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OFFSHORE TAX EVASION: THE EFFORT TO COLLECT UNPAID TAXES ON BILLIONS IN HIDDEN OFFSHORE ACCOUNTS

HEARING

BEFORE THE

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

OF THE

COMMITTEE ON
HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

ONE HUNDRED THIRTEENTH CONGRESS

SECOND SESSION

VOLUME 2 OF 2

FEBRUARY 26, 2014

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February 26, 2014

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CS-SEN-00463981-984 (Printed as Exhibit 21)	606
CS-SEN-00465963-977	1805
CS-SEN-00466068-069, 072-073	1820
CS-SEN-00510273-290	Sealed Exhibit*
CS-SEN-00533390-404	1824
CS-SEN-00536411-413	1839
CS-SEN-00539337-340	1842
CS-SEN-00558438	1846
CS-SEN-00560923-924 (Printed as Exhibit 26)	621
Department of Homeland Security Letter (April 5, 2012)	Sealed Exhibit*
Department of Homeland Security Letter (March 9, 2012)	Sealed Exhibit*
FRBNY to DOJTAXCS 00004-005	Sealed Exhibit*
FRBNY to DOJTAXCS 00006-016	Sealed Exhibit*
FRBNY to DOJTAXCS 00017-020	Sealed Exhibit*
FRBNY to DOJTAXCS 00055-056	Sealed Exhibit*
FRBNY to DOJTAXCS 00066-069	Sealed Exhibit*
FRBNY to DOJTAXCS 00070-077	Sealed Exhibit*
FRBNY to DOJTAXCS 00148-149	Sealed Exhibit*
FRBNY to DOJTAXCS 00157-161	Sealed Exhibit*
FRBNY to DOJTAXCS 00189-194	Sealed Exhibit*
PSI-[Client 1]-06-000001-158	Sealed Exhibit*
PSI-[Client 3]-000001, 000605-624	Sealed Exhibit*
PSI-[Client 4]-04-0001-006	Sealed Exhibit*
PSI-CreditSuisse(2009)-01-0043-046 (CS-PSI-0037-040)	1847
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PSI-CreditSuisse-37-000001-051 (Printed as Exhibit 19)	507
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PSI-CreditSuisse-68-000001-021	2122
PSI-DOJ-03-000001-005	Sealed Exhibit*

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PSI-NYSDFS-03-000024	2143
PSI-NYSDFS-03-000027	2144
PSI-NYSDFS-03-000132-141	2145
PSI-NYSDFS-03-000188-193	Sealed Exhibit*
Tax Convention with Swiss Confederation Message from the President of the United States Transmitting Convention Between the United States of America and the Swiss Confederation for the Avoidance of Double Taxation with Respect to Taxes on Income, Signed at Washington, October 2, 1996, together with a Protocol to the Convention. (Printed as Exhibit 31a)	635
Tax Convention with Swiss Confederation, Protocol Amending (January 2011) (Printed as Exhibit 31b)	680
U.S. v. UBS AG Deferred Prosecution Agreement (undated) (Printed as Exhibit 38)	743
U.S. v. Walder et al., Case No. 1:11-CR-95 (E.D. Virginia) Superseding Indictment (7/21/2011) (Printed as Exhibit 40)	808
U.S. v. Wegelin & Co. Plea (1/3/2013) (Printed as Exhibit 43b)	922
U.S. v. Wegelin & Company, et al. Indictment (2/1/2012) (Printed as Exhibit 43a)	863
* Sealed Exhibits retained in the files of the Subcommittee.	

Credit Suisse Global Recovery and Resolution Plan
Chapter 1 – Public section

http://www.federalreserve.gov/bankinforeg/resolution-plans/credit-suisse-1g-20131001.pdf

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1 Public section

The Recovery and Resolution Plan (RRP) for Credit Suisse Group AG (Group) addresses the requirements for the public section of the US resolution plan as described in the rules implementing section 165(d) of the Dodd-Frank Act, dated November 1, 2011, jointly issued by the Board of Governors of the Federal Reserve System (FRB) and the Federal Deposit Insurance Corporation (FDIC) in the United States (US). Our RRP also addresses the Guidance for 2013 Section 165(d) Annual Resolution Plan Submissions by Foreign-Based Covered Companies That Submitted Initial Resolution Plans in 2012, dated April 15, 2013 and jointly issued by the FRB and FDIC. In addition to the requirements of the FRB and FDIC in the US, our RRP also addresses the RRP guidance issued in Switzerland and in the United Kingdom (UK). The Swiss Financial Market Supervisory Authority (FINMA) issued RRP guidance as contained in FINMA's Recovery and Resolution Guidance Plan, dated March 26, 2012. Before its abolition on April 1, 2013 and replacement by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA), the Financial Services Authority (FSA) in the UK issued RRP guidance with assistance from the Bank of England and the HM Treasury as contained in the FSA's Recovery and Resolution Plans Consultation Paper 11 / 16, dated August 9, 2011 and the FSA's 'RRP Guidance pack for firms' published alongside the FSA RRP Consultation Paper and subsequent papers (including the FSA's Recovery and Resolution Plans Feedback Statement FS 12 / 1 dated May 2012, which was accompanied by an updated RRP Information Pack, and the FSA's Statement on Recovery and Resolution Planning dated February 20, 2013). Going forward, our RRP will also address the RRP guidance and requirements of other countries as they are issued by the respective regulatory bodies.

In order to comply with the rules governing the creation of our RRP, we have had to gather and present information regarding our operations in a way that is different from how we do so for other purposes. These differences are a result of the particular requirements governing the preparation and contents of our RRP and do not reflect any changes to our business strategy.

All financial and other data is presented as of December 31, 2012, unless otherwise noted.

1.1 Summary of resolution plan

Credit Suisse Group operates as an integrated global bank, combining our strengths and expertise in two global divisions, Private Banking & Wealth Management and Investment Banking. Our divisions are supported by our Shared Services (ShS) functions, which provide corporate services and business solutions while ensuring a strong compliance culture.

Private Banking & Wealth Management

In November 2012, we integrated our former Private Banking (PB) and Asset Management (AM) divisions into a single, new Private Banking & Wealth Management (PB&WM) division, including the majority of our securities trading and sales business in Switzerland, which was transferred from the Investment Banking division.

Our PB&WM division is comprised of our Wealth Management Clients (WMC), Corporate & Institutional Clients (C&IC) and AM businesses. In Wealth Management (WMC), we serve more than two million clients, including ultra-high net worth and high net worth individuals around the globe and private clients in Switzerland, making us one of the largest global players. Our network comprises 3,910 relationship managers in 42 countries with more than 330 offices and 22 booking centers. Our C&IC business serves the needs of over 100,000 corporations and institutions, mainly in Switzerland, and is an important provider of financial products and services. Asset Management offers investment solutions and services globally to a wide range of clients, including pension funds, governments, foundations and endowments, corporations and individuals.

Investment Banking

Investment Banking (IB) provides a broad range of financial products and services, with a focus on businesses that are client-driven, flow-based and capital-efficient. Our products and services include global securities sales, trading and execution, prime brokerage, capital raising and advisory services, as well as comprehensive investment research. Our clients include corporations, governments, pension funds and institutions around the world. We deliver our global investment banking capabilities via regional and local teams based in all major developed and emerging market centers. Our integrated business model enables us to gain a deeper understanding of our clients and deliver creative, high-value, customized solutions based on expertise from across Credit Suisse.

For the purposes of this document, unless the context otherwise requires, the terms Credit Suisse Group, CSG, Credit Suisse, CS, the Group, we, us, and our mean Credit Suisse Group AG and its consolidated subsidiaries. Credit Suisse AG is the Swiss bank subsidiary of the Group. The term 'the Bank' means only Credit Suisse AG and its consolidated subsidiaries. Refer to the footnote on page 4 of the Group 2012 Annual Report.

Shared Services

Shared Services provides centralized corporate services and business support for PB&WM and IB, with services which include the following areas: CFO, General Counsel, Chief Risk Officer, Talent, Branding and Communications, One Bank Collaboration and Public Policy. Shared Services acts as an independent control function.

Global structure

Our global structure comprises four regions: Switzerland; Europe, Middle East and Africa (EMEA); Americas; and Asia Pacific (APAC).

Switzerland

In our home market, we are a leading bank for private, corporate and institutional clients. We employ 19,400 people in Switzerland. Around 2,000 relationship managers at more than 200 branches offer clients a full range of private banking services. IB provides a broad range of financial services to its Swiss client base, while AM offers traditional and alternative investment products and multi-asset class solutions.

Europe, Middle East and Africa (EMEA)

Credit Suisse is active in 30 countries across the EMEA region with 9,300 employees working in 75 offices. Our regional headquarters are in the United Kingdom (UK). The region encompasses both developed markets such as France, Germany, Italy, Spain and the UK, as well as fast growing markets including Russia, Poland, Turkey and the Middle East.

Americas

The Americas region comprises our operations in the US, Canada, the Caribbean and Latin America. With 11,300 employees working in 42 cities spanning 14 countries, we offer clients local market expertise and access to our full range of global resources across our two divisions and as an integrated bank.

Asia Pacific (APAC)

Credit Suisse is present in 12 Asia Pacific markets with 7,400 employees. CS has invested substantially in its presence in key major markets, including Australia, China, Hong Kong, Korea, Japan and India, broadened the scope of its offerings and continued to grow selected emerging markets franchises. PB&WM has its principal centers in Singapore and Hong Kong, leveraging the IB activities to deliver integrated solutions and quality investment performance to clients.

For further information on our business refer to the 'Our businesses' and 'Organizational and regional structure' sections under the 'Information on the Company' part of the Group Annual Report 2012.

1.1.1 The names of Material Legal Entities

For purposes of the RRP rules, Credit Suisse has identified 23 entities that satisfy the Material Legal Entity (MLE) requirements and guidance issued by FINMA, the FRB / FDIC and the FSA. In general, the applicable regulations define a MLE as an entity that is significant to a Core Business Line (CBL) (refer to chapter 1.1.2 below for a definition of CBLs) or a Critical Operation (CO) (defined as an operation whose discontinuance or disorderly wind-down would have a material impact on or pose a threat to the financial stability of Switzerland, the US or the UK). The table below lists our MLEs by region.

Fig. 1-1: Credit Suisse MLEs by region

MLEs	Region	General entity description
Credit Suisse Group AG	Switzerland	Swiss holding company
Credit Suisse AG	Switzerland	Swiss bank
Credit Suisse Securities (USA) LLC	US / Americas	US broker dealer
Credit Suisse Capital LLC	US / Americas	US OTC derivatives broker dealer
Credit Suisse Management LLC	US / Americas	US investment banking entity
Credit Suisse (USA), Inc.	US / Americas	US holding company
Credit Suisse AG, New York Branch	US / Americas	New York branch of Credit Suisse AG
Credit Suisse Invesco LLC	US / Americas	Service Entity
RD Purchasing LLC	US / Americas	Service Entity
Credit Suisse AG, Cayman Branch	Americas	Cayman Islands branch of Credit Suisse AG
Credit Suisse AG, Nassau Branch	Americas	Bahamas branch of Credit Suisse AG
Credit Suisse Securities (Europe) Limited	UK / EMEA	UK securities dealer
Credit Suisse International	UK / EMEA	UK bank
Credit Suisse (UK) Limited	UK / EMEA	UK private bank
Credit Suisse AG, London Branch	UK / EMEA	UK branch of Credit Suisse AG
Credit Suisse AG, Guernsey Branch	EMEA	Guernsey branch of Credit Suisse AG
Credit Suisse AG, Singapore Branch	APAC	Singapore branch of Credit Suisse AG
Credit Suisse (Hong Kong) Limited	APAC	Hong Kong broker dealer
Credit Suisse Securities (Japan) Limited	APAC	Japan broker dealer
Banco de Investimentos CS (Brasil) S.A.	Americas	Brazilian investment banking entity
Credit Suisse (Poland) Sp. Zo.o, Wroclaw	EMEA	Service Entity
Credit Suisse Service India Private Limited	APAC	Service Entity
Credit Suisse Business Analytics (India) Private Limited, Mumbai	APAC	Service Entity

1.1.2 Description of Core Business Lines

For purposes of the RRP rules, Credit Suisse has identified 12 global CBLs pursuant to the requirements and guidance issued by FINMA and the FRB / FDIC. This identification was conducted in accordance with the applicable regulatory guidance and is not intended to be a strategic view of Credit Suisse. In general, under the applicable regulations, a CBL is an operation whose failure, in the Group's view, would result in a material loss of revenue, profit, or franchise value. The CBLs we have identified for purposes of resolution planning do not necessarily correspond to the segments and business lines we use for financial reporting or the way in which our management analyzes our business. In particular, the operations of our Asset Management business, while not representing a CBL pursuant to the applicable regulatory definitions, are nonetheless central to our integrated business model and organization, and are important to the success of our One Bank strategy. Similarly, a number of business lines in our Investment Banking division, including equity and debt underwriting, advisory services, and the foreign exchange and commodities business lines of our fixed income sales and trading business, remain vital to our business model and organization without meeting the applicable regulatory definitions. The table below lists each of our Core Business Lines and the division to which they belong.

Fig. 1-2: Global CBLs

Division		CBLs
Investment Banking	Fixed Income	Rate Products
		Securitized Products
		Credit Products
		Emerging Markets Group (EMG)
	Equities	Equity Derivatives
		Cash Equities
		Prime Services
	Investment Banking Department	Corporate Bank
Private Banking & Wealth Management		Corporate & Institutional Clients
		Premium Clients Switzerland & Global EAM
		Private Banking & Wealth Management Clients Switzerland
		Private Banking APAC

The following chapters provide a high-level description of each CBL.

Rate Products

Our Rate Products team is a global market maker in cash and derivatives markets and a primary dealer in multiple jurisdictions including US, Europe and Japan. This covers the full spectrum of government and agency bonds and swap and flow option products and enables us to service issuers, risk managers and investors in all aspects of their activities. We offer our clients an extensive suite of investor and liability management products that incorporate innovative leading ideas that price, manage risk and structure interest rate, foreign exchange and hybrid solutions in over-the-counter (OTC), note and other forms. We give our clients access to a global liquidity and firm financing capability that utilizes repurchase agreements and related instruments to help clients with balance sheet management and optimization of funding.

Securitized Products

Our Securitized Products team delivers a full spectrum of private label trading, government guaranteed trading, transaction management, structured client solutions and asset financing. Securitized Products trades, securitizes, syndicates, underwrites and provides research for various forms of securities, primarily residential mortgage-backed securities and asset-backed securities. Both the mortgage- and asset-backed securities are based on underlying pools of assets, and include both government and agency-backed, as well as private label loans. We also have a presence in mortgage servicing through our wholly owned subsidiary, Select Portfolio Servicing (SPS).

Credit Products

Our Global Credit Products team is a market maker in public debt across the credit spectrum, including investment grade, high yield and distressed debt, and is a market maker in the credit derivatives market, including single-name credit default swaps (CDS), CDS indices and leveraged equity strategies. We are a market maker in par loans, loan CDS and loan CDS indices as well as distressed (non-performing) loans. Our capital markets businesses are responsible for structuring, underwriting and syndicating the full range of products for our issuer clients including: investment grade and leveraged loans, investment grade and high yield bonds and unit transactions. We are also a provider of committed financing, including bridge and mezzanine finance. Our structured credit solutions include asset swaps, negative basis trades, skew arbitrage, structured funding, regulatory capital solutions, restructuring and recovery solutions.

Emerging Markets Group (EMG)

Our Fixed Income Emerging Markets team has a global presence with dedicated regional and country teams. We bring clients the entire spectrum of emerging market products across the key emerging markets of the world, in cash and derivatives across foreign exchange, credit, interest rates and hybrid asset classes. We deliver access to the capital markets, as well as specialized financing, trading and risk management expertise.

Equity Derivatives

Our Equity Derivatives team specializes in providing customers with a full range of equity-related products, investment options, and financing solutions, as well as sophisticated hedging and risk management expertise and comprehensive execution capabilities to financial institutions, hedge funds, asset managers and corporations. Products include convertible bonds, warrants, OTC derivatives, listed derivatives and program trading. Equity Derivatives also includes the Fund Linked Product Group which is involved in the structuring, risk management and distribution of structured mutual fund and alternative investment products.

