include and be influenced by undisclosed reserves. Undisclosed reserves arise from economically unnecessary write-downs on fixed assets and participations or through market-related price increases, which are not reflected in the income statement. Such undisclosed reserves arise from recording excessive provisions and loan loss reserves. In addition, such

undisclosed reserves arise if provisions and loan reserves, which are no longer necessary, are not written back to income.

Notes on risk management

For information on the Bank Parent company's policy with regard to risk management and the use of financial deriva-

tives, refer to III – Balance sheet, Off-balance sheet, Treasury and Risk and Note 28 – Derivatives and hedging activities in VII – Consolidated financial statements – Credit Suisse (Bank).

3 Additional information on the parent company income statement

in	2007	2006
Net trading income (CHF million)		
Income/(loss) from trading in interest-related instruments	(1,015)	471
Income/(loss) from trading in equity instruments	248	(507)
Income from foreign exchange and banknote trading	1,837	1,325
Income from precious metal trading	43	53
Other gain/(loss) from trading	441	(222)
Total net trading income	1,554	1,120

in	2007	2006
Extraordinary income and expenses (CHF million)		
Gains realized on the disposal of participations	308	12
Other extraordinary income	0	137
Extraordinary income	308	149
Losses realized on the disposal of participations	0	(105)
Extraordinary expenses	0	(105)
Total net extraordinary income and expenses	308	44

4 Pledged assets and assets under reservation of ownership

end of	2007	2006
Pledged assets and assets under reservation of ownership (CHF million)		
Assets pledged and assigned as collateral	15,017	4,171
Actual commitments secured	2,481	1,586

5 Securities borrowing and securities lending, repurchase and reverse repurchase agreements

end of	2007	2006
Securities borrowing and securities lending, repurchase and reverse repurchase agreements (CHF million)		
Due from banks	36,649	34,486
Due from customers	17,434	26,774
Cash collateral due from securities borrowed and reverse repurchase agreements	54,083	61,260
Due to banks	32,915	32,522
Due to customers	1,202	4,098
Cash collateral due to securities lent and repurchase agreements	34,117	36,620
Carrying value of securities transferred under securities lending and borrowing and repurchase agreements	11,343	5,646
of which transfers with the right to repledge or resell	11,343	5,646
Fair value of securities received under securities lending and borrowing and reverse repurchase agreements with the right to sell or repledge	173,326	165,143
of which resold or repledged	127,582	108,066

6 Liabilities due to own pension plans

Liabilities due to the Bank Parent company's own pension funds as of December 31, 2007 and 2006 of CHF 668 million and CHF 764 million, respectively, are reflected in various liability accounts in the Bank Parent company's balance sheets.

7 Valuation adjustments and provisions

in	Total 2006	Specific write-downs	Recoveries, endangered interest, currency differences	New charges to income statement	Releases to income statement	Total 2007
Valuation adjustments and provisions (CHF million)						
Provisions for deferred taxes	140	0	1	129	(1)	269
Valuation adjustments and provisions for default risks	1,187	(215)	25	266	(295)	968
Valuation adjustments and provisions for other risks ¹	111	(16)	(3)	28	(16)	104
Other provisions ^{2,3}	272	(39)	(12)	1,027	(94)	1,154
Subtotal	1,570	(270)	10	1,321	(405)	2,226
Total valuation adjustments and provisions	1,710	(270)	11	1,450	(406)	2,495
Less direct charge-offs against specific assets	(1,187)					(968)
Total valuation adjustments and provisions as shown in the balance sheet	523					1,527

¹ Provisions are not discounted due to short-term nature. ² Provisions in respect of litigation claims were CHF 50 million and CHF 87 million as of December 31, 2007 and 2006, respectively. ³ No provisions for defined benefit pension cost included.

8 Composition of share capital and authorized capital

	2007		2006	
	Quantity	Total nominal value CHF million ¹	Quantity	Total nominal value CHF million ¹
Registered shares (at CHF 100)				
Capital on January 1	43,996,652	4,400	43,996,652	4,400
Capital on December 31	43,996,652	4,400	43,996,652	4,400

¹ The dividend eligible capital equals the total nominal value.