Cash Equities

Our Cash Equities team executes client orders and makes markets in listed and OTC cash securities, as well as convertible and derivative securities. We provide liquidity to the market through both capital commitments and risk management, and we represent institutional accounts in the equity marketplace by serving as the communication conduit between clients and equity traders. We also provide clients with research, trading ideas and capital commitments and identify trends in the marketplace in order to obtain the best and most effective execution.

Prime Services

Our Prime Services team provides a wide range of services to hedge funds and institutional clients, including prime brokerage, start-up services, capital introductions, securities lending, synthetics and innovative financing solutions. Prime Services provides a globally integrated, multi-asset platform across traditional prime brokerage, delta one, listed derivatives and managed lending.

Corporate Bank

The Corporate Bank Group comprises several distinct areas including corporate lending, portfolio management, portfolio management analysis and the transaction management group. Collectively these groups are responsible for negotiating new loans and amendments, and for managing loan risk exposure and capital limits associated with the Investment Banking department loan portfolio. Business activities consist of loan origination for Credit Suisse-led loan transactions and non-Credit Suisse-led loan participations. The Corporate Bank Group originates loans in support of Investment Banking clients globally, with resources located in New York, London and Zurich.

Corporate & Institutional Clients

Our Corporate & Institutional Clients business is an important provider of financial products and services, serving the needs of over 100,000 corporations and institutions, mainly in Switzerland. We provide premium advice and solutions across a broad range of banking services, including lending, cash and liquidity management, trade finance, corporate finance, foreign exchange, investment solutions, ship and aviation finance, global custody and asset and liability management. Clients include small and medium-sized enterprises, global corporations and commodity traders, banks, insurance companies and Swiss pension funds.

Premium Clients Switzerland & Global External Asset Managers

Premium Clients Switzerland & Global EAM serves clients with a wealth of more than CHF 25 million and provides a range of wealth management advisory services and solutions to ultra-high net worth and high net worth individuals predominantly based in Switzerland and provides a dedicated offering and expertise for external asset managers. We deliver innovative and integrated solutions in close collaboration with Investment Banking and Private Banking & Wealth Management Products and offer our clients a distinct value proposition, combining a global reach with a structured advisory process and access to a broad range of sophisticated products and services.

Private Banking & Wealth Management Clients Switzerland

Private Banking & Wealth Management Clients Switzerland serves clients with wealth of less than CHF 25 million and provides a range of banking services to high net worth individual, affluent and retail clients, predominantly in Switzerland, including current accounts, savings accounts, loans and credit cards. We analyze a client's personal financial situation and prepare investment strategies based on an individual risk profile of liquid and illiquid assets and present and future liabilities. We offer a range of wealth management solutions tailored to specific client segments and offer a comprehensive range of investment advice and discretionary asset management services based on the analysis and recommendations of our global research team.

Private Banking & Wealth Management APAC

Private Banking & Wealth Management APAC is committed to serve predominantly high net worth and ultra-high net worth individuals with a wealth of more than USD 2 million who are based in the APAC region. We deliver innovative and integrated solutions in close collaboration with Investment Banking and offer clients a distinct value proposition, combining a global reach with a structured advisory process and access to a broad range of sophisticated products and services.

For further information on our Investment Banking and Private Banking & Wealth Management businesses refer to the 'Our businesses' section of the Group Annual Report 2012.

1.1.3 Summary financial information

The consolidated balance sheet for Credit Suisse Group AG as of December 31, 2012 is presented below.

Fig. 1-3: Consolidated balance sheet for Credit Suisse Group AG as of December 31, 2012 (in CHF million)

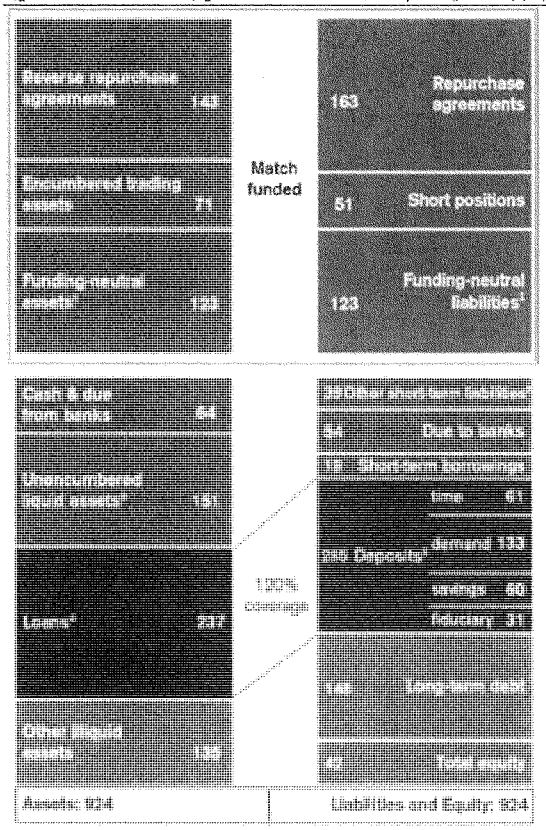
Total assets	**924,280**
Cash and due from banks	61,763
Interest-bearing deposits with banks	1,945
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	183,455
Securities received as collateral, at fair value	30,045
Trading assets, at fair value	256,399
Investment securities	3,498
Other investments	12,022
Net loans	242,223
Premises and equipment	5,618
Goodwill	8,389
Other intangible assets	243
Brokerage receivables	45,768
Other assets	72,912
Total liabilities and equity	**924,280**
Total liabilities	**881,996**
Due to banks	31,014
Customer deposits	308,312
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	132,721
Obligation to return securities received as collateral, at fair value	30,045
Trading liabilities, at fair value	90,816
Short-term borrowings	18,641
Long-term debt	148,134
Brokerage payables	64,676
Other liabilities	57,637
Total equity	**42,284**
Total shareholders' equity	35,498
Non-controlling interests	6,786

For further information on our financial statements refer to the 'Consolidated financial statements' section of the Group Annual Report 2012.

Funding sources and uses

We primarily fund our balance sheet through core customer deposits, long-term debt and shareholders' equity. A substantial portion of our balance sheet is match funded and requires no unsecured funding. Match funded balance sheet items consist of assets and liabilities with close to equal liquidity durations and values so that the liquidity and funding generated or required by the positions are substantially equivalent. Cash and due from banks and reverse repurchase agreements are highly liquid. A significant part of our assets, principally unencumbered trading assets that support the securities business, is comprised of securities inventories and collateralized receivables that fluctuate and are generally liquid. These liquid assets are available to settle short-term liabilities. These assets include our liquidity pool which as of the end of 2012, based on our internal model, was CHF 127 billion, net of a stress test level haircut. Loans, which comprise the largest component of our illiquid assets, are funded by our core customer deposits, with an excess coverage of 20% as of the end of 2012, down from 22% as of the end of 2011, reflecting a higher increase in loans than the increase in core customer deposits. We fund other illiquid assets, including real estate, private equity and other long-term investments and a haircut for the illiquid portion of securities, with long-term debt and equity, where we try to maintain a substantial funding buffer.

Fig. 1-4: Balance sheet funding structure as of December 31, 2012 (in CHF billion)



Primarily includes brokerage receivables / payables, positive / negative replacement values and cash collateral
[2] Primarily includes excess of funding neutral liabilities (brokerage payables) over corresponding assets
[3] Primarily includes unencumbered trading assets, unencumbered investment securities and excess reverse repurchase agreements, after haircuts
[4] Excludes loans with banks
[5] Excludes due to banks and certificates of deposit

Our core customer deposits totaled CHF 285 billion as of the end of 2012, an increase of 3% compared to CHF 278 billion as of the end of 2011, as a result of a growth in the customer deposit base in Private Banking & Wealth Management. Core customer deposits are from clients with whom we have a broad and longstanding relationship. Core customer deposits exclude deposits from banks and certificates of deposit. We place a priority on maintaining and growing customer deposits, as they have proved to be a stable and resilient source of funding even in difficult market conditions.

While we do maintain a branch of Credit Suisse AG in New York, it does not accept retail deposits and the deposits the Branch does hold are not insured by the FDIC. Further, we do not own a bank subsidiary in the United States, and are therefore not subject to the RRP requirements applicable to certain insured depository institutions.

Treasury is responsible for the development, execution and regular updating of our funding plan. The plan reflects projected business growth, development of the balance sheet, future funding needs and maturity profiles as well as the effects of changing market conditions.

Interest expense on long-term debt, excluding structured notes, is monitored and managed relative to certain indices, such as the London Interbank Offered Rate, that are relevant to the financial services industry. This approach to term funding best reflects the sensitivity of both our liabilities and our assets to changes in interest rates. Our average funding cost, which is allocated to the divisions, remained largely unchanged at December 31, 2012 as compared to the end of 2011.

We continually manage the impact of funding spreads through careful management of our liability maturity mix and opportunistic issuance of debt. The effect of funding spreads on interest expense depends on many factors, including the absolute level of the indices on which our funding is based.

We diversify our funding sources by issuing structured notes, which are debt securities on which the return is linked to commodities, stocks, indices or currencies or other assets. We generally hedge structured notes with positions in the underlying assets or derivatives. Our liquidity planning includes settlement of structured notes. We had CHF 36.6 billion of structured notes outstanding as of the end of 2012 compared to CHF 35.7 billion as of the end of 2011.

We also use collateralized financings, including repurchase agreements and securities lending agreements. The level of our repurchase agreements fluctuates, reflecting market opportunities, client needs for highly liquid collateral, such as US treasuries and agency securities, and the impact of balance sheet and risk-weighted asset limits. In addition, matched book trades, under which securities are purchased under agreements to resell and are simultaneously sold under agreements to repurchase with comparable maturities, earn spreads, are relatively risk-free and are generally related to client activity.

Our primary source of liquidity is funding through consolidated entities. The funding through non-consolidated special purpose entities and asset securitization activity is immaterial.

Securities for funding and capital purposes are issued primarily by the Bank, our principal operating subsidiary and a US registrant. The Bank lends funds to its operating subsidiaries and affiliates on both a senior and subordinated basis, as needed; the latter typically to meet capital requirements, or as desired by management to support business initiatives.

For further information on our funding sources and uses refer to the 'Treasury, Risk, Balance sheet and Off-balance sheet' section of the Group Annual Report 2012.

1.1.4 Description of derivative and hedging activities

We enter into derivative contracts in the normal course of business for market making, positioning and arbitrage purposes, as well as for our own risk management needs, including mitigation of interest rate, foreign exchange and credit risk. These derivatives are generally either privately negotiated OTC contracts or standard contracts transacted through regulated exchanges. The Group's most frequently used freestanding derivative products, entered into for trading and risk management purposes, include interest rate, credit default and cross-currency swaps, interest rate and foreign exchange options, foreign exchange forward contracts and foreign exchange and interest rate futures.

The Group also enters into contracts that are not considered derivatives in their entirety but include embedded derivative features. Such transactions primarily include issued and purchased structured debt instruments where the return may be calculated by reference to an equity security, index or third party credit risk, or that have non-standard interest or foreign exchange terms.

On the date a derivative contract is entered into, the Group designates it as belonging to one of the following categories:

- Trading activities
- A risk management transaction that does not qualify as a hedge under accounting standards (referred to as an economic hedge)
- A hedge of the fair value of a recognized asset or liability
- A hedge of the variability of cash flows to be received or paid relating to a recognized asset or liability or a forecasted transaction
- A hedge of a net investment in a foreign operation

The Group is active in most of the principal trading markets and transacts in many popular trading and hedging products. As noted above, this includes the use of swaps, futures, options and structured products, such as custom transactions using combinations of derivatives, in connection with its sales and trading activities. Trading activities include market making, positioning and arbitrage activities. The majority of the Group's derivatives are used for trading activities.

Economic hedges arise when the Group enters into derivative contracts for its own risk management purposes, but the contracts entered into do not qualify for hedge accounting under US GAAP. These economic hedges include the following types:

- Interest rate derivatives to manage net interest rate risk on certain core banking business assets and liabilities
- Foreign exchange derivatives to manage foreign exchange risk on certain core banking business revenue and expense items, as well as on core banking business assets and liabilities
- Credit derivatives to manage credit risk on certain loan portfolios and
- Futures to manage risk on equity positions including convertible bonds

Derivatives used in economic hedges are included as trading assets or trading liabilities in the consolidated balance sheets.

We regularly hedge our portfolio to manage our overall risk position, adhere to our risk appetite, minimize losses, facilitate our client franchise, and provide liquidity to the market.

For further information on our derivatives and hedging activities, refer to the 'Treasury, Risk, Balance sheet and Off-balance sheet' and Note 30 of 'Consolidated financial statements' sections of the Group Annual Report 2012.

1.1.5 Memberships in material payment, clearing and settlement systems

In order to facilitate our business, we have memberships in major global payment, clearing and settlement systems. The figure below includes a list of our memberships in these systems.

Fig. 1-5: Memberships in material payment, clearing and settlement systems

System name
Depository Trust Company (DTC) Online
Depository Trust and Clearing Corporation (DTCC)
SIX Interbank Clearing (SIC, euroSIC)
Euroclear
ICE Clear
Fixed Income Clearing Corporation (FICC)
London Clearing House (LCH) Clearnet Ltd
SWIFT
Fedwire
CLS Group
CME Group

1.1.6 Description of non-US operations

The US regulations require that Credit Suisse provide a description of our non-US operations. Refer to the business overview in chapter 1.1 for a description of Credit Suisse's global operations and regional structure. Further information on our business is included in the 'Our businesses' and 'Organizational and regional structure' sections under the 'Information on the Company' part of the Group Annual Report 2012.

1.1.7 Material supervisory authorities

Our operations are regulated by authorities in each of the jurisdictions in which we have offices, branches and subsidiaries. Central banks and other bank regulators, financial services regulators, securities regulators and exchanges and self-regulatory organizations are among the regulatory authorities that oversee our Private Banking & Wealth Management and Investment Banking divisions. The figure below includes our material supervisory authorities related to the MLEs and CBLs identified in the RRP.

Fig. 1-6: Material supervisory authorities of Credit Suisse

Supervisory authority	Jurisdiction
Swiss Financial Market Supervisory Authority (FINMA)	Switzerland
Board of Governors of the Federal Reserve System	United States
Federal Reserve Bank of New York	United States
US Securities and Exchange Commission (SEC)	United States
New York State Department of Financial Services	New York State, United States
New York Stock Exchange (NYSE)	United States
Financial Industry Regulatory Authority (FINRA)	United States
National Futures Association	United States
US Commodity Futures Trading Commission (CFTC)	United States
UK Prudential Regulation Authority (PRA)	United Kingdom
UK Financial Conduct Authority (FCA)	United Kingdom
Cayman Islands Monetary Authority	Cayman Islands
Central Bank of the Bahamas	Bahamas
Securities Commission of the Bahamas	Bahamas
Banco Central do Brasil	Brazil
Guernsey Financial Services Commission	Guernsey
Monetary Authority of Singapore (MAS)	Singapore
Japan Financial Services Agency	Japan
Hong Kong Securities and Futures Commission	Hong Kong, China
Ministry of Corporate Affairs, Ministry of Communications and Information Technology, Development Commissioner of Special Economic Zone, Government of India	India

For further information on our regulators and supervisors refer to the 'Regulation and supervision' section of the Group Annual Report 2012.

1.1.8 Principal officers

The figure below includes the members of the Executive Board for Credit Suisse as of September 30, 2013. 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 of Credit Suisse Group. It further reviews and coordinates significant initiatives, projects and business developments in the divisions, regions and in the ShS functions and establishes Group-wide policies. The composition of the Executive Board of the Group and the Bank is identical.

Fig. 1-7: Credit Suisse Group AG Executive Board members as of September 30, 2013

Member	Role
Brady W. Dougan	Group Chief Executive Officer
Gael de Boissard, Joint Head of Investment Banking and Regional CEO of EMEA	Divisional & Regional Head
Romeo Cerutti, General Counsel	ShS Head
Tobias Guldimann, Chief Risk Officer[1]	ShS Head
David R. Mathers, CFO and Head of IT and Operations	ShS Head
Hans-Ulrich Meister, Joint Head of Private Banking & Wealth Management and Regional CEO of Switzerland	Divisional & Regional Head
Robert S. Shafir, Joint Head of Private Banking & Wealth Management and Regional CEO of Americas	Divisional & Regional Head
Pamela A. Thomas-Graham, Chief Talent, Branding & Communications Officer	ShS Head
Eric M. Varvel, Joint Head of Investment Banking and Regional CEO of APAC	Divisional & Regional Head

[1] Effective January 1, 2014, Joachim Oechslin will succeed Tobias Guldimann as Chief Risk Officer and a member of the Executive Board

For further information on our Executive Board refer to the 'Corporate Governance' section in the 'Corporate Governance and Compensation' part of the Group Annual Report 2012 and any subsequent press release on changes in the Executive Board.