9 Major shareholders and groups of shareholders

end of	2007			2006		
	Quantity	Total nominal value CHF million	Share %	Quantity	Total nominal value CHF million	Share %
Major shareholders and groups of shareholders						
Credit Suisse Group ¹	43,996,652	4,400	100%	43,996,652	4,400	100%

¹ Credit Suisse Group was informed through disclosure notifications on September 19 and 20, 2006 that AXA S.A.'s holdings of Credit Suisse Group shares have exceeded 5% of the voting rights entered in the Commercial Register. All outstanding shares have the same voting rights.

10 Shareholder's equity

	2007	2006
Shareholder's equity (CHF million)		
Share capital	4,400	4,400
General legal reserves	18,849	18,624
Other reserves	610	610
Retained earnings	10,778	9,977
of which carried forward from previous year	7,091	6,469
of which net annual profit	3,687	3,508
Total shareholder's equity as of January 1	34,637	33,611
Other changes	0	(191) ¹
Dividend	(10)	(2,470)
Net annual profit	3,625	3,687
Total shareholder's equity as of December 31 (before profit allocation)	38,252	34,637
Share capital	4,400	4,400
General legal reserves	18,849	18,849
Other reserves	610	610
Retained earnings	14,393	10,778
of which carried forward from previous year	10,768	7,091
of which net annual profit	3,625	3,687
Total shareholder's equity as of December 31 (before profit allocation)	38,252	34,637

¹ Movements in equity due to the transfer of assets and liabilities.

11 Assets from and liabilities to affiliated companies and loans to members of the Bank parent company's governing bodies

end of	2007	2006
Assets from and liabilities to affiliated companies and loans to members of the parent company's governing bodies (CHF million)		
Assets from affiliated companies	8,367	6,218
Liabilities to affiliated companies	21,393	6,388
Loans to members of the parent company's governing bodies	36	43

12 Significant transactions with related parties

Transactions with related parties (such as securities transactions, payment transfer services, borrowings and compensation for deposits) are carried out at arm's length.

13 Fire insurance value of tangible fixed assets

end of	2007	2006
Fire insurance value of tangible fixed assets (CHF million)		
Real estate	3,115	3,033
Other fixed assets	396	346

14 Liabilities for future payments in connection with operating leases

end of	2007	2006
Liabilities for future payments in connection with operating leases (CHF million)		
Total	902	819

15 Fiduciary transactions

end of	2007	2006
Fiduciary transactions (CHF million)		
Fiduciary placements with third-party institutions	30,183	29,457
Fiduciary placements with affiliated and associated banks	0	76
Fiduciary loans and other fiduciary transactions	2	2
Total fiduciary transactions	30,185	29,535

16 Number of employees

end of	2007	2006
Number of employees (full-time equivalents)		
Switzerland	17,400	17,100
Abroad	4,400	3,400
Total number of employees	21,800	20,500

17 Foreign currency translation rates

in / end of	2007	2006
Average rate		
1 USD / 1 CHF	1.20	1.25
1 EUR / 1 CHF	1.64	1.57
1 GBP / 1 CHF	2.40	2.31
100 JPY / 1 CHF	1.02	1.08
Closing rate		
1 USD / 1 CHF	1.13	1.22
1 EUR / 1 CHF	1.66	1.61
1 GBP / 1 CHF	2.25	2.40
100 JPY / 1 CHF	1.00	1.03

18 Outsourcing of services

Where the outsourcing of services through agreements with external service providers is considered significant under the terms of Swiss Federal Banking Commission Circular 99/2 "Outsourcing," those agreements comply with all regulatory

requirements with respect to business and banking secrecy, data protection and customer information. At the Bank, outsourcing of services is in compliance with Circular 99/2.

Proposed appropriation of retained earnings

end of	2007
Retained earnings (CHF million)	
Retained earnings carried forward	10,768
Net annual profit	3,625
Retained earnings available for appropriation	14,393
Dividend	2,600
Allocations to general legal reserves	239
Balance to be carried forward	11,554

APPENDIX 5 – LEGAL PROCEEDINGS INFORMATION EXTRACTED FROM CREDIT SUISSE GROUP ANNUAL REPORT 2007

We are a wholly owned subsidiary of Credit Suisse Group. We have extracted the section headed “Legal proceedings” (pages 370 – 374) from Credit Suisse Group Annual Report 2007 in this Appendix 5. References to page numbers in this Appendix 5 are to the pages in Credit Suisse Group Annual Report 2007 and not to the pages in this document.

Legal proceedings

The Group is involved in a number of judicial, regulatory and arbitration proceedings concerning matters arising in connection with the conduct of its businesses. Some of these actions have been brought on behalf of various classes of claimants and seek damages of material and/or indeterminate amounts. The Group believes, based on currently available information and advice of counsel, that the results of such proceedings, in the aggregate, will not have a material adverse effect on its financial condition but might be material to operating results for any particular period, depending, in part, upon the operating results for such period. In respect of each of the matters described below, each of which consists of a number of claims, it is the Group's belief that the reasonably possible losses relating to such claims in excess of its provisions are either not material or not estimable.

It is inherently difficult to predict the outcome of many of these matters. In presenting the consolidated financial statements, management makes estimates regarding the outcome of these matters, records a reserve and takes a charge to income when losses with respect to such matters are probable and can be reasonably estimated. Estimates, by their nature, are based on judgment and currently available information and involve a variety of factors, including, but not limited to, the type and nature of the litigation, claim or proceeding, the progress of the matter, the advice of legal counsel, the Group's defenses and its experience in similar cases or proceedings, as well as its assessment of matters, including settlements, involving other defendants in similar or related cases or proceedings.

South Africa litigation

Two purported class action lawsuits were filed in the US District Court for the Southern District of New York (SDNY), in June 2002 and August 2002, respectively, alleging that Credit Suisse Group and numerous other defendants are liable under international and US law by virtue of having conducted business in South Africa during the apartheid era prior to 1995. In one of these cases, the complaint has since been amended to delete the Group as a defendant. In addition, another case that is not a class action was filed in the US District Court for the Eastern District of New York (EDNY) in November 2002 in respect of the same allegations. These cases (and similar cases against others) have been transferred to the SDNY for coordinated pre-trial proceedings. The Group has been served

with process in the non-class action case, and joined in a motion to dismiss that case. Motions to dismiss these three cases were fully briefed and argued. Both the South African government and the US government filed papers supporting dismissal of the plaintiffs' claims. In November 2004, the court granted the motions to dismiss. Plaintiffs in all three cases appealed to the US Court of Appeals for the Second Circuit (Second Circuit). The appeal was argued in early 2006. On October 12, 2007, the Second Circuit issued a decision that vacated, in part, the district court's decision. The Second Circuit remanded the matter back to the SDNY for further proceedings. On January 10, 2008, the defendants filed a petition for certiorari with the US Supreme Court seeking reversal of the Second Circuit's decision. The US has filed a brief *amicus curiae* in support of the petition for certiorari.

A related case that is not a class action was filed in the EDNY in March 2003 and names a number of corporate defendants, including Credit Suisse, which has been served. This case was transferred to the SDNY and has effectively been stayed pending resolution of matters in the cases discussed above.