1.1.9 Resolution planning corporate governance structure and processes related to resolution planning

Recovery and Resolution Office

The Recovery and Resolution Office, which is embedded in the global Chief Financial Officer (CFO) function, is responsible for managing the global RRP process, and overall responsibility for the global RRP is with the Group CFO. The Recovery and Resolution Office is responsible for, among other things, updating the RRP document at least annually (or more often as may be required under applicable regulations) and liaising with management and our Regulatory Affairs function on recovery and resolution related topics. The Recovery and Resolution Office is globally coordinated with representatives in each of the regions where we have specific RRP related regulatory requirements to fulfill – currently in Switzerland, the US and the UK.

The US, UK and APAC RRP regional governance follows the same principle as the global RRP governance. The executive responsible for the RRP is the Regional CFO for the Americas, EMEA or APAC, respectively. The Regional Chief Operating Officers (COOs) are responsible for maintaining relationships with the regulators and coordinating with them directly to ensure that all regulatory requirements are adequately addressed in the regions and delivered on a timely basis.

Preparation and Approval of the RRP

Any decisions on the RRP design and content have been discussed and agreed in the Design Authority, which met regularly and included key RRP subject matter experts. All decisions were subsequently presented to the RRP Steering Committee, whose members included the Group CFO (Chair) and other Executive Board members, as well as the RRP global program office, regional and divisional leads. The responsibilities of the RRP Steering Committee include, but are not limited to, providing executive-level decision-making and guidance with respect to the RRP program objectives. The RRP was presented to the Executive Board for review and approval, under delegated authority from the Group Board of Directors.

1.1.10 Description of material management information systems

Credit Suisse utilizes a number of key management information systems and applications that directly support management, financial, risk, operational and regulatory reporting across the organization.

Reporting at Credit Suisse is categorized as follows:

- Management reporting: Information required for board / senior management and executive level reporting
- Financial reporting: Information required to provide financial position and performance to senior management and external users
- Risk reporting: Information required to identify and analyze risks inherent in day-to-day business operations. Includes operational, credit and market risk reports
- Operational reporting: Information required to provide detailed day-to-day activities at a transaction level to support key decisions on a daily basis
- Regulatory reporting: Reports mandated by regulatory authorities governing the type of business and jurisdiction of operations

Credit Suisse has extensive reporting capabilities that allow for generation of key reports that are produced at defined frequencies during normal course of business. Reports can be produced at Group, business division, legal entity or function level depending on the purpose of the report.

1.1.11 High-level description of resolution strategy

The RRP has been developed in response to various regulatory requirements for the unlikely event of the Group's failure. This section includes a high-level description of the resolution strategy included in our RRP for our operations in Switzerland, the US and the UK.

Switzerland

In September 2011, the Swiss Parliament passed the 'Too Big to Fail' legislation relating to systemically important financial institutions (SIFIs). The legislation became effective March 1, 2012. On January 1, 2013, the amended Banking Ordinance has been set into force. Under this legislation, SIFIs are required to establish a RRP and provide the RRP to FINMA for approval. We are required to update the report at least annually. The 'recovery' part of the RRP must outline recovery options available to a bank in various severe stress events, including those caused by idiosyncratic, systemic, capital or liquidity stress scenarios. The recovery plan's purpose is to prepare for the survival of the bank in such stress scenarios. As a part of the plan, a governance framework must be defined with clear escalation and decision points and may be based on existing capital and liquidity plans. The 'resolution' part of the RRP must demonstrate that a bank can be unwound in an orderly fashion while ensuring the continuation of systemically relevant functions in Switzerland (including payment services and access to savings deposits) in the event of the bank's impending insolvency. We have opted to meet the Swiss Emergency Plan requirements by pursuing a bridge bank strategy for our relevant functions in Switzerland and plan to implement a significant number of preparatory measures to support timely and effective resolution.

Under a resolution scenario, FINMA has significant power to act, including the authority to force the sale of all or part of a bank, the restructuring of a bank, or the creation of a bridge bank. In its August 7, 2013 position paper, 'Resolution of Global Systemically Important Banks,' FINMA announced that its preferred resolution strategy for CS would be a FINMA-led Single Point of Entry resolution strategy to re-capitalize and stabilize the bank. A single point of entry bail-in strategy would recapitalize CS at the top. The single point of entry should stabilize the Group and allow further restructuring as required in order to allow CS to continue the funding and capitalization of its subsidiaries and avoid resolution of operating subsidiaries.

United States

The rules governing the US RRP require that we contemplate the failure of Credit Suisse's US operations under ordinary insolvency law (for Credit Suisse's US operations, this means the US Bankruptcy Code, the Securities Investor Protection Act and the New York Banking Law), and not under the Orderly Liquidation Authority (OLA) provisions of Title II of the Dodd-Frank Act.

In assessing potential strategies for resolving our US operations under the applicable insolvency regimes, including the MLEs and CBLs, we have assumed that all MLEs (except service entities) fail at the same time. The RRP for the US focuses on two alternatives: the sale of MLEs, CBLs or business components and the orderly wind-down of MLEs and CBLs. The sale of MLEs, CBLs or business components would contemplate the maintenance of market operations and potentially, franchise value, although this strategy may prove challenging in the event of an extended period of distress. Certain legal entities, business lines or business components may be marketed individually or in package form. The range of potential purchasers may include other broker dealers and banks, as well as hedge funds. The wind-down of MLEs and CBLs would involve the liquidation of the positions remaining in inventory at the point of resolution. The actual unwind procedures would be determined based on a number of factors at resolution, including market conditions, current valuations, and the liquidity profile of the remaining portfolio. These strategies are not mutually exclusive; in resolution, US operations may be resolved under a combination of a sale of MLEs, CBLs or business components and a wind-down of remaining businesses and operations.

United Kingdom

The UK Banking Act of 2009 created a new framework for an insolvency regime focused on financial institutions that are in distress. The RRP guidance published by the FSA before it was abolished and succeeded by the PRA and FCA states that the relevant UK authorities will determine the strategy for resolving our UK operations, based on the information submitted to the authorities within our RRP. In our RRP, we have submitted information consistent with the guidance of the relevant UK regulators through June 30, 2013.

Annexes

Name / title of document	Applicable chapter section
No annexes exist for this chapter	

Attachment # 3

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Biographical sketch of the principal officer:
(as of January 2008)

Roger Schaerer – Senior representative and head of the Rep. Office

Roger Schaerer, born on [redacted] 1958, in Zurich / Switzerland, is married and has one daughter who is [redacted]. He lives with his family on 17 John Street, Apt 11 B in New York, NY 10038.

Roger graduated in 1976 with a degree from the Business School of Zurich. He has been employed by Credit Suisse since 1974 and has held a number of positions within the Bank, including an apprenticeship as well as responsibilities in the wire transfer and teller departments. In 1988, he was promoted to Assistant Vice President and Relationship Manager in the private banking unit of the Bank, a position which he held until May 1995. At that time, he joined Credit Suisse's former New York branch office and served as the Liaison of Head Office. In 1999, he was promoted to the rank of Vice President and appointed head of the newly established Credit Suisse Representative Office (RO). In 2004, he was promoted to the rank of Director.

Weekly Report – Rep. Office New York

For week 05 (01/26/04 – 02/01/04)

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1. Client activities

- Meeting with SWLN client on Monday
- Assisting a client of Emanuel regarding a transfer
- Meeting with client of Emanuel on Monday
- Assisting Mark Luechinger, CSPA Zurich with contacts at PCS
- Signature verification for CS Zurich
- Introduction of SWLN prospect in Connecticut to Thomas Schnurrenberger, CSPA
- Document update for client of Susanne
- Opening of a new joint account for client of Michele
- Meeting with client of CS Berne
- Assisting client in Canada with money transfer+
- Assisting Stan with document update for one of his client

2. Visits / Events

- No visits in week 05

3. RO / Staff issues

- RO audit by NY State Banking Department beginning of February (preparation of questionnaire)
- Sabine will be on vacation on Monday and Tuesday
- Log on and password of "Guest workstation" has been changed

4. Info / News

- No specific news in week 05

5. Upcoming Events / Projects / Visits

- Preparation of NY State Banking Dept (ongoing)

Confidential Treatment Requested by Credit Suisse

Weekly Report – Rep. Office New York

For week 04 (01/19/04 – 01/25/04)

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1. Client activities

- Assisting Susanne with document update
- Contact with client of Emanuel
- Assisting client of CS Berne
- Assisting client of Susanne with PoA and money transfer
- Meeting with client of SWLN
- Contact with prospect from Maryland (will come to NY in February)
- Referred client to Thomas Schnurrenberger from CSPA
- Meeting with client of Emanuel
- Assisting lawyer to resolve estate case with CSPA
- Dinner with client of SWLN
- Short week because of Martin Luther King Holiday

2. Visits / Events

- Thomas Schnurrenberger and Michael Zimmer from CSPA in New York
- Peter Wieser, SWLD visiting the RO on Wednesday
- Marcel Roca, CSPA HR Zurich visiting RO on Tuesday
- Barbara Unger, Legal and Compliance Dept Zurich visiting RO for training session
- SWLN visiting the RO

3. RO / Staff issues

- RO audit by NY State Banking Department beginning of February (preparation of questionnaire)
- SWLN and Roger lunch with PCS on Friday at CSFB premises

4. Info / News

- No specific news in week 04

5. Upcoming Events / Projects / Visits

- Annual Swiss Ball of Swiss Society on Saturday, January 24 (CS Group is Co-sponsor)
- RO Audit (see RO / Staff issues)
- Meeting with client of SWLN on Monday
- Meeting with client of CS Berne on Friday

Confidential Treatment Requested by Credit Suisse

Weekly Report – Rep. Office New York

For week 03 (01/12/04 – 01/18/04)

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1. Client activities

- Lunch with client of Susanne
- Assisting client of Enrique with new documents
- Contact with several clients of SWLN
- Assisting client of Emanuel with some questions re: her account
- Meeting with two clients of Susanne on Thursday
- Contact with prospect for Maria Zueger
- Assisting client of Cueynet re: tax statements
- Assisting client from California regarding her mothers account
- Assisting client of Walter from Toronto
- Introduction of PCS to RM in Switzerland

2. Visits / Events

- Thomas Schnurrenberger from CSPA in New York
- Lunch with Sandra Buergi from Winterthur Insurance

3. RO / Staff issues

- RO audit by NY State Banking Department beginning of February
- RO will be closed on Monday, January 19 due to Holiday (Martin Luther King Day)

4. Info / News

- No specific news in week 03

5. Upcoming Events / Projects / Visits

- SWLN scheduled to visit RO in week 04
- Meeting with Thomas Schnurrenberger on Tuesday
- Barbara Unger visiting RO on Thursday for Compliance check
- Annual Swiss Ball of Swiss Society on Saturday, January 24 (CS Group is Co-sponsor)
- RO Audit (see RO / Staff issues)

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Weekly Report – Rep. Office New York

For week 02 (01/05/04 – 01/11/04)

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1. Client activities

- Meeting with client of Emanuel re: new documents
- Meeting with client of Susanne re: possible loan
- Meeting with client of CS Geneva re: money transfer
- Assisting client of Emanuel with his account
- Contact with several clients of Susanne
- Meeting with client of SWLN re: new documents
- Assisting client of SWLN to understand annual charges
- Contact with several clients of SWLN
- Assisting client of Emanuel in South Carolina

2. Visits / Events

- Rick Isarin in New York on Tuesday

3. RO / Staff issues

- Sabine Eicher joined the RO on Monday and was very well received by the entire team
- Roger will be on vacation in CH second half of March (exact dates will follow)

4. Info / News

- Personal changes at CSPA New York office

5. Upcoming Events / Projects / Visits

- Meeting with client of Susanne on Wednesday
- Meeting with client of Susanne on Thursday
- Thomas Schnurrenberger from CSPA scheduled to be in New York in week 03
- Barbara Unger (legal) will be visiting RO on Thursday, January 22

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Weekly Report – Rep. Office New York

For week 01 (12/29/03 – 01/04/04)

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1. Client activities

- Meeting to open new account for Emanuel (internal transfer)
- Contact with client of Emanuel re: estate planning
- Contact with several clients of SWLN
- Meeting with client of Emanuel (buffet)
- Assisting client of CS Berne
- Contact with client of Susanne
- Short week because of New Year Holiday
- Several deals in pipeline for January
- Assisting client of Enrique with his taxes

2. Visits / Events

- Franz Indergand (on vacation) was visiting the RO on Tuesday

3. RO / Staff issues

- Sabine Eicher will join RO team on January 5, 2004 from Geneva
- Amex bill Maria (Oct/Nov),Lisa and Helna (Nov/Dec) checked and sent to SWLN

4. Info / News

- Happy New Year

5. Upcoming Events / Projects / Visits

- Meeting with client of Emanuel on Monday morning
- Starting day of Sabine on Monday (everything is ready incl. IT)
- Meeting on Tuesday with prospective client (cold call, no infos available)
- SSNY Swiss Ball on January 24, 2004 (in contact with Group)

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Weekly Report – Rep. Office New York

For week 52 (12/22/03 – 12/28/03)

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1. Client activities

- Meeting with client of Susanne
- Opening of a new account for Cueynet (>US 280'000)
- Contact with several clients of SWLN
- Follow-up with prospective client of Susanne
- Assisting client of CS Zug re: money transfer
- Contact with client of Michele (retention)
- Short week because of Holidays
- Assisting client changing RM from Geneva to Zurich
- Contact with client of Emanuel re: FORCO case

2. Visits / Events

- No visits in week 52

3. RO / Staff issues

- Sabine Eicher will join RO team on January 5, 2004 from Geneva
- Verizon issue finalized and resolved by Nigel Pato
- RO Construction bill closed. Future expenses will be debited to operational accounts RO 1 and 2
- RO Christmas dinner on Tuesday was a great success (thank you)

4. Info / News

- No specific news for week 52

5. Upcoming Events / Projects / Visits

- Meeting with client of Emanuel on Monday
- SSNY Swiss Ball on January 24, 2004 (to be discussed with SWLN)

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Weekly Report – Rep. Office New York

For week 51 (12/15/03 – 12/21/03)

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1. Client activities

- Lunch with client of Emanuel
- Meeting with client of Marco
- Meeting with client of Emanuel
- Contact with several clients of SWLN
- Assisting client of Enrique re: W8-BEN
- Contact with client of Susanne
- Meeting with client of Michele on Sunday
- Assisting client of Emanuel re: Estate issues
- Usual amount of inquiries re: CS services

2. Visits / Events

- No visits in week 51

3. RO / Staff issues

- Final RO construction bill sent to SWLN

4. Info / News

- Maria and Lisa in Zurich (returned on Friday)

5. Upcoming Events / Projects / Visits

- Meeting with client of Enrique on Monday
- Meeting with client of Susanne on Tuesday
- RO Christmas Dinner on Dec 23

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Weekly Report – Rep. Office New York

For week 50 (12/08/03 – 12/14/03)

---

1. Client activities

- Meeting with several clients of Susanne
- Meeting with client of CSFS re: estate case
- Meeting with client of SWLN
- Contact with SWLN client in California
- Contact with SWLN client re: loan
- Meeting with prospective client on Monday
- Opening of new account for January 2004 (US$ 2 Mio)
- Assisting client of Maria Ziegler
- Contact with client of Marco (Meeting in week 51)
- Assisting client of Susanne with W-8BEN
- Assisting Emanuel with FORCO case
- Meeting with SWLN client and her son

2. Visits / Events

- Visit of Peter Wiser on Monday

3. RO / Staff issues

- Q4 bills for RO 1 and RO 2 sent to SWLN
- Several RO IT issues discussed and addressed with SWLN

4. Info / News

- Maria and Lisa in Zurich

5. Upcoming Events / Projects / Visits

- Meeting with client of Marco on Monday
- Meeting scheduled with client of Enrique
- Meeting scheduled with client of Cheney
- RO Christmas Dinner on Dec 23

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Weekly Report – Rep. Office New York