Litigation relating to IPO allocation

Since January 2001, Credit Suisse Securities (USA) LLC (CSS LLC), one of its affiliates and several other investment banks have been named as defendants in a large number of putative class action complaints filed in the SDNY concerning IPO allocation practices. In April 2002, the plaintiffs filed consolidated amended complaints alleging various violations of the federal securities laws resulting from alleged material omissions and misstatements in registration statements and prospectuses for the IPOs and, in some cases, follow-on offerings, and with respect to transactions in the aftermarket for those offerings. The complaints contain allegations that the registration statements and prospectuses either omitted or misrepresented material information about commissions paid to investment banks and aftermarket transactions by certain customers that received allocations of shares in the IPOs. The complaints also allege that misleading analyst reports were issued to support the issuers' allegedly manipulated stock price and that such reports failed to disclose the alleged allocation practices or that analysts were allegedly subject to conflicts of interest. In October 2004, the SDNY granted in substantial part plaintiffs' motion for class certification in each of

six "focus" cases. The SDNY stated that the order "is intended to provide strong guidance, if not dispositive effect, to all parties when considering class certification in the remaining actions." In June 2005, the Second Circuit granted the underwriter defendants permission to appeal the class certification order. In June 2006, the Second Circuit heard oral argument on the underwriter defendants' appeal. In December 2006, the Second Circuit vacated the SDNY's decision and ruled that the cases pending on appeal "may not be certified as class actions." In January 2007, the plaintiffs in the six focus cases filed a petition for rehearing with the Second Circuit. On April 6, 2007, the Second Circuit denied the petition for rehearing and, on May 30, 2007, issued the mandate remanding the case to the SDNY for further proceedings. On August 14, 2007, the plaintiffs filed amended complaints in this matter, and, on September 27, 2007, filed new motions for class certification in the six focus cases. On November 14, 2007, the underwriter defendants filed a motion to dismiss the amended complaints, and, on December 21, 2007, filed their opposition to plaintiffs' new motions for class certification.

Separately, in February 2005, the SDNY preliminarily approved a settlement between plaintiffs and the issuer defendants and the issuers' officers and directors. On June 28, 2007, in light of the Second Circuit's decision vacating class certification, the SDNY so ordered and approved a stipulation between plaintiffs and the issuer defendants terminating that settlement agreement.

Since March 2001, CSS LLC and several other investment banks have been named as defendants in a number of putative class actions filed with the SDNY, alleging violations of the federal and state antitrust laws in connection with alleged practices in allocation of shares in IPOs in which such investment banks were a lead or co-managing underwriter. The amended complaint in these lawsuits, which have now been consolidated into a single action, alleges that the underwriter defendants engaged in an illegal antitrust conspiracy to require customers, in exchange for IPO allocations, to pay non-competitively determined commissions on transactions in other securities, to purchase an issuer's shares in follow-on offerings and to commit to purchase other less desirable securities. The complaint also alleges that the underwriter defendants conspired to require customers, in exchange for IPO allocations, to agree to make aftermarket purchases of the IPO securities at a price higher than the offering price, as a precondition to receiving an allocation. These alleged "tie-in" arrangements are further alleged to have artificially inflated the market price for the securities. In November 2003, the SDNY dismissed the action with prejudice as to all defendants. In September 2005, the Second Circuit vacated the SDNY's dismissal of the action and remanded the case to the SDNY for

further proceedings. The underwriter defendants filed a motion in the Second Circuit to stay the issuance of the mandate remanding the cases to the SDNY pending the filing of a petition for writ of certiorari to the US Supreme Court, which was granted. In March 2006, the underwriter defendants filed a petition for a writ of certiorari, and that petition was granted by the US Supreme Court in December 2006. On June 18, 2007, the US Supreme Court reversed the Second Circuit's decision and ruled, on the grounds of implied immunity, that this case could not proceed any further.

Research-related litigation

Putative class action lawsuits were filed against CSS LLC in the wake of publicity surrounding the 2002 industry-wide governmental and regulatory investigations into research analyst practices. Currently, two federal class action cases are pending, one in the SDNY and one in the US District Court for the District of Massachusetts. These cases were brought on behalf of purchasers of shares of Lantronix, Inc. and AOL Time Warner Inc., respectively. In November 2006, the SDNY certified a class in the Lantronix, Inc. action. CSS LLC subsequently moved for reconsideration, and, on February 26, 2008, the SDNY decertified that class. A motion for class certification was filed in the AOL Time Warner Inc. action in March 2007.

Enron-related litigation and inquiries

Numerous actions have been filed against CSS LLC and certain affiliates relating to Enron Corp. or its affiliates (Enron). In April 2002, CSS LLC and certain of its affiliates and certain other investment banks were named as defendants along with, among others, Enron, Enron executives and directors and external law and accounting firms in a putative class action complaint filed in the US District Court for the Southern District of Texas (Newby, et al. v. Enron, et al.). The Newby action was filed by purchasers of Enron securities and alleges violations of the federal securities laws. In May 2003, the lead plaintiff in Newby filed an amended complaint that, among other things, named as defendants additional Credit Suisse entities, expanded the putative class to include purchasers of certain Enron-related securities and alleged additional violations of the federal securities laws. In June 2006, the Credit Suisse entities filed a motion for summary judgment to dismiss the action, which is pending. In July 2006, the court certified a class in the action. The Credit Suisse entities and other defendants appealed this class certification decision to the US

Court of Appeals for the Fifth Circuit (Fifth Circuit), and oral argument was held in February 2007. In a decision on March 19, 2007, the Fifth Circuit reversed the class certification decision, rejected plaintiffs' scheme liability theory and remanded the matter back to the district court "for further proceedings as appropriate." In light of this decision, the district court stayed all proceedings in this matter while the plaintiffs pursued a petition for writ of certiorari in the US Supreme Court.

In January 2008, the Supreme Court denied plaintiffs' certiorari petition, and thus left standing the Fifth Circuit's ruling and remanding the case to the district court. The district court has ordered the parties to file supplemental briefs on the pending summary judgment motions, addressing the impact of the Fifth Circuit's ruling and of a recent decision by the Supreme Court in a similar but unrelated case in which the Supreme Court also rejected plaintiffs' scheme liability theory.

In April 2005, the bank defendants in the Newby action, including CSS LLC and its affiliates, filed a cross-claim against Arthur Andersen LLP and cross-claims or third-party claims against certain former Enron executives, for contribution in the event that the bank defendants are found liable on any of the plaintiffs' claims.

Several remaining actions filed against CSS LLC and certain of its affiliates and other parties have been consolidated or coordinated with the Newby action. In four of those cases, plaintiffs have filed amended complaints, and CSS LLC and other defendants have moved, or will move, to dismiss. Several actions against Arthur Andersen LLP, CSS LLC and its affiliates and other parties have been dismissed with prejudice, and plaintiffs in those cases are appealing the dismissals to the Fifth Circuit. In addition, the district court denied a motion by several would-be plaintiffs for leave to file complaints; the appeal of that denial is also pending in the Fifth Circuit.

In December 2001, Enron filed a petition for Chapter 11 relief in the US Bankruptcy Court for the Southern District of New York. In November 2003, a court-appointed bankruptcy examiner filed a final report that contained the examiner's conclusions with respect to several parties, including CSS LLC and certain of its affiliates. Enron subsequently brought four adversary proceedings against CSS LLC and certain of its affiliates seeking to recoup money allegedly owed to the bankruptcy estate. All of those adversary proceedings have now been settled.

CSS LLC and certain of its affiliates have received periodic requests for information and/or subpoenas from certain governmental and regulatory agencies, including the Enron Task Force (a joint task force of the US Department of Justice and the SEC), regarding Enron and its affiliates. CSS LLC and its affiliates have cooperated with such inquiries and requests.

NCFE-related litigation

Since February 2003, lawsuits have been filed against CSS LLC with respect to services that it provided to National Century Financial Enterprises, Inc. and its affiliates (NCFE). From January 1996 to May 2002, CSS LLC acted as a placement agent for bonds issued by NCFE that were to be collateralized by health-care receivables and, in July 2002, as a placement agent for a sale of NCFE preferred stock. NCFE filed for bankruptcy protection in November 2002. In these lawsuits, which have since been consolidated in the US District Court for the Southern District of Ohio and are known as the MDL cases, investors in NCFE's bonds and preferred stock have sued numerous defendants, including the founders and directors of NCFE, the trustees for the bond issuances, NCFE's auditors and law firm, the ratings agencies that rated NCFE's bonds and NCFE's placement agents, including CSS LLC. The allegations include claims for breach of contract, negligence, fraud and violation of federal and state securities laws. CSS LLC filed motions to dismiss these cases. On December 19, 2007, the district court denied, in large part, CSS LLC's motions to dismiss, allowing most of the investor claims to proceed.