For week 49 (12/01/03 – 12/07/03)

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1. Client activities

- Meeting with client of Susanne on Monday
- Meeting with client of CSPA (retention)
- Assisting client of Swiss Embassy in Washington
- Contact with SWLN client in California
- Meeting with several clients of Susanne
- Meeting with client of CSPA (former CSPB)
- Meeting with client of Zurich-Airport
- Meeting with client from Argentina
- Assisting accountant of SWLN client
- Assisting estate lawyer of client of Susanne
- Meeting scheduled with client of Michele for next week
- Contact with client of Claudia
- Meeting with prospect (US$ 2 Mio)
- Dinner with client of Susanne on Saturday
- Visit of prospect (SWL) in Ridgefield Connecticut on Sunday

2. Visits / Events

- No visit in week 49

3. RO / Staff issues

- Compliance update with SWLN to ensure procedures in RO
- Roger spoke with Sabine (trainee 2004) in preparation of her assignment

4. Info / News

- Promotions for Maria, Lisa and Helna confirmed

5. Upcoming Events / Projects / Visits

- Visit of Peter Wieser, SWLD on Monday
- Dinner invitation by Ambassador Daniel Hunn on Wednesday
- Susanne in New York through Wednesday
- Follow-up meeting with prospect on Thursday

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Credit Suisse
Preliminary review

26 July 2011

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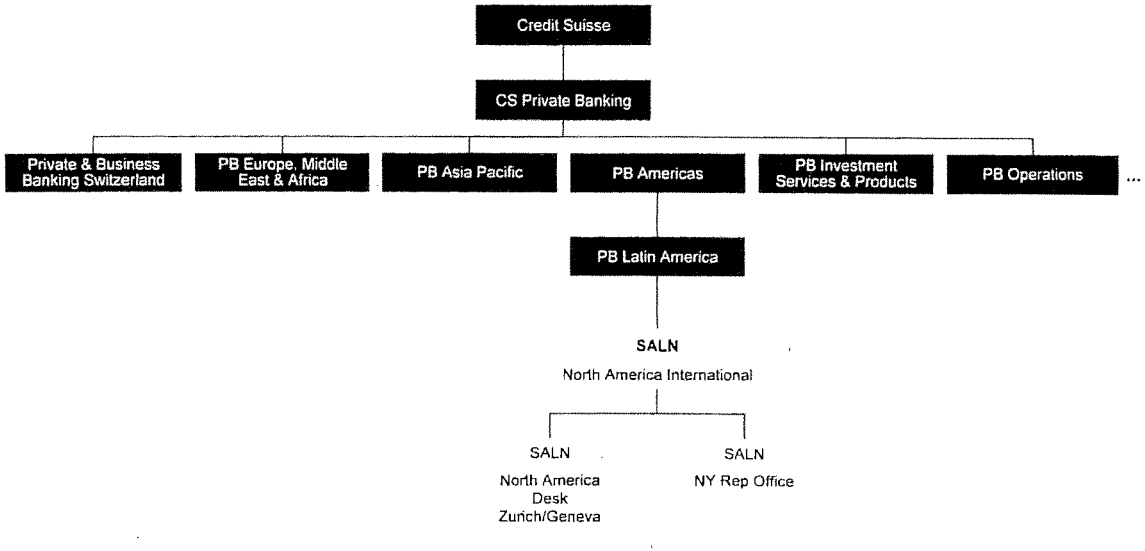
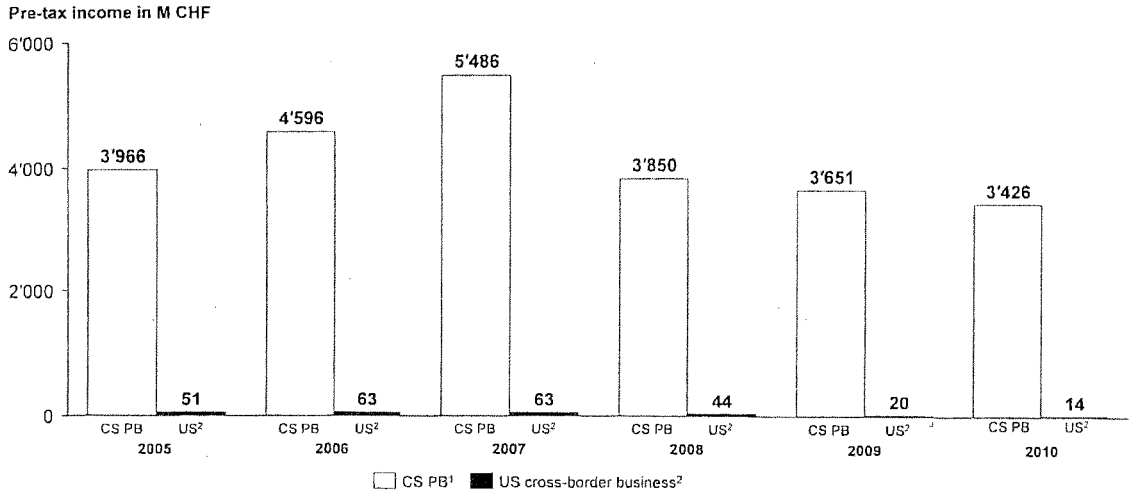
Dedicated US cross-border businesses

Credit Suisse Private Banking - SALN was the dedicated desk for US domiciled clients



Contribution of US cross-border business to Credit Suisse Private Banking pre-tax income from 2005



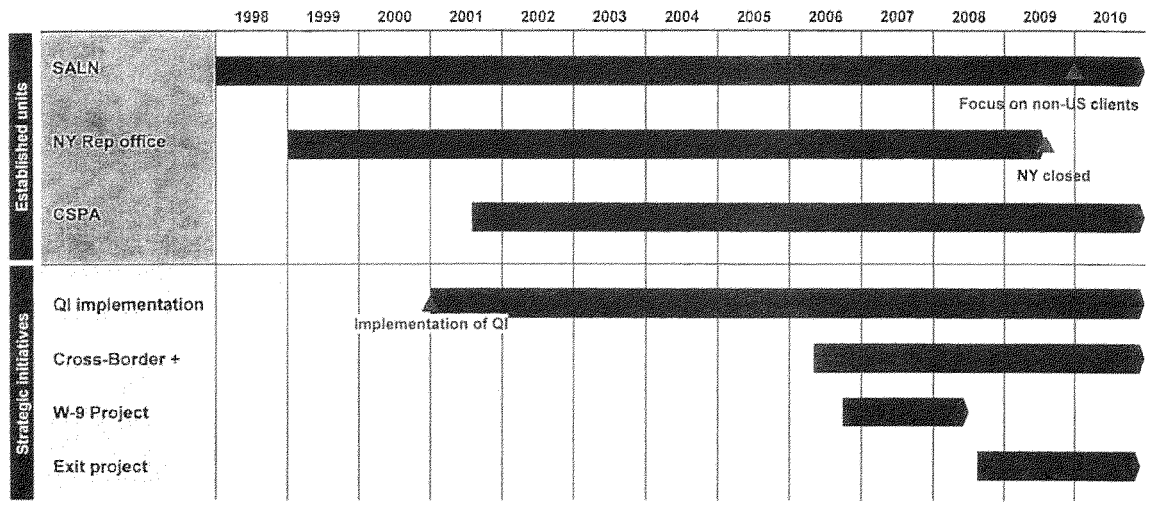
1. Numbers for Credit Suisse Group AG Private Banking division as reported in annual reports
2. US cross-border business includes: Natural persons US domiciled and US nationals living abroad; non-US entities with US national and/or domiciled BO
Note: All figures are year end in CHF

Strategic initiatives relating to cross-border banking

Strategic initiatives	Description
QI implementation in 2001-2002	• Detailed documentation, reporting and withholding duties under QI-Agreement • Communication with affected clients about new regulation • US Person Policy (P-00025) issued concurrently
Cross-Border + since 2006	• Collection and review of regulatory information on foreign markets • Cross-border policy and country manuals issued • US Persons Policy (P-00025) tightened, esp. with regard to business trips
W-9 project 2006-2008	• Review and transfer of W-9 US resident clients to either to CSPA, other US licensed group member or closed • Process to prevent new W-9 account openings implemented • Limited exceptions
Exit project 2008-2011	• Non-US entities with US beneficial owner remain with or be opened at Credit Suisse only with proven US tax compliance • Service of US domiciled natural clients only through US regulated entity (CSPA or PB USA) • Special Service Offering for Swiss nationals and expats residing in the U.S., requiring confirmation of tax compliance by clients

Dedicated US cross-border businesses

Chronology of U.S. cross-border business



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Overview of CS policies governing US cross-border banking

Policies	Description
US Person Policy **P-00025** *(issued in 2002)*	• Governs CS bank relationships with US Persons/taxpayers and EAMs • Focuses on compliance with US securities law • Prohibits securities-related solicitation and investment advice in or into the US
Cross-border Policy **P-00225**	• Governs cross-border activities in general (not US specific) • Duty to comply with foreign country's restrictions on rendering of cross-border financial services • As of 2008 required to obtain travel certificate, upon successful completion of country-specific cross-border training • Travel activities require pre-approval, written travel reports to be submitted • Prohibition against transportation of clients' assets
Legal alert **LC-00014** *(issued in July 2008)*	• Prohibits inflows of funds from UBS and LGT to US taxpayers within CS • Account openings for non-US domiciliary companies with a US taxpayer BO are subject to pre-approval: need to demonstrate US tax compliance and to be opened with a licensed member of the CS group (CSPA or PB USA)

Training relating to cross-border policies

Training	Description
Roll-out training 2002-2003	• 27 sessions in various Swiss locations for roll-out of US Person Policy • SALN was trained first
Business School from 2004	• Training on US Person Policy as part of the 'Train to RM' program
Refresher Training 2006	• Refresher training for SALN emphasizing importance of compliance and travel restrictions
Cross Border + US Training 2008	• Training required to obtain certificate for respective market to serve clients • Annual renewal of certificate through web-based confirmation of compliance

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Preliminary findings

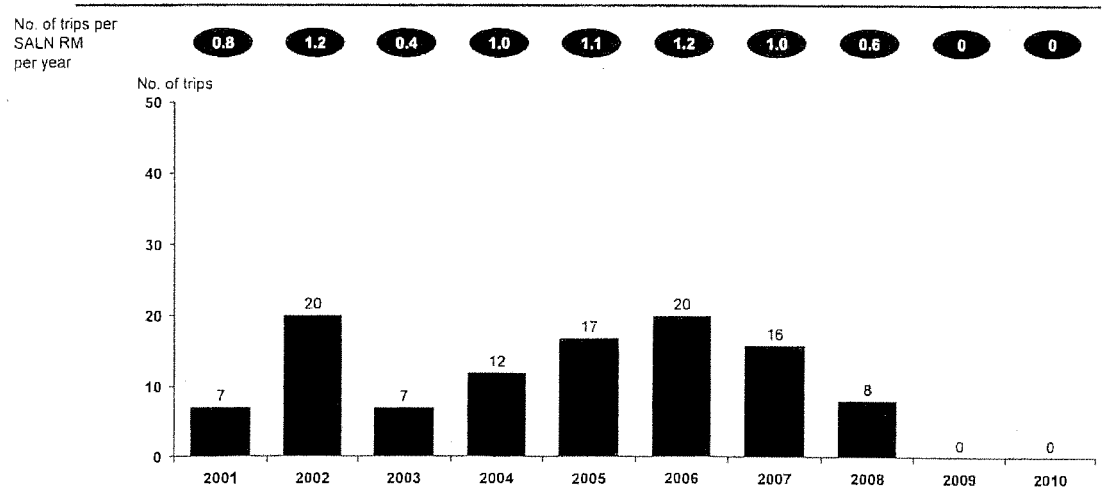
SALN	• Structure and business purpose of SALN
	• Evolution of the business
	• Awareness of policies
	• Policy implementation and compliance
	  – Travel
	  – Conduct in Switzerland

NY Rep Office	• Approved scope of activities • NY Rep Office activities
Tax and securities issues	• Structures • Flow of Funds analysis (to date) • CIF analysis • Double account question

Preliminary report

Travel analysis

US Travel of Relationship Managers of SALN 2002 – 2010



Note: Non-SALN trips under review

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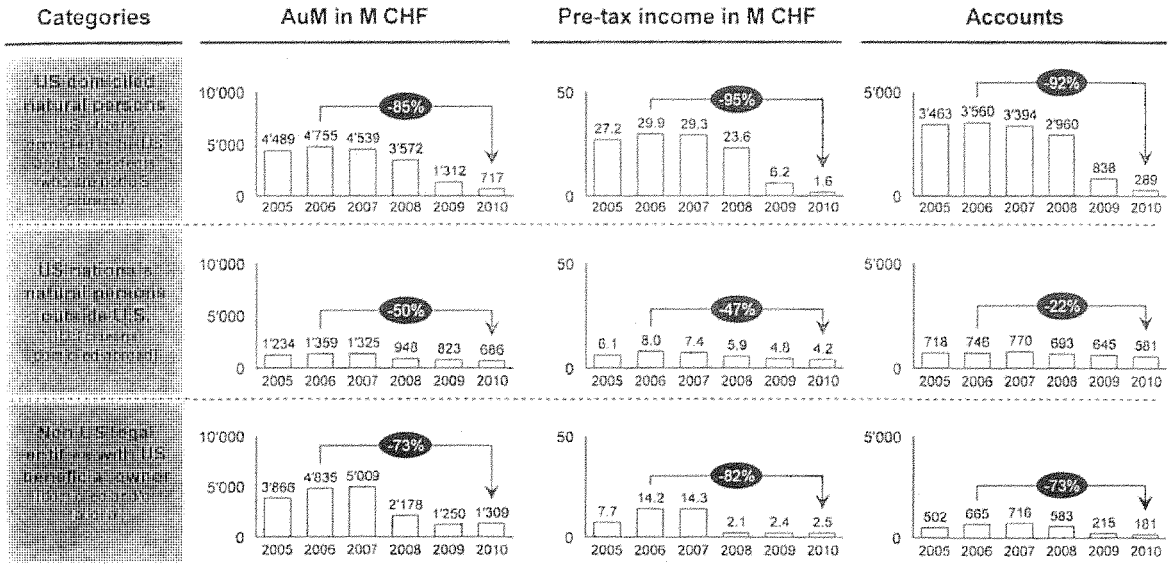
CS-SEN-0014

Preliminary report

Summary of Development of AuM, revenues and accounts for U.S. clients with AuM ≥ 250k



Note: All figures are year end in CHF

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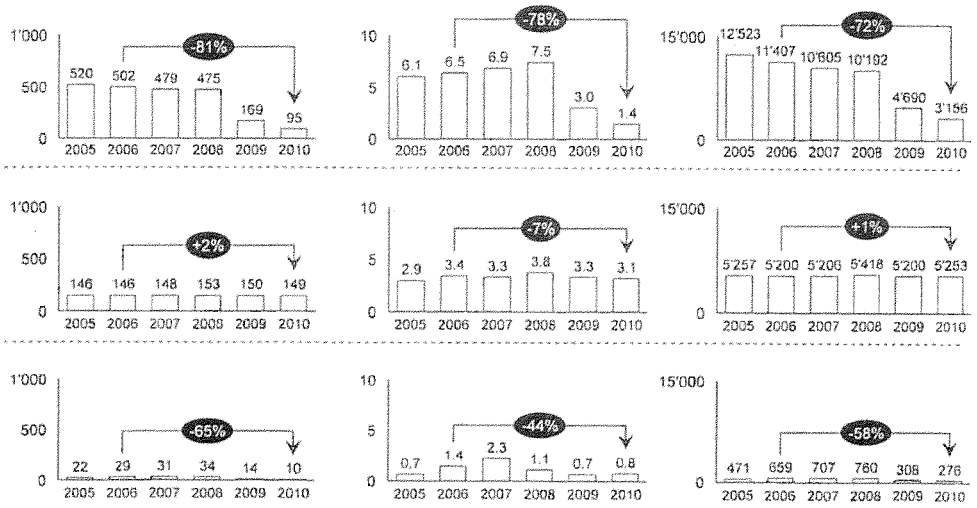
CS-SEN-0015

1047

Preliminary report

Summary of Development of AuM, revenues and accounts for U.S. clients with AuM < 250k

Categories	AuM in M CHF	Pre tax income in M CHF	Accounts
US domiciled natural persons	-81%	-78%	-72%
US nationals natural persons outside U.S.	+2%	-7%	+1%
Non-US legal entities with US beneficial owner	-65%	-44%	-58%



Note: All figures are year end in CHF

Non-US Legal Entities with US Domiciled Person on Form A*

(Credit Suisse, Switzerland)

	Number of CIFs**			AuM (USD) bn		
	Starting Point (Jan 09)	Feb' 25th 2010	Q1 2011	Starting Point (Jan 09)	Feb' 25th 2010	Q1 2011
▪ **Reviewed Relationships**						
- Reviewed and Compliance documented***		505	512		2.58	1.39***
- Closed		721	735		1.27	1.40
- Closing Pending		0	0		0.00	0.00
▪ **Relationships subject to ongoing review******						
- With securities account (without US Securities)		26	11		0.02	0.03
- Without securities account		17	11		0.05	0.01
TOTAL	**1269**	**1269**	**1269**	**3.60**	**3.92**	**2.83*******

* "*In scope*" of project Entities are account relationships where:

- the account holder is a non-US entity (includes all Non-US trusts and Non-US corporations) that has been identified by Credit Suisse as a domiciliary company (as defined in Art. 4 of the agreement on the Swiss bank's code of conduct with regard to the exercise of due diligence 2003 and 2008 ("CDB")), and where at the same time
- a US domiciled person is named as beneficial owner (*wirtschaftlich Berechtigter*) in Credit Suisse's KYC documentation (e.g. Form A).