In addition, in November 2004, the trust created through NCFE's confirmed bankruptcy plan commenced two actions against CSS LLC and certain affiliates. The trust filed an action in the US District Court for the Southern District of Ohio asserting common law claims similar to those asserted in the MDL cases against several of the same defendants and it also alleged statutory claims under the Ohio Corrupt Practices Act, claims for professional negligence and claims under the US Bankruptcy Code. CSS LLC and its affiliates have filed a motion to dismiss that action. The trust also filed an action in the US Bankruptcy Court for the Southern District of Ohio objecting to the proofs of claim filed by CSS LLC and its affiliates in NCFE's bankruptcy and seeking disgorgement of amounts previously distributed to CSS LLC and its affiliates under the bankruptcy plan. CSS LLC and its affiliates have answered that complaint.

A claims trust also commenced a suit in the bankruptcy court against certain affiliates of Credit Suisse seeking to recover an alleged preference payment from NCFE prior to its bankruptcy filing. A settlement was reached in this matter in August 2006.

Refco-related litigation

In October 2005, CSS LLC was named, along with other financial services firms, accountants, officers, directors and

controlling persons, as a defendant in several federal class action lawsuits filed in the SDNY relating to Refco Inc. The actions allege violations of the disclosure requirements of the federal securities laws in connection with a Refco notes offering in August 2004 and Refco's IPO in August 2005. The actions have been consolidated into the matter *In re Refco, Inc. Securities Litigation*. In July 2006, CSS LLC and certain other defendants filed a motion to dismiss plaintiffs' claims related to the Refco notes offering in 2004. The SDNY subsequently granted that motion and dismissed the case. In December 2007, the plaintiffs filed an amended complaint in which they named additional defendants and again alleged, against CSS LLC and others, violations of the disclosure requirements of the federal securities laws in connection with the August 2004 debt offering and the August 2005 IPO. On February 1, 2008, CSS LLC and certain other defendants moved to dismiss portions of the amended complaint.

In August 2007, CSS LLC was named, along with other financial services firms, accountants, officers, directors and controlling persons, as a defendant in a lawsuit filed in Illinois state court on behalf of the estate of Refco Inc. and certain of its affiliates. The lawsuit asserts claims against CSS LLC for aiding and abetting breaches of fiduciary duty by Refco insiders in connection with Refco's August 2004 notes offering and August 2005 IPO. The lawsuit also asserts claims against CSS LLC for professional malpractice and negligent misrepresentation in connection with CSS LLC's role as a financial advisor to Refco. CSS LLC and certain other defendants removed this action to Illinois federal district court and the case has now been transferred (by the Judicial Panel on Multi-District Litigation) to the SDNY.

CSS LLC and certain of its affiliates have received subpoenas and requests for information from certain regulators, including the SEC, regarding Refco. CSS LLC and its affiliates have cooperated with such inquiries and requests.

Parmalat-related legal proceedings

Credit Suisse International is the subject of legal proceedings commenced in August 2004 before the Court of Parma in Italy by Dr. Enrico Bondi, as extraordinary administrator, on behalf of Parmalat SpA (in extraordinary administration), relating to an agreement entered into between Credit Suisse International and Parmalat SpA in December 2001. The extraordinary administrator seeks to have the agreement set aside and demands repayment by Credit Suisse International of approximately EUR 248 million.