** CIF stands for Client Identification File. One client can have more than one CIF. The total number of CIFs is higher than the total number of clients

*** Further details see next slide; AuM change mainly due to withdrawal of funds by two clients in scope

**** None of the relationships subject to ongoing review was opened between 1998 and the end of 2001

***** CIF number static; AuM subject to change due to daily business and FX

Subject to Further Review

Confidential Treatment Requested

Non-US Legal Entities with US Domiciled Person on Form A

(as of Q1 2011 at Credit Suisse, Switzerland)

	Number of CIFs	AuM (USD) bn
Reviewed and Compliance Documented Relationships	**512**	**1.39**
Whereof:		
i. Operating companies or groups, subsidiary of US-listed company	267	0.44
ii. W-8-IMY and W-9	37	0.16
iii. W-8 BEN and Form 5471 or other tax compliance form provided (e.g. Form 3520, TD 90-22, Form 990, etc.) or not required	197	0.65
iv. Opinion of law firm/tax adviser confirming tax compliance	11	0.14

Subject to Further Review

Confidential Treatment Requested

CS-SEN-0018

Non-US Legal Entities with US Domiciled Person on Form A

(as of Q1 2011 at Credit Suisse, Switzerland)

AuM clusters	Closed		Closing Pending		Total	
	CIFs	AuM (USD) bn	CIFs	AuM (USD) bn	CIFs	AuM (USD) bn
10 - 25 m	24	0.36	0	0.00	24	0.36
25 - 50 m	4	0.15	0	0.00	4	0.15
> 50 m	0	0.00	0	0.00	0	0.00

Subject to Further Review

Confidential Treatment Requested

CS-SEN-0019

US Citizens Domiciled in the US with Assets under Management (AuM) in excess of USD 250k*

(Credit Suisse, Switzerland)

	Number of CIFs			AuM (USD) bn		
	Starting Point (Apr 09)	Feb' 25th 2010	Q1 2011	Starting Point (Apr 09)	Feb' 25th 2010	Q1 2011
Cash Accounts and Securities Accounts w/o US Securities**	**2'021**	**2'021**	**2'021**	**3.80**	**3.73**	**2.55**
- Transfer to CSPA pending		47	7		0.10	0.02
- Transferred to CSPA		80	116		0.63	0.40
- Closing initiated		300	132		0.37	0.21
- Closed		1'388	1'571		1.30	1.70
- Out of Scope process in progress		34	2		0.07	0.01
- Out of Scope confirmed***		172	193		1.26	0.21****

* Excluding 6'586 CIFs (USD 0.41bn; these small accounts will generally be closed for business reasons) belonging to US citizens domiciled in the US (76% CIFs / 71% AuM already closed) and 3'769 CIFs (USD 0.17bn) belonging to US residents who are not US citizens (46% CIFs / 65% AuM already closed) with AuM < USD250k.

Further excluding 994 CIFs (USD1.82bn) with AuM > USD250k belonging to US residents who are not US citizens (74% CIFs / 55% AuM already closed). Most of these accounts will be closed.

** Starting Point Apr 23rd 2009, 2'021 CIFs – Static segmentation maintained during analysis

*** Out of Scope: typically LLCs with no US BO(s) or operating companies that were included due to their US addresses

**** AuM change due to withdrawal of funds by two clients in scope

Subject to Further Review

US Citizens Domiciled in the US with Securities and/or Cash Accounts with Assets under Management >250k USD

(as of Q1 2011 at Credit Suisse, Switzerland)

AuM clusters	Closed		Closing Initiated		Total	
	CIFs	AuM (USD) m	CIFs	AuM (USD) m	CIFs	AuM (USD) m
10 - 25 m	9	137.3	2	23.6	11	160.9
25 - 50 m	0	0.0	0	0.0	0	0.0
> 50 m	0	0.0	1	92.2*	1	92.2*

[* Fully disclosed; Tax Compliance confirmed by Deloitte; copy of FBAR received from client – Closure for pure business/commercial reasons ongoing]

Subject to Further Review

US Citizens Domiciled in the US and US Residents who are not US Citizens with Assets under Management <250k USD

(as of Q1 2011 at Credit Suisse, Switzerland)

Category	Closed < 10k		Closed > 10k		Total Closed		Total Category*	
	CIFs	AuM (USD) m	CIFs	AuM (USD) m	CIFs	AuM (USD) m	CIFs	AuM (USD) m
US citizens domiciled in the US	2'011	4.5	2'998	285.5	5'009 (76%*)	290.0 (71%*)	**6'586** (100%)	**409.7** (100%)
US residents who are not US citizens	739	1.5	984	108.2	1'723 (46%*)	109.7 (65%*)	**3'769** (100%)	**168.1** (100%)

* as displayed in the footnote of slide 5

Subject to Further Review

Request to use office space of Rep. Office New York

Date: 30.10.07 - 2.11.07

Time: .....

By: Susanne Ruegg Meier

Purpose: meeting clients ☐ internal meetings ☐ working space ☒

I herby confirm that I have been informed and I am fully aware of all the rules, regulations and restrictions that govern the scope of activities of Credit Suisse New York Representative Office and that I will be in full compliance.

Place and date: New York, 30.10.07

Signature: Susanne Ruegg Meier

Internal use only

Request to use office space of Rep. Office New York

Date: 11/05/07

Time: 16:55'

By: STANISLAS LUBOMIRSKI

Purpose: meeting clients ☐ internal meetings ☐ working space ☒

I herby confirm that I have been informed and I am fully aware of all the rules, regulations and restrictions that govern the scope of activities of Credit Suisse New York Representative Office and that I will be in full compliance.

Place and date: NY 11/05/07

Signature: S. Lubomirski

Internal use only

CREDIT SUISSE

Revised December 6, 2007

Credit Suisse
NEW YORK Representative Office
Statement of Scope of Activities

This Statement of Scope of Activities ("Statement") governs the scope of activities of the Credit Suisse NY Representative Office ("Rep Office") and lays down basic guidelines in this respect for the Representative and staff of the Rep Office (the "Rep").

This Statement applies to the activities of the Rep at all times, regardless of whether he/she is located in or outside the United States.

1 In general

The Rep Office is limited to engaging in representational and administrative functions, such as soliciting new banking business and acting as liaison between any Credit Suisse branch worldwide and clients in the U.S. The Rep does not have the authority to make any business decision for the account of the head office of Credit Suisse (the "Head Office"), including contracting for any liability on the latter's behalf.

2 Representational and administrative functions

- The Rep Office is primarily a point of contact for clients and prospects of Credit Suisse in the United States. The Rep may answer general questions regarding Credit Suisse Group and its subsidiaries (the "Group"), give out general information (such as annual reports, addresses, phone numbers) and pass on inquiries to the appropriate business divisions and offices of the Group.
- The Rep acts as a liaison between the Rep Office and the other business divisions and offices of Credit Suisse and its subsidiaries.
- The Rep may participate in events within the Swiss American business community (i.e. Swiss Society, Swiss-American Chamber of Commerce, etc.)

3 Marketing

- The Rep solicits primarily banking business on behalf of Credit Suisse and may also solicit commercial banking transactions. (Such solicitation, however, may not involve deposits or deposit-type liabilities.)
- The Rep may solicit new banking business and call on potential and existing clients, but must be careful to accurately describe his/her role: a client liaison and not an account manager. (The account manager is located at the Credit Suisse branch where the account is maintained.)
- The Rep may describe and explain the services offered by Credit Suisse.

4 Investment Advice and Solicitation of Securities Transactions

- Under no circumstances may the Rep provide investment advice to or solicit any securities transactions from prospective or existing client.
- Clients may be provided with statements of their accounts, as appropriate.

5 Deposits

- The Rep may not accept cash or checks for deposit.
- The Rep may provide wire transfer related details (such as Credit Suisse's routing number) and provide the name and address of the branch location where receipt of deposits may be made.
- The Rep may not complete related forms on behalf of the client.

6 Loans / Campaign Contributions

- The Rep may solicit loans for Credit Suisse in principal amounts of at least USD 250,000 and assist in applications for such loans as long as the approval for the loans is made at the respective branch.
- No money is disbursed at the Rep Office and no repayments are made to or via the Rep Office.
- The Rep Office is not permitted to make any contributions to any political candidates, party committees or Political Action Committees (PACs).

7 Records

- The Rep Office does not retain client account information or data but may retain limited client details to assist in client contacts and communication.

8 Computer Access

- The Rep Office does not have online capabilities or online access to cash, safekeeping or related client accounts at booking centers.

9 New Clients

- In the course of soliciting clients, the Rep may be asked about overseas account services and may also be asked for assistance in the opening of an overseas account. The Rep must be sensitive to a number of issues before facilitating an account opening.

1 - What is the purpose for opening such an account? If the client indicates that he/she intends to avoid paying taxes, the Rep must decline the client's request. It is the policy of Credit Suisse not to provide any assistance in the evasion of taxes.

2 - The identity of the client must always be verified. Credit Suisse strives to avoid unknowing assistance in any criminal enterprise.

- The Rep may provide account opening documentation and assist the potential client in filling out the required forms. The Rep may forward the forms to the appropriate Credit Suisse branch location. However, the Rep must clearly inform the client that the account is not open until the respective Credit Suisse branch approves all of the documentation and accepts the account.
- The Rep may organize meetings between prospective clients and their account managers.

10 Existing Clients

- The Rep may engage in traditional representational and administrative functions, including acting as a liaison between the branch and the client.
- The Rep may assist clients with their requests (i.e. change of address, power of attorney, hand out retained mail as appropriate, etc.).
- The Rep may explain the client's statement as long as the explanation is of a technical nature and the discussion does not entail the giving of investment advice.
- The Rep may help clients of Credit Suisse when they experience problems or require assistance while travelling within the U.S. (i.e. problems with credit cards, emergency cash through Bank of New York, etc.)
- The Rep may not accept, transmit and/or pass on to the Head Office any securities orders or wire transfer instructions received from clients. Internal procedures in this regard are set forth in Annex 1.

11 Internet

- The Rep may not use the Internet or e-mail to communicate with clients, unless the client has executed an agreement with Credit Suisse authorizing electronic communications.
- The home page of Credit Suisse is created and controlled in Zurich. Special doorways, password tests and other security measures are in place to ensure that no U.S. residents have access to information over the Internet that would be impermissible.
- The Rep Office is not authorized to create its own home page.

12 Swiss Bank Secrecy

- In view of Swiss Bank Secrecy requirements, any information regarding Credit Suisse clients should be treated accordingly.

13 Reporting

- The Rep shall report as indicated on the attached organization chart (Annex 2).

CREDIT SUISSE

Credit Suisse NEW YORK
Representative Office
Statement of Scope of Activities

Revised December 6, 2007

ANNEX 1

Rep Office internal procedures on
securities orders/wire transfer instructions

Under Section 10 of the Statement of Scope of Activities of the New York Rep Office, the Rep is not permitted to accept, transmit and/or pass on securities orders or wire transfer instructions received from clients to the account manager at the relevant branch location.

These internal procedures present certain practical methods that should be followed in this respect.

1. E-mail. If the client wishes to communicate a securities order or wire transfer instruction by e-mail, the client should send the e-mail directly to the appropriate account manager at the relevant branch location. A copy of the e-mail may be sent to the Rep for information purposes only. The account manager will process the order/instruction according to its terms, and any communications with the client in this regard will take place directly between the branch location and the client.

2. Fax. If the client wishes to communicate a securities order or wire transfer instruction by fax, the same procedure as in para. 1 above will apply, with the client sending the order/instruction by fax directly to the account manager at the relevant branch location, although he/she may send an informational copy to the Rep.

3. Telephone. If the client wishes to communicate a securities order or wire transfer instruction by telephone, the client can be provided with the contact name and number of the account manager at the relevant branch location. If, from time to time, a client calls the Rep at the New York Rep Office directly and, among other topics of conversation or as the sole reason for the call, expresses the request that the Rep accept/transmit and/or pass on a securities order or wire transfer instruction, the Rep will not take any such order/instruction but will, rather, transfer the call to the account manager at the relevant branch location and have the client communicate the order/instruction directly to the account manager.

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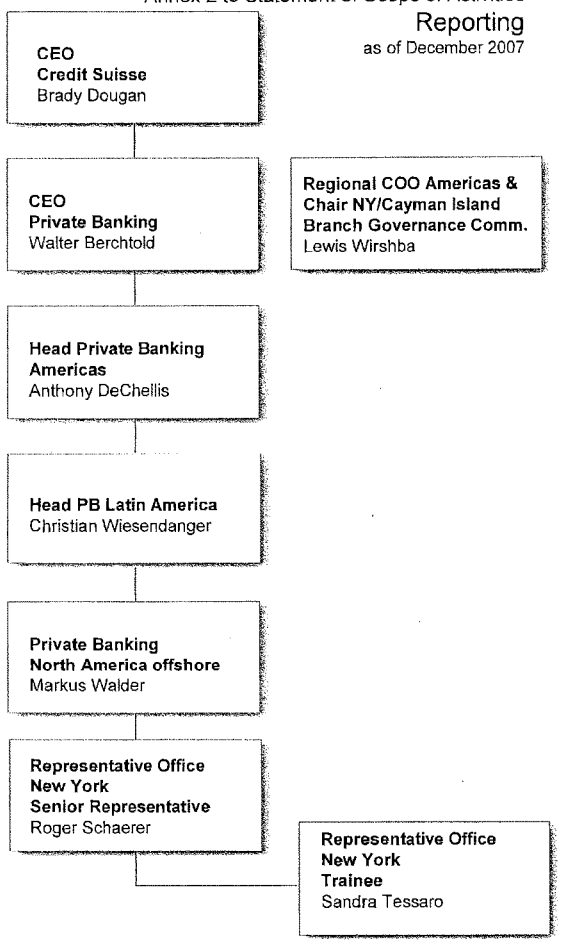
CREDIT SUISSE

Annex 2 to Statement of Scope of Activities

Reporting

as of December 2007



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Weekly Report – Rep. Office New York

For week 37 (09/12/05 – 09/18/05)

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1. Client activities

- Meeting with client of RO Miami (PoA for son)
- Assisting client of Werner (reference letter)
- Contact with client of Susanne (meeting scheduled for Sep 26)
- Contact with prospective client from Montreal (referred to Florian)
- Assisting client of Werner (meeting scheduled in Zurich in October)
- Contact with client of SWLN from Canada
- Contact with prospective client from Colorado (follow-up next week)
- Assisting client finding RM of old account
- Contact with client of Susanne from North Carolina
- Meeting with client of SWLN (PoA questions)

2. Visits / Events

- Roger attended International Bankers Day of NY State Banking Dept on Monday

3. RO / Staff issues

- No RO / Staff issues in week 37

4. Info / News

- No specific News in week 37

5. Upcoming Events / Projects / Visits

- SWLN scheduled to visit RO in week 38 (supervision, RO action plan, etc.)
- Martin Suter scheduled to visit RO on Thursday
- Marc Sulser scheduled to visit RO on Friday

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Weekly Report – Rep. Office New York

For week 43 (10/24/05 – 10/30/05)

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1. Client activities

- Contact with client of Susanne (meeting scheduled for November)
- Assisting client of CS Zurich (information regarding new RM)
- Assisting client who bought gold bullions back in Switzerland
- Contact with client of SWLN (question regarding rates on Euro TD)
- Contact with client of Werner (meeting scheduled for Monday)
- Questions regarding accounts in CH (negative, too small)
- Contact with prospective client from Oregon (in process)
- Assisting client from Geneva (question regarding reactivation of old account)
- Contact with client of Susanne from North Carolina (just touch base)
- Assisting client from Spain (problems with his ATM card)

2. Visits / Events

- Roger met with Legal and Compliance key staff in Zurich on Oct 19 at head office
- Roger met with line management on Oct 18 and 19 at head office (regular HO briefing)

3. RO / Staff issues

- Remaining staff from CSPA New York office is moving to CSPA Miami on Oct 30
- On site visit of Legal and Compliance scheduled for Jan 06

4. Info / News

- No specific News in week 43

5. Upcoming Events / Projects / Visits

- Meeting with client of Susanne on Monday

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Weekly Report – Rep. Office New York

For week 15 (04/09/07 - 04/15/07)

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1. Client activities

- Contact with client of SALB (meeting scheduled for week 16)
- Several calls on Monday because offices in Europe were closed
- Assisting client from Pittsburgh regarding estate questions
- Meeting with client of Werner (balance, retention)
- Contact with prospective client in Houston (application pending)
- Contact with prospective client of Jacqueline (questions regarding PoA)
- Assisting client of PB USA (questions regarding accounts in CH)
- Meeting with client of Michael (balance)
- Contact with client of Werner (will travel to Zurich in June)
- Many inquiries regarding area code change in Zurich
- Meeting with client of SALN (retention, social contact)
- Passport and Signature verification on behalf of Florian

2. Visits / Events

- No Visits/Events in week 15

3. RO / Staff issues

- Roger meeting with L&C team in Zurich on April 3
- Roger will be out of the office from April 17 through April 26

4. Info / News

- No specific info / news in week 15

5. Upcoming Events / Projects / Visits

- Roger attending DU-meeting in Zurich on April 18
- SAL in New York in week 16

Confidential Treatment Requested by Credit Suisse

Weekly Report – Rep. Office New York

For week 20 (05/14/07 - 05/20/07)

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1. Client activities

- Inquiry on how to return old Swiss Franc banknotes (snb.ch)
- Assisting client of SALN (rates for loans and TD)
- Opening of new account for Michael (> US$ 500'000)
- Assisting client of Jacqueline (signature verification)
- Contact with client of SALD (contact information of RM)
- Contact with client of SALN from Montreal (meeting scheduled in June)
- Assisting client of CS Zurich (did not receive her statement)
- Contact with client of CS Zurich (wanted to close small account)
- Follow-up with prospective client in Nebraska (decision pending)
- Former client of PB USA looking for information (referred to Eleven Madison)
- Assisting client of Werner (change of address and phone number)
- Contact with client of Susanne (wire instruction)

2. Visits / Events

- Roger attending AML seminar on Monday
- Roger meeting with Anthony DeChellis on Wednesday
- Annual meeting of SSNY on Wednesday

3. RO / Staff Issues

- Roger on vacation in week 21 (May 21 – 25)

4. Info / News

- No specific info / news in week 20

5. Upcoming Events / Projects / Visits

- No events / projects / visits in week 21

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CREDIT SUISSE

Minutes Meeting of the Private Banking Management Committee **Confidential**

March 23, 2007 **AGENDA ITEM 1**

Date	March 23, 2007, 09:30 hrs – 17:00 hrs	
Venue	Zurich, Paradeplatz 8, Boardroom 4th Floor	
Participants	***Members of the PB MC*** Berchtold, Walter **(WB)**, Chair Bättig, Alois **(AB)** Brunner, Christoph **(CB)** DeChellis, Tony **(TD)** Körner, Ulrich **(UK)** Kreis, Marcel **(MK)** *(items 1 to 3.2.6)* Lacher, Romeo **(RL)** Vayloyan, Arthur **(AV)**	***Extended Members of the PBMC*** Dunant, Monika **(MD)** Machate, Christian **(CM)** Landert Karl **(KL)** ***Minutes*** Fischer, Béatrice **(BF)**
	Additional Participants for STC (item 5)	Ehrat, Stefan **(SE)** Honegger, Claude **(CH)** Janson, Philipp **(PJ)** Mende, Martin **(MM)** Langerwisch, Peik **(PL)**
Item-related participants	Aellen, Patrick (item 3.2.4) Bluntschli, Thomas (item 5.2) Dickob, Frank (item 3.2.4) Isenegger, Reto (item 5.5) Kuttner, Andrea (item 5.5) Mathur, Pritash (item 3.2.4)	Marsh, Ian (item 3.2.5) Pfister, Erich (item 3.2.3) Strebel, David (item 5.6) Wanka, Alfred (item 5.4) Winzeler Ruedi (item 5.4) Zech, Damian (item 5.5)

AGENDA

1	**Minutes** (🗁)
2	**CEO Matters**
3	**Reporting**
3.1	Discussion of Divisional and Business Area Performance (🗁)
3.2	Other Reports
3.2.1	Report from MACS (🗁)
3.2.2	Managed Assets (🗁)
3.2.3	W9 Update (🗁)
3.2.4	OE Update (🗁)
3.2.5	One Bank Delivery Update (🗁)
3.2.6	IT (🗁)
3.2.7	Communications (🗁)
3.2.8	HR (🗁)
4	**Varia**
4.1	M&A Report
4.2	Pending Items (🗁)
4.3	Any Other Matters
5	**CC Global Wealth Management STC** (🗁)
5.1	Introduction, Overview and Status Update on Client Centricity
5.2	Manage Client Franchise Economic Profit
5.3	Client Centricity PB Segmentation Approach
5.4	Overview of Solution on SBIP
5.5	BA Priorities and Roadmaps
5.6	Other CC Related Topics: Advisory Process
5.7	Varia and Next Steps

(🗁 indicates attachments to the file copy of these minutes)

Confidential Treatment Requested by Credit Suisse

No		• Document • Open issue
1	**Minutes** (WB) The minutes of the February 27, 2007 PB MC meeting are approved.	1
2	**CEO Matters** - Out-of-cycle salary increases have grown significantly in recent months. PB MC members are asked to only grant such increases on an exceptional basis. - **WB** reports on a strategy discussion with O J Grübel. Some of the issues that came up were focus on compliance, growth enabling client segmentation, best execution, and better presentation of the PB franchise value to the outside world.	
3	**Reporting**	
3.1	**Discussion of Divisional and Business Area Performance** (CB, all) YTD PTI is 8.6% above budget, but 2% behind the result a year ago despite significantly lower operating expenses. These were positively impacted by the new allocation key for treasury results which now follows economic profit rather than ERC. The allocation between WM and CRB is pending as are a number of other matters (e.g. block 2 cost allocations). As a result, WM and CRB results are currently not entirely comparable with budget and/or previous year. NNA for WM were CHF 4.4bn in February (vs. budget of CHF 5.5bn). CRB recorded NNA of CHF 1.3bn, primarily reflecting the bonus payments credited to the accounts of employees. Managed assets are reported at CHF 4bn, just about at budget level. Net inflows in discretionary mandates were disappointing. **CB** points out the ongoing margin pressure, particularly in the mortgage business. The PB MC discusses the timing to implement the necessary interest increases both on the asset as well as on the liability side. *PBB* ***(UK)***: **UK** comments on the YTD results and the developments in March. The expected asset outflows from a lost pension fund mandate will likely hit only in April. The cost allocation from ShS and other divisions continues to be a concern. *EMEA* ***(AB)***: February was an excellent month for the region in terms of performance with strong revenues and cost under control. NNA wise the solid inflows were partly offset by outflows in the UHNWI area. However, the momentum is considered good. *Asia* ***(MK)***: Asia had a decent month with NNA of CHF 1.5bn, whereof CHF 0.5bn is not sustainable. Operating expenses were lower than expected, partly due to the fact that the hiring strategy could not be pursued as aggressively as planned. *Americas* ***(TD)***: February was a rather weak month in terms of NNA which were only CHF 0.5bn compared to a budget of CHF 1.2bn. Thanks to a strong January YTD NNA are still above budget. **TD** informs on the potential hire of a team of 15 FTEs from UBS. Heding Griffo continues to do well recording strong asset inflows. *ISP* ***(AV)***: ISP had exceptionally solid NNA inflows in February bringing YTD to double the budget. Revenues and cost are under control. **AV** informs the PB MC on a recently launched IB initiative reviewing the Fixed Income business including the review of the collaboration with ISP creating some (unnecessary) tension among ISP staff. *Ops* ***(RL)***: Operating expenses are currently below budget due to lower personnel expenses. Largely all KPIs are on green. The CL migration is progressing as planned. **RL** also informs on the progress made in the project to offer PB services to MDs of other divisions. He will present some recommendations to the PB MC in June.	2 ***June PB MC: PB Services to MDs***

No		• Document • Open issue
3.2	**Other Reports**	
3.2.1	**Report from MACS** Not discussed	3
3.2.2	**Managed Assets** (AV) **AV** reports on a satisfactory development. The February efforts substantially made up for the slow start in January. He summarizes the activities completed in terms of project governance, communication, sales support and incentive efforts and products. The Global Product Sales team is at the heart of all efforts. The cooperation with the sales team at AM (N Pauli) works well. Nevertheless, **WB** feels that for better coordination of the sales effort the AM sales team should be integrated in PB. At the same time a joint product committee should be created to share the investment themes and ensure AM product creation with appropriate time to market. **AV** will take this up with D Blumer.	4
3.2.3	**W9 Update** (CB, Pfister) While progress was made, the transfer of the 654 concerned CIFs (AuM CHF 900m) to CSPA currently lags the plan. As of mid March in 17% of all cases client feedback was received out of which 20% decided to close their account (CHF 21m AuM). In terms of exception handling the W9 decision board granted a total of 26 exemptions out of 92 applications. Then, E Pfister reports on the kick-off of the W9 project in international locations (110 CIFs; AuM CHF 170m).	5
3.2.4	**OE Update** (RL, Mathur, Aellig, Dickob) P Mathur summarizes the benefits estimates and the developments versus the OE scorecard and highlights recent achievements and challenges. One of the concerns refers to project length which still exceeds the target. He then presents the look and feel of the new e-training tool. Moreover, P Aellig and F Dickob present the result of an OE project dedicated to improving the investment performance with advisory clients. The analysis showed that 27% of all advisory clients perform below the benchmark ("low performers"). Moreover, a high number of "low traders" was identifed. For both categories a more pro-active approach is needed by developing switch opportunities into managed assets. Provided the set targets are reached (increase share in managed assets of "low performers" from 37% to 50% and of "low traders" from 32% to 50% by end of 2008) an incremental annual TOI of CHF 39m will be achieved.	6
3.2.5	**One Bank Delivery (OBD) Update** (Marsh) I Marsh summarizes the YTD OBD results sand the divisional revenue and asset flows. The revenue FC as of March 19 stands at CHF 166m vs. a target of CHF 525m for the year. It needs to be noted, however, that revenues of CHF 113.6m were generated from deals booked in 2006 and only CHF 52.6m from deals booked in 2007. Within PB, particularly EMEA records a lot of activity including a number of excellent large transactions. In Asia the pipeline has been accelerated, the impact of which should show in the next report. In the Americas the situation is somewhat different as many transactions are governed by existing RSAs and do therefore not show up in the OBD statistics. IB has cascaded down targets in the organization. So far IB has referred assets of CHF 1.7bn to PB, whereof CHF 1bn in the form of custody assets.	7
3.2.6	**IT** (KL) *IT Achievements Report:* YTD February IT cost is approx. 2% above budget.	8-12

No		• Document • Open issue
	CMMI Update: CMMI is a proven best practice tool that improves the way IT projects are run and managed. An important part of CMMI is that it strives to develop more realistic and better quality project plans thereby increasing the probability of success in terms of cost, schedule and quality. **KL** points out that particularly in the beginning CMMI may create the perception that IT projects take longer and are more expensive, when in fact the project plans just become more realistic. *Project Primo:* **KL** explains the rationale of the new IT PB organization which aims at facilitating the development of global products to optimally support the PB strategy while ensuring the satisfaction of local IT needs. Interfaces are clearly defined as is the process for innovation steering. The new set-up will be operationally by mid 2007. *Peer Benchmarking with UBS:* From a business mix UBS WM proves to be the most comparable of the various banks included in the study. In quantitative terms CS IT spending for PB is significantly below UBS WM and only slightly above EU average. On the other hand, UBS uses a higher percentage to "run-the-bank" as opposed to "change-the-bank". Based on 2003-2006 actuals CS spends between 8 and 11% of business revenues as IT costs. Based on the SBP this ratio will drop to 7.3% in 2009 risking an investment backlog and failure to support the projected business growth. The PB MC also takes note of the qualitative information provided in the benchmarking report. **KL**'s conclusion and recommendation is to maintain a change-the-bank budget for 2008 at a level of at least 2007, possibly increase slightly if revenue growth maintains strong. He recommends continuing to invest in front applications to preserve the competitive advantage, aggressively close the gaps in operations applications and evolve investment levels for international locations in line with business growth. *Impact of IT cost reductions on PB:* **KL** shows the expected impact of the IT cost reduction on PB. Looking at Switzerland only IT cost for 2007 on a comparable budget-to-budget basis (2006 versus 2007 budget) decrease by CHF 45m.	
3.2.7	**Communications (MD)** **MD** provides an overview on the media activities and upcoming events. The Japan matter has caused limited press coverage. The recent article on IT redundancies has triggered a few media enquires. In addition, **MD** points out the media activities leading up to the AGM.	13
3.2.8	**HR (CM)** *Reporting:* A net increase of 126 FTEs is reported since last month. The headcount currently stands at 16'099 FTEs. The annualized voluntary resignation rate is 7.6%. Furthermore, the PBMC takes note of some of the joiners and leavers in the past month, the development of client management functions as well as the senior management vacancies. *Exit Survey:* **CM** presents the new exit survey that will be introduced bank wide in April. The exit survey is fully integrated in the already existing employee survey landscape. It is a systematic standardized online survey in collaboration with an outside provider (Kienbaum/Hewitt) thus allowing anonymous feedback. **CM** presents the type of reports that will be produced which can be broken down hierarchically as far as meaningful from a sample size point of view. *Engagement Survey:* **CM** informs the PB MC that in the May meeting there will be a discussion on the measures taken as a result of the survey results.	14, 15

No		• Document • Open issue
4	**Varia**	
4.1	**M&A Report** The PB MC discusses the merger talks between ABN and Barclays.	
4.2	**Pending Items** The PB MC takes note of the pending items list.	16
4.3	**Any Other Matters** **CB** informs on an upcoming reorganization within Financial Management.	
5	**Client Centricity Global Wealth STC #2**	17
5.1	**Introduction, Overview and Status Update on Client Centricity (PJ)** **PJ** delivers a status update on CC related activities on bank level, before he describes the high level roadmap to ensure that the first CC key elements go live as of January 1, 2008. The first implementation package focuses on client profitability and segmentation and includes the ability to group CIFs, collect segmentation attributes, calculate profitability on client level, provide basic reports, and build up data history. Finally, **PJ** provides an overview on the current CC value propositions for PB.	
5.2	**Manage Client Franchise by Economic Profit (Bluntschli)** In today's steering and controlling framework 3 views exist: profitability view on client level, performance view on RM, profit center on BA level, and the external view on LoB and divisional level. The key principles to ensure accountability and manage the client franchise will remain unchanged. However, there will be fundamental enhancements regarding transparency on the client franchise providing full bottom line transparency on client and service profitability. In particular, there will be two new performance view elements covering contributions in other divisions and cost of capital. T Bluntschli presents the new calculation scheme for client profitability and discusses the approach chosen to calculate RM cost per client. There are still some open items to be solved and potentially aligned with the bank. The PB MC **approves** the proposed steering and controlling framework including the client profitability and performance view scheme with its 10 major elements. For all elements measurement details have been developed to be implemented in a staggered approach as of January 1, 2008 and 2009.	
5.3	**Client Centricity PB Segmentation Approach (MM)** With the proposed CC approach future segmentation will have three components, namely the existing basic segment codes, the QP segmentation cube (with three axes for all Wealth Mgmt clients (excl. Clariden Leu, EAM): life-cycle phase, source of wealth and behavior type) and core sub-segments. **MM** summarizes the CC segmentation of Private Clients in Switzerland (PCS) where the effort is most advanced. It is anticipated that about 40% of the overall PCS client base will be flagged allowing a targeted sales and service approach. The PB MC **approves** the proposed QP segmentation cube for Wealth Management as it is currently used in the Pilot Mittelland. It further approves the proposed segmentation for Private Clients Switzerland.	