The extraordinary administrator also commenced two further actions before the Court of Parma against: (i) Credit

Suisse International and Credit Suisse Securities (Europe) Limited (CSSEL), seeking damages on the basis of allegations that, by the December 2001 transaction, Credit Suisse International delayed the insolvency of Parmalat Participações of Brazil and consequently of Parmalat SpA, with the result that Parmalat's overall loss increased by approximately EUR 7.1 billion between January 2002 and the declaration of its insolvency in December 2003; and (ii) Credit Suisse International and certain other banks, seeking damages on the basis of allegations that, by various derivatives transactions in 2003, Credit Suisse International and those other banks delayed the insolvency of Parmalat SpA with the result that its overall loss increased by approximately EUR 2 billion between July and December 2003. In addition, claims for unquantified damages have been filed in Italy against Credit Suisse entities on behalf of a number of individuals claiming to have suffered losses as a result of the actions of a Credit Suisse employee.

Credit Suisse International has made a claim in the reorganization proceedings of Parmalat Participações of Brazil in respect of EUR 500 million of bonds issued by that entity and held by Credit Suisse International. This claim has so far been rejected by the trustee. Parmalat Participações has made a claim in response alleging that the debt represented by the bonds has already been paid and asserting that it is therefore entitled under Brazilian law to twice the amount of the debt claimed by Credit Suisse International. Credit Suisse International has also made a claim in the same reorganization proceedings in relation to a USD 5 million promissory note guaranteed by Parmalat and assigned to Credit Suisse International. This claim has been accepted by the Brazilian courts.

Credit Suisse has made a claim in the reorganization proceedings of Parmalat Participações of Brazil in connection with two loans granted to Parmalat Participações of Brazil evidenced by promissory notes and guaranteed by Parmalat SpA in the amount of USD 45 million. The claim has been accepted by the Brazilian courts. A guarantee in the insolvency proceedings of Parmalat SpA has been withdrawn following its rejection by the extraordinary administrator.

Proceedings have been filed in the SDNY against Credit Suisse by Farmland Dairies and Parmalat-USA Corporation, US subsidiaries of Parmalat. The allegations against Credit Suisse make reference to the December 2001 transaction. In August 2006, the SDNY dismissed the complaint in the Farmland Dairies action, with leave to re-plead. In September 2006, both Farmland Dairies and Parmalat-USA Corporation filed amended complaints asserting claims against Credit Suisse, Credit Suisse International and CSSEL. The Credit Suisse entities filed motions to dismiss in both actions. On

August 8, 2007, the SDNY dismissed both actions. Plaintiffs in both actions have appealed to the Second Circuit.

Proceedings were also brought in the SDNY by Parmalat investors against various defendants, including Credit Suisse, seeking unquantified damages. The allegations against Credit Suisse make reference to the December 2001 transaction. The claims against Credit Suisse were subsequently dismissed except to the extent that they were brought by US investors. The complaint was then amended to assert claims against the Group, Credit Suisse International and CSSEL. In November 2006, the Credit Suisse entities entered into a memorandum of understanding to settle the case. The parties executed final settlement documents in February 2007, and the SDNY approved this settlement in July 2007.

Mortgage-related matters

CSS LLC and certain of its affiliates have received subpoenas and/or requests for information from certain regulators regarding the origination, purchase, securitization and servicing of subprime and non-subprime residential mortgages and related issues. CSS LLC and its affiliates are cooperating with such inquiries and requests. CSS LLC and certain of its affiliates have also been named as defendants in various civil litigation matters related to the residential mortgage business, including a purported class action related to CSS LLC's role as an underwriter of certain offerings of mortgage pass-through certificates for a subsidiary of Countrywide Financial Corp., and

an action filed by the City of Cleveland against numerous financial institutions, including CSS LLC, alleging that the defendants' activities in connection with securitizations of US subprime mortgages created a "public nuisance" in the City of Cleveland.

Other regulatory matters

US laws and regulations require compliance with US economic sanctions, administered by the Office of Foreign Assets Control, with respect to designated foreign countries, nationals and others. The New York County District Attorney's Office, the US Department of Justice and other governmental authorities are reported to be conducting a broader review of how certain financial institutions have processed US dollar payments involving US sanctioned countries, persons and entities. Credit Suisse is conducting an internal review of certain US dollar payments involving countries, persons or entities that may be subject to these sanctions and is cooperating with such authorities. It is currently not possible to predict the ultimate resolution or timing of this matter.