No		• Document ◄ Open issue
5.4	**Overview of Solution on SBIP** (Winzeler, Wanka) The first implementation package focuses on client profitability and segmentation, and includes the components CIF grouping, segmentation attributes, client profitability statement, and profitability reporting for RMs/Managers. These will be available by 11/2007. Packages 2 and 3 planned for 2008 focus on developing a steering cockpit and refinement of client management. An overall budget in 2007 of CHF 19.25m is needed to implement package 1 in 2007 and to prepare the packages 2/3. The budget request in 2008 still needs to be defined. CHF 11.25m are currently funded as part of the 2007 budget. For the rest a solution still has to be found. The PB MC **approves** the implementation approach and agrees on the preliminary plans to fund these efforts.	
5.5	**BA Priorities and Roadmaps** (AB, TD, UK, MM, Kuttner, Zech, Isenegger) *EMEA:* A Kuttner provides an overview on the project organization and the CC priorities for EMEA. As local capabilities to calculate (c)EP are available CS Germany onshore was chosen to serve as pilot for the region. Other locations will follow once local availability of required data and systems can be ensured. *Americas:* **TD** presents the governance of the CC effort in the Americas. In the US the focus lies on the rollout of the advisory process tools and RM training. Further CC elements will be implemented in 2008. On the Latam side the implementation of the (c)EP methodology for clients on the SBIP will start in Q4 2007 with other booking centers to follow in 2008. The focus in 2008 will be on developing value propositions. *APAC:* Three unique client segments were approved for APAC and value propositions tested with anchor clients. The feedback received is very positive. A country per country review is currently being performed to identify a universe of clients with similar profiles. *CH:* R Isenegger discusses the priorities of the Swiss project streams which focus on transforming the results from the successful Pilot Mittelland to other PB areas. The first wave of value propositions is ready for implementation in Q2. In the Affluent business the rollout is planned for Q3. At Corporate & Institutional Clients CH the focus currently lies on calculating (c)EP per client within the chosen sample and developing a first segmentation approach. Value propositions are expected to be developed by end of Q3. The PB MC **approves** the CC priorities and the regional implementation roadmap.	
5.6	**Other Client Centricity Related Topics: Advisory Process** (SE, Strebel) The Advisory Process represents the implementation engine of CC. The PB MC acknowledges the progress made and emphasizes that it is essential to further accelerate the coverage on a global basis. The Global CRM/Advisory Portal (G-CAP) consisting of FrontNet "sub-set" and INVESTnet is designed to enable multi-booking center approaches in client management within the limits of technical infrastructure and cross border issues. The PB MC **approves** the plan to leverage G-CAP as global standard wherever possible. Deviations need to be approved by the PB MC. Then, D. Strebel updates the PB MC on IMPACT. He summarizes the thrusts identified and some of the project ideas which have already been vetted with the respective stakeholders. **TD** encourages the project team to include as much as possible RM input from all regions. IMPACT is going into project portfolio management phase shortly. Roll out and implementation is planned for Q4 2007 and Q1 2008.	
5.7	**Varia and Next Steps** The PB MC takes note of the next steps.	

List of documents:

1	*Minutes PB MC Meeting February 27, 2007*
2	*PBMC Monthly Report February 2007*
3	*MACS Report*
4	*Managed Assets: Implementation Status of Decided Measures*
5	*Project W9 Update*
6	*Operational Excellence Update*
7	*One Bank Delivery Update*
8	*IT Achievements Report for PB*
9	*CMMI Update*
10	*Project PRIMO*
11	*PB IT CtB Investment Planning (Peer Benchmark with UBS)*
12	*Impact of IT Cost Reductions on Private Banking*
13	*Main Communications Activities March 2007*
14a	*HR Headcount, Turnover Rate, Joiners/Leavers (Presentation)*
14b	*Private Banking Turnover Reporting*
14c	*Joiners/Leavers (Excel Overview)*
14d	*HR: Development of Client Management Functions*
15	*HR: Exit Survey*
16	*Agenda Planning PB MC*
17	*STC Client Centricity Global Wealth (STC #2)*

CREDIT SUISSE

Business Performance PB Americas

December 2009

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PB Americas – Financial Summary

Key points

- NNA inflow of CHF 8.0bn were reported for PB Americas. The result is far below target by -57% as well as below YTD last year by -61%. As per December YTD 2009, PB USA contributed CHF 2.4bn (-79% or CHF -9.2bn behind the target) whereas PB LatAm shows CHF 5.5bn which is -21% or -1.4bn behind the target (including Project Tom neutralization of CHF 2.4bn).
- MIP net Sales of PB Americas reached CHF 4.4bn in December 2009 missing the target of CHF 8.4bn by -48%. PB USA contributes CHF 2.7bn MIPnS per Dec YTD which is -39% below target and -2% below last year. PB LatAm reaches MIPnS of CHF 1.7bn being -57% behind budget (including Project Tom neutralization of CHF 0.7bn in total).
- Performance relevant revenues (true and fair) of PB Americas rose to CHF 1'032.4m per Dec YTD being 6% above last year and -6% below budget. PB USA reported CHF 435.9m which is +13% above last year but still below target by -18%. Revenues of PB LatAm amount to CHF 596.5m being slightly below target by -1% but above last year by +1%.
- Performance relevant costs of PB Americas reached CHF 509.9m being below budget by 7% but above Dec YTD 2008 by 11%. PB LatAm reports costs of CHF 163.4m being below budget by -3% but 4% above previous year. Costs of PB USA amount to CHF 353.0m which is still -11% below target but 15% above last year.
- Collaboration revenues increased to CHF 330.3m (-35% below target and -36% below previous year). PB USA's share of CHF 191.5m is -45% below target and -41% below previous year. Deviation is still mainly due to low AI & PE activity. PB LatAm's share is CHF 138.8m (-16% behind target), mainly driven by SGC revenues from Brazil International's Special Desk (CHF 61.9m) and RSA revenues of Hedging Griffo (CHF 36.8m).

To watch/actions to take

PB USA

- NNA inflows of USD 2.3bn for December YTD. Amount mainly driven by inflows in July, September and November (total USD 2.1bn), largest inflow in the Los Angeles/San Francisco office (a new client shared between Los Angeles and San Francisco brought in shares of Campbells Soup Co. valued at USD 220m). The main driver for low NNA were outflows via Fed Funds (December YTD USD -10.4bn).
- For December YTD 59 RM's were hired and 80 RM's departed.
- Revenues December YTD 13% above last year's December YTD mainly driven by higher revenues from the Fixed Income, Syndicate and Equities businesses as well as revenues from interest on RM loans (USD 8.8m December YTD). Compared to pro-rata budget, revenues were 16% below.
- New hires (2008 & 2009) and fixed income RM's were the main driver for the revenue increase, whereas same - store - sales were 16% below last years production. Individual performance is closely monitored.

PB LatAm

- NNA inflows as per December YTD sum up to CHF 5.5bn which is -21% behind target and -17% below last year (including Project Right). The highest inflow came from Hedging Griffo with CHF 2.1bn (5% above target)which includes a YTD asset reclassification of CHF 1.3bn. PB LatAm US contributed inflows of CHF 1'745.2m being 19% above budget. CSCIL/WMD reported NNAs of CHF 60.0m which is -60% below target. LatAm International registered inflows of CHF 1'298.7m being -37% below last year and -46% below budget. Main contributor of the international businesses were Mexico International with inflows of CHF 986.5m and Brazil International Special Desk with CHF 424.8m. However, NNA outflows were reported by North America International (CHF -213.7m) due to restricted business activity and Pacto Andino (CHF -121.6m).
- Performance relevant revenues of PB LatAm reached CHF 593.5m (1% above last year and -1% below budget). All regions are behind target except Brazil Domestic (+32%) driven by Hedging Griffo YTD performance fee of CHF 91.0m. Apart from Mexico Domestic (-54%), the largest gaps to YTD target show PB Bahamas (-38%), Pacto Andino (-21%) and North America International (-17%).
- PB LatAm shows costs of CHF 163.4m being 4% above previous year but -3% below YTD budget. With exception of Pacto Andino (+10%) and Brazil International (+4%) all regions are below YTD cost budget.

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CS-SEN-00065087

Business Performance PB Americas

Financials in CHF million, Margin in bps and RM in #

	Y2008 Dec YTD		Y2009 Dec YTD		Y2009 Dec YTD Target
[illegible]	550	+ 0%	550	- 9%	602
[illegible]	20'598.6	- 61%	7'982.4	- 57%	18'639.1
[illegible]	103'146	- 26%	129'648	- 12%	146'609
[illegible]	1'900.9	+ 120%	4'370.5	- 44%	8'857.3
[illegible]	84.7	+ 9.8	88.5	+ 4.7	83.8
[illegible]	1'493.0	- 2%	1'363.6	- 15%	1'608.5
[illegible]	977.1	+ 5%	1'032.4	- 6%	1'096.5
[illegible] Relevant Costs	476.4	+ 11%	529.9	- 7%	572.0
Performance Relevant Income	484.3	+ 0%	482.9	- 5%	507.3
Non Performance Relevant Costs (*)	390.4	+ 18%	458.7	- 5%	481.3
Income bef. taxes and Minorities (*)	170.3	- 21%	135.0	+ 3%	131.3

(*) Excl. ARS

Note: Actuals exceeding target by +5% (Costs -5%) or more are dark green, positive within a range of 0% to 5% light green and negative 0% to -5% (on revenues) and +5% (on costs) yellow. Negative deviations above 5% are red. Comparison with previous year is no longer relevant for color indication.

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Business Performance PB LatAm

Financials in CHF million, Margin in bps and RM in #

	Y2008 Dec YTD		Y2009 Dec YTD		Y2009 Dec YTD Target
[illegible]	161	+ 16%	186	+ 12%	212
[illegible]	6'679.7	- 17%	5'535.4	- 21%	6'978.7
AuM	46'573	- 38%	64'293	- 1%	64'666
[illegible]	-822.1	n.a.	1'694.5	- 57%	3'947.3
Margin	107.1	+ 0.5	107.5	- 1.0	108.5
Perf. Rel. Revenues (Incl. Collaboration)	779.5	+ 5%	796.2	- 4%	766.1
Perf. Rel. Revenues (Trow & Pair)	589.6	+ 1%	595.5	+ 0%	599.4
Performance Relevant Costs	157.6	+ 4%	163.4	- 3%	168.3
Performance Relevant Income	423.3	+ 1%	420.4	+ 0%	420.6
[illegible] Relevant Costs	212.6	+ 4%	220.8	- 5%	232.7
[illegible] and Minorities	270.2	+ 12%	302.6	+ 5%	289.4

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Note: Actuals exceeding target by +5% (Costs -5%) or more are dark green, positive within a range of 0% to 5% light green and negative 0% to -5% (on revenues) and +5% (on costs) yellow. Negative deviations above 5% are red. Comparison with previous year is no longer relevant for color indication.

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Business Performance PB LatAm (excl. Hedging Griffo)

Financials in CHF million, Margin in bps and RM in #

	Y2008 Dec YTD		Y2009 Dec YTD		Y2009 Dec YTD Target
[redacted]	129	+ 10%	153	- 13%	176
[redacted]	5'420.2	- 46%	3'443.2	- 31%	4'978.7
[redacted]	38'901	+ 25%	48'608	- 11%	54'751
[redacted]	-932.4	n.a.	1'037.6	- 47%	1'947.3
[redacted]	105.3	- 10.4	94.9	- 5.3	100.2
[redacted]	567.6	- 8%	520.8	- 12%	594.5
[redacted]	446.9	- 6%	420.0	- 10%	465.6
Performance Relevant Costs	126.5	+ 4%	131.5	- 3%	136.0
[redacted]	312.8	- 11%	277.0	- 13%	320.2
Non Performance Relevant Costs	169.8	- 14%	193.6	+ 0%	192.9
[redacted]	201.1	- 9%	183.7	- 18%	225.4

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Note: Actuals exceeding target by +5% (Costs -5%) or more are dark green, positive within a range of 0% to 5% light green and negative 0% to -5% (on revenues) and +5% (on costs) yellow. Negative deviations above 5% are red. Comparison with previous year is no longer relevant for color indication.

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Business Performance PB USA - USD

Financials in USD million, Margin in bps and RM in #

	Y2008 Dec YTD		Y2009 Dec YTD		Y2009 Dec YTD Target
[redacted]	389	- 6%	364	- 1%	390
[redacted]	12'522.0	- 81%	2'340.2	- 78%	10'590.4
[redacted]	53'547	+ 18%	63'448	+ 15%	74'476
[redacted]	2'472.6	+ 1%	2'490.0	- 39%	4'009.1
[redacted]	64.0	+ 7.1	71.1	+ 5.7	76.7
[redacted]	659.3	- 12%	578.9	- 27%	797.0
[redacted]	357.6	- 12%	404.0	- 16%	483.0
[redacted]	283.3	- 15%	326.3	- 9%	359.6
[redacted]	93.0	+ 8%	73.1	- 39%	120.1
Non Performance Relevant Costs (*)	139.3	- 36%	190.1	- 4%	197.2
[redacted]	-66.9	- 108%	-118.3	- 94%	-75.0
3M Payout ratio	33%	- 2.1	31%	- 0.4	31%

(*) Excl. ARS

Note: Actuals exceeding target by +5% (Costs -5%) or more are dark green, positive within a range of 0% to 5% light green and negative 0% to -5% (on revenues) and +5% (on costs) yellow. Negative deviations above 5% are red. Comparison with previous year is no longer relevant for color indication.

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Business Performance PB USA – CHF

Financials in CHF million, Margin in bps and RM in #

	Y2008 Dec YTD		Y2009 Dec YTD		Y2009 Dec YTD Target
[redacted]	389	- 6%	364	- 7%	390
[redacted]	13'919.1	- 82%	2'446.9	- 79%	11'950.4
[redacted]	56'573	+ 15%	55'415	- 20%	81'923
[redacted]	2'723.0	- 2%	2'675.9	- 35%	4'410.0
[redacted]	64.2	+ 7.0	71.1	+ 5.8	76.7
[redacted]	713.2	- 12%	627.4	- 28%	876.7
[redacted]	387.0	+ 13%	435.9	- 18%	531.3
[redacted]	307.4	+ 15%	353.0	- 11%	395.5
[redacted]	72.9	+ 7%	78.0	+ 41%	132.1
[redacted]	149.6	+ 37%	205.0	- 5%	216.9
[redacted]	-60.8	- 111%	-128.3	- 55%	-82.5

(*) Excl. ARS

Note: Actuals exceeding target by +5% (Costs -5%) or more are dark green, positive within a range of 0% to 5% light green and negative 0% to -5% (on revenues) and +5% (on costs) yellow. Negative deviations above 5% are red. Comparison with previous year is no longer relevant for color indication.