In connection with our identification of mismarks and pricing errors by a small number of traders in our CDO trading business in Investment Banking, and the related internal review, we promptly initiated contact with our regulators. We have provided information to our regulators and governmental authorities, and we have been cooperating with them.

**APPENDIX 6 – EXCERPTS FROM THE PRESS RELEASE
DATED 20 MARCH 2008**

We set out in this Appendix 6 the press release dated 20 March 2008.

PRESS RELEASE

Credit Suisse Group completes review related to revaluation of certain asset-backed securities positions in its CDO trading business

Final valuation reduction of CHF 2.86 billion is CHF 200 million less than previously estimated.

Valuation reduction of CHF 1.18 billion (CHF 789 million net of tax) relating to the fourth quarter of 2007, and CHF 1.68 billion relating to the first quarter of 2008.

Revised income from continuing operations for 2007 of CHF 7.8 billion is down 6% from the record level in 2006.

With regard to 2008, including valuation reductions, Credit Suisse was profitable through the end of February. In light of the difficult market conditions in March, at this time, Credit Suisse believes it is unlikely to be profitable in the first quarter.

Zurich, March 20, 2008

Credit Suisse Group today announced the completion of an internal review related to the revaluation of certain asset-backed securities positions in the Collateralized Debt Obligations (CDO) trading business within its Investment Banking division

Credit Suisse recorded a total valuation reduction of CHF 2.86 billion (USD 2.65 billion), of which CHF 1.18 billion is related to the fourth quarter of 2007, and CHF 1.68 billion to the first quarter of 2008. Net income for Credit Suisse for the fourth quarter and full-year 2007 has been revised by CHF 789 million to CHF 540 million, and CHF 7,760 million, respectively.

Reflecting the good performance for 2007 and the strong capitalization with a year-end BIS tier 1 ratio of 11.1%, the proposal for a CHF 2.50 per share dividend to the shareholders' meeting remains unchanged.

With regard to 2008, including these valuation reductions, Credit Suisse was profitable through the end of February. However, in light of the difficult market conditions in March, at this time, Credit Suisse believes it is unlikely to be profitable in the first quarter.

Following its revaluation review, Credit Suisse has determined that the pricing errors were, in part, the result of intentional misconduct by a small number of traders. These employees have been terminated or have been suspended and are in the process of being disciplined under local employment law. The review also found that the controls put in place to prevent or detect this activity were not effective.

The Executive Board of Credit Suisse will oversee a series of remedial actions:

- Reassignment of the trading responsibility for the CDO trading business and enhancement of related control processes.
- Improvement of the effectiveness of supervisory reviews and formalization of escalation procedures.
- Improvement of the coordination among trading, product control and risk management and addition of further resources.
- Improvement of training and enhancement of tools and other technical resources available to our employees.

Brady Dougan, Chief Executive Officer of Credit Suisse Group, said: "This incident is unacceptable and it does not represent the high standard of Credit Suisse. Our overall control framework remains sound. We are taking strong action to remediate and move forward." Mr. Dougan added: "Credit Suisse continues to be well positioned through the challenging and volatile markets that have existed since the middle of 2007. We are one of the world's best capitalized banks, and our funding is conservative. Our Private Banking business continues to perform very well. Client momentum across our businesses is strong. We benefit from our diverse mix of businesses, our extensive global reach and our integrated banking model. I am confident in our ability to navigate current market conditions and deliver long-term value to our shareholders."

2007 Annual Report available online from today

Credit Suisse Group today published its 2007 Annual Report (including the Form 20-F filed with the US SEC) online in English at www.credit-suisse.com/annualreporting. The Annual Report will be available in print in English on April 4, 2008.

The Annual Report contains a detailed presentation of Credit Suisse's strategy, annual financial statements for 2007 with management discussion and analysis, risk and treasury management and corporate governance.

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