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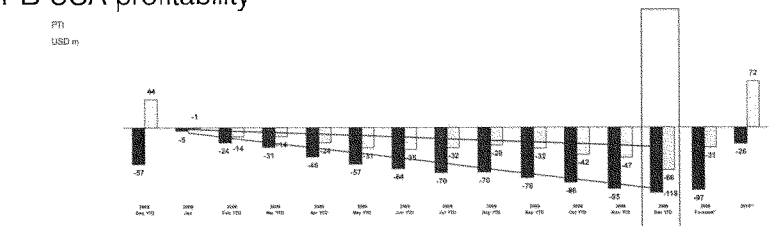
PB USA profitability



		2008 Dec YTD	2009 Jan	2009 Feb YTD	2009 Mar YTD	2009 Apr YTD	2009 May YTD	2009 Jun YTD	2009 Jul YTD	2009 Aug YTD	2009 Sep YTD	2009 Oct YTD	2009 Nov YTD	2009 Dec YTD	2009 Forecast*	2010**
PB USA	PRI	68	7	8	13	14	19	30	35	43	47	56	65	73	84	156
	PTI	-57	-5	-24	-31	-45	-57	-64	-70	-70	-78	-86	-95	-118	-97	-26
PB USA +IB + AM	PTI	44	-1	-14	-14	-24	-31	-35	-32	-38	-32	-42	-47	-66	-31	72

NB: One Bank Revenues: For 2008, IB and AM revenues at 94% of PB USA (perf. rel. revenues, excl. SGC); for December 09 YTD 2009 37%; for 2010 49%;
PTI margin of 30% for IB/AM revenues
Numbers excluding ARS, excluding LatAm US.
* Forecast 2009 based on 2Q Forecast 2009
** Plan 2010 updated on December, 14th 2009

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Financial summary (1)

PB Americas in CHF mn	Y2008 Dec YTD	Y2009 Dec YTD	Y2009 Budget Dec YTD
Perf. rel. Revenues	977.1	1'032.4	1'096.5
Perf. rel. Costs (incl. Costs of ERC)	- 492.8	- 549.5	- 589.2
Perf. rel. Income	484.3	482.9	507.3
Non-perf. rel. revenues	59.0	82.7	87.9
Charges & Cost Allocations	- 255.3	- 263.8	- 265.4
Bonus & Deferred Comp.	- 104.3	- 174.1	- 191.6
Intangible Amortization	- 17.8	- 12.9	- 14.2
Other (incl. Reversal Costs of ERC)	4.4	20.2	7.3
Pre tax Income	170.3	135.0	131.3

PB USA in CHF	Y2008 Dec YTD	Y2009 Dec YTD	Y2009 Budget Dec YTD
Perf. rel. Revenues	387.0	435.9	531.3
Perf. rel. Costs (incl. Costs of ERC)	- 314.2	- 357.8	- 399.2
Perf. rel. Income	72.9	78.0	132.1
Non-perf. rel. revenues	9.0	- 6.3	- 1.5
Charges & Cost Allocations	- 108.1	- 109.3	- 110.9
Bonus & Deferred Comp.	- 38.1	- 89.7	- 101.6
Intangible Amortization	- 3.5	- 3.5	- 4.4
Other (incl. Reversal Costs of ERC)	6.9	2.3	3.8
Pre tax Income	- 60.8	- 128.3	- 82.5

PB LatAm in CHF	Y2008 Dec YTD	Y2009 Dec YTD	Y2009 Budget Dec YTD
Perf. rel. Revenues	589.8	596.5	599.4
Perf. rel. Costs (incl. Costs of ERC)	- 166.5	- 176.0	- 178.8
Perf. rel. Income	423.3	420.4	420.6
Non-perf. rel. revenues	50.0	89.0	89.4
Charges & Cost Allocations	- 120.4	- 122.9	- 121.9
Bonus & Deferred Comp.	- 64.4	- 83.1	- 90.1
Intangible Amortization	- 14.3	- 9.4	- 9.8
Other (incl. Reversal Costs of ERC)	- 3.9	8.4	0.1
Pre tax Income	270.2	302.6	288.4

(1) Excl. ARS

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CS-SEN-00065094

Deviation to Previous Year and Budget on KPI

December 2009 financials

	Δ Actuals vs PY			Δ Actuals vs Budget		
	PB Americas	CS PB without Americas	Total Private Banking	PB Americas	CS PB without Americas	Total Private Banking
Performance relevant revenues	+ 5.7%	- 14.3%	- 12.8%	- 6.8%	- 14.9%	- 14.2%
Performance relevant costs	+ 11.2%	- 7.4%	- 6.2%	- 7.3%	- 5.7%	- 5.8%
Performance relevant income	- 0.3%	- 32.5%	- 29.0%	- 4.8%	- 32.7%	- 29.6%
Income before taxes and Minorities (US GAAP)	- 20.7%	- 22.2%	- 22.2%	+ 2.8%	- 24.7%	- 24.0%
NNA	- 61.2%	- 1.3%	- 18.3%	- 57.2%	- 45.0%	- 47.9%
Managed Investments Products net Sales (MIPnS)	+ 129.9%	- 172.4%	- 218.8%	- 47.7%	- 51.5%	- 50.4%

Note:
- Income before taxes and Minorities (US GAAP) excluding ARS impact but including amortization of intangible assets HG
- Gray shaded fields represent KPI's, where PB Americas performs better than the other BA's

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CS-SEN-00065095

FTE Analysis

	Full-time equivalents (FTE)					Relationship Managers		
	December 31 2008	November 30 2009	December 31 2009	Budget 2009	Deviation to Budget	November 30 2009	December 31 2009	2009 Budget
PB LatAm (excl. Hedging Gifts)	379.4	421.6	415.7	440.7	23.9	160.3	153.3	175.6
Hedging Gifts	143.0	135.0	139.0	150.0	11.0	32.0	33.0	35.0
PB LatAm	522.4	557.6	555.7	590.7	34.9	192.3	186.3	211.6
PB USA	740.1	725.5	724.9	777.2	52.3	363.0	364.0	360.0
Market Development	12.8	16.0	16.0	15.0	-1.0			
COO	23.0	20.0	20.0	26.0	6.0			
WMS Americas	102.5	111.9	111.9	116.0	4.1			
in PB Americas (USA)	74.7	79.1	79.1	82.0	2.9			
in PB ISP	*27.8*	*32.8*	*32.8*	*34.0*	*1.2*			
BA Management	3.0	3.0	3.0	3.0	0.0			
International Trainee/Maternity	0.0	3.0	2.0	0.0	-2.0			
Total BA Americas (incl. ISP)	**1409.8**	**1437.0**	**1433.5**	**1527.9**	**94.3**	**555.3**	**550.3**	**571.6**
BA Americas without ISP	1382.0	1404.2	1400.7	1493.9	93.1			
BA Americas (as shown in Swiss MIS)								
PB USA	828.7	811.6	811.0	866.2	55.2	363.0	364.0	360.0
PB LatAm	522.4	557.6	555.7	590.7	34.9	192.3	186.3	211.6
PBA Mgmt, CIO & COO	31.0	32.0	32.0	37.0	5.0	0	0	0.0
Trainee/Maternity leave	0	3.0	2.0	0.0	-2.0			
PB Americas	**1382.0**	**1404.2**	**1400.7**	**1493.9**	**93.1**	**555.3**	**550.3**	**571.6**

Source: DWH/MIS

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Produced by: SOFU
Jan 20, 2010, Slide 11

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Collaboration reporting
PB Americas overview

in CHF m

		YTD Dec 09	YTD Dec 08	YTD Budget 09	% PY	% Budget
PB LatAm	RSA (Global PB)	72.4	121.8	95.3	-41%	-24%
	SGC	66.4	66.9	70.0	-1%	-5%
	TOTAL Cross-selling indicator	**138.8**	**188.7**	**165.3**	**-26%**	**-16%**
PB USA	RSA (Global PB)	167.2	318.0	270.0	-47%	-38%
	SGC	24.3	8.2	75.0	198%	-68%
	TOTAL Cross-selling indicator	**191.5**	**326.2**	**345.0**	**-41%**	**-44%**
PB Americas	RSA (Global PB)	239.6	439.8	365.3	-46%	-34%
	SGC	90.7	75.0	145.0	21%	-37%
	TOTAL Cross-selling indicator	**330.3**	**514.8**	**510.3**	**-36%**	**-35%**

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CS-SEN-00065097

To: Blazevich, Jennifer
From: DeChellis, Anthony </O=CREDIT-SUISSE/OU=NEW-YORK/CN=RECIPIENTS/CN=ADECHELL>
Cc:
Bcc:
Received Date: 2007-04-16 11:52:53 EST
Subject: FW: CSPA W9 project, new estimated AuM-transfer and TOI's

---

Sensitivity: Confidential

From: Isarin, Richard (CSPA)
Sent: Monday, April 16, 2007 12:09:03 PM
To: DeChellis, Anthony
Subject: RE: CSPA W9 project, new estimated AuM-transfer and TOI's
Sensitivity: Confidential
Auto forwarded by a Rule

Tony, there are two issues; speed and the hard W9 data that are starting to materialize:

1) **Speed** - it is a low priority for CS RM's and the US-client communication from Switzerland is time consuming. **As a first step I suggest you ask SOA/Erich Pfister to provide you with an April 25th update, similar to the one below, but this time have him include a realistic timeline / milestones - incl. forecasted transfer figures over time - untill project completion.** Let CS / SOA commit to deliverables and dates so we can chase them more effectively thereafter.

2) **Volume** - Bottomline, assuming in-scope relationships are 100% transferred CSPA will get about CHF 3.2 million TOI. (rest stays at CS)
My best guess is that we will only get around two thirds of this, i.e. CHF 2.4 million.

A Miami closure, will affect over 60% of budgeted 2007 CSPA revenues (CHF 3.2 million) plus another CHF 2.7 million at CS.

Even more importantly, CSPA will have no independent in-house growth generator (Swiss-booked LatAm from Miami) left.

Net/net this pushes a stand-alone economic breakeven back beyond 2008, leaving CSPA once again dependent on the "Swiss W9 compliance story" - plus potential PB USA synergies - to justify ongoing losses till it breaks even.

Broken down in independent parts, these developments may be strategically justified but, "put together as CSPA", they do not bode well. We should therefore consider formally renewing the CS' (PBMC) commitment to CSPA based on a cold, realistic, economic projection.

As I also promised Christian and Erich Pfister last Friday, I will produce a mid-term forecast once I have more dependable figures from the W9 project and the Miami restructuring.

Best,
Rick

[redacted] = Redacted by the Permanent Subcommittee on Investigations

From: DeChellis, Anthony
Sent: Monday, April 16, 2007 4:11 PM
To: Isarin, Richard (CSPA)
Subject: RE: CSPA W9 project, new estimated AuM-transfer and TOI's
Sensitivity: Confidential

Why so slow.....is there anything you need me to do?

Anthony DeChellis
Credit Suisse
Managing Director
CEO Private Banking Americas
Eleven Madison Avenue
New York, New York 10010-3629
Phone 212-538-7078
Fax 212-538-4933
Mobile [redacted]
anthony.dechellis@credit-suisse.com
www.credit-suisse.com

From: Isarin, Richard (CSPA)
Sent: Friday, April 13, 2007 10:28 AM
To: Wiesendanger, Christian; Pfister, Erich; Maas, Yves
Cc: Catanzaro, Francesco; DeChellis, Anthony
Subject: CSPA W9 project, new estimated AuM-transfer and TOI's
Sensitivity: Confidential

Dear colleagues,

As follow-up to our discussion earlier today, attached for your information the latest update from SOAM per 12.4.07. Currently 568 CIFs are in scope (AuM CHF 815m, Credits CHF 61m, TOI CHF 4.9m) of which:

- 9 CIFs, that have been transferred (AuM CHF 11.4m, Credits CHF 0, TOI 78k)
- 7 CIFs, are being escalated within CS (AuM CHF 53.8m, Credits CHF 6.6m, TOI CHF 112k)

Assuming a full 100% transfer of all in-scope relationships to CSPA the initial TOI transferred to CSPA should be around CHF 3.2m

Regards,
Rick

<< File: W9 - Update of CIF-AuM-TOI as of 12.04.07 for CSPA.ppt (Compressed) >>

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Management Committee Meeting PB Americas (MC)
Minutes N° 1/08

January 31, 2008 (8:00am – 3:00pm)
New York, OMA12, Park Avenue Room

Participants:		Presentations by:		CC:
SA	Anthony DeChellis, AD (Lead)	SHK	Heather Vanderhoof, HV	
SAM	Stewart Brenner, SB	RHLI	Penelope Allen, PA	
SEBU	Dale Miller; DM			
SAE	Paul Simons, PSi			
SAN	Peter Skoglund, PS			
SAL	Christian Wiesendanger, CW	**Guest:**		
SAO	Silvan Wyss, SW			
SAOE	Sandra Buergi, SBu (Minutes)			

Dispatch of the minutes	Signatures
To: Participants CC: CEO Credit Suisse PB	
Enclosures are usually sent with the agenda	Sig. Anthony DeChellis Sig. Sandra Buergi

Overview I **Information** D **Discussion** 🗁 **earlier dispatch / handouts**

N°	Agenda	I	D	🗁	N°	Agenda	I	D	🗁
1.	**Introduction and Leadership Information**				6.	**Key priorities per department**			
2.	**Team Building**				7.	**Client initiative Region Americas**			
3.	**Expectations / Leadership themes 2008**				8.	**Wealth Management Culture**			
4.	**Targets & Priorities 2008**				9.	**RM Recruiting**			
5.	**Roles & Responsibilities**				10.	**Wrap-up and Next Steps**			

N°	Agenda Item	Responsible / Deadline
1.	**Welcome**	
	AD welcomes the group to the first PMABC meeting in 2008 in its new set-up. He emphasizes the importance of execution in 2008. Thus, PB management is relying on this group to deliver the results for PB Americas. A strong team is the foundation of success and he therefore wants the group to spend some time on teambuilding this morning.	
2.	**Team Building**	
	The group spends time on two team building exercises.	
3.	**Expectation & Leadership themes 2008**	
	Leadership Information: AD informs: • AD gave a high-level update on global PB results.	

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CS-SEN-00077835

N°	Agenda item	Responsible / Deadline
	▪ PB Americas revenues were 19% above last year, while costs remained 5% below target. PB Americas is managing growth well in both the US and Latin America. Last year PB Americas hired over 100 RMs. ▪ PB LatAm had a strong year and PB USA revenues grew by 18% in USD, 10% in CHF respectively. The momentum is strong. SW will provide more details (see topic 4). ▪ Going forward AD will introduce and closely watch new KPIs such as NNA for Hedging Griffo, in the US NNA along different LOS clusters and head count growth split by production level. ▪ January: the final numbers are not available yet however, we observed high volumes in equity trading as people were selling. Gross production PB USA came in at about 46m USD. ▪ For financial institutions AD expects a continuation of write downs as seen in 2007 and market volatility will continue. However, he sees an opportunity in today's environment to hire new talent. CS is at an advantage over its competitors who have taken big hits on their sub-prime exposures and are therefore heavily distracted. ▪ 2008 is the year of execution. PB Americas needs to bring the vision to life. LatAm will have to focus on implementation of crossborder+, new concept, establishing/growing domestic as well as international business. The US focus is clearly on protecting the business and reputation, strong recruiting, increasing productivity of existing sales force and refining and delivering on the platform (e.g. credit & lending). ▪ OneBank will be even more important than last year. PB Americas management team will be actively involved in covering key accounts. The firm will assign the top 100 accounts to senior management. Last year the firm generated 560m CHF revenues via referrals, which increased the global PB bonus pool by 58m CHF. For 2008 the SGC goals have been significantly increased. CW mentions that he could need some help via Rob Shafir to increase the referrals from IB to PB in LatAm. ▪ Crossborder is not only a topic for CW. Everyone who travels needs to adhere to local rules and regulations. We need to enforce the policy also with PB USA RMs. SW will look into it. Furthermore, Deloitte & Touche is assessing our business to detect broken or missing processes. Results from the Deloitte & Touche assessment will allow us to improve our processes and put our business on a more solid basis. PS and PSi raise their concern re compliance and that they will have a strong focus on it. They are considering on establishing a stronger compliance set up than what's currently in place. SW mentioned that he asked compliance last autumn to dedicate a key compliance person for PB USA. They have started to interview candidates. ▪ Expenses: There is a special focus on expenses this year and we need to keep up tight controls. T&E ratios for RMs should be 1% max.. In order to safe airfare AD will start conducting management meetings via Halo. ▪ Last but not least: Everyone has received their scorecards which tie up into ADs scorecard. As a reminder: P&L contributes 50% and scorecard 50% to our bonus pool.	SW – 03/06/2008
4.	**Targets & Priorities 2008**	
	SW business performance 2007 and targets 2008: <u>Business Performance PB Americas:</u> ▪ Revenues: YTD CHF 780mn, 19% above prior year, 4% below target. ▪ Expenses: YTD CHF 408mn, 9% higher than prior year, 5% below target. ▪ Performance relevant income: YTD CHF 373mn, 32% higher than prior year, 3 % below target. ▪ Block 2 income was 80mn CHF (US:-100mn CHF, LatAm: 206mn CHF) ▪ Margin: 61 bps, 6 bps above last year but 5 pbs below target. ▪ Net New Assets: YTD CHF 7.257bn, 42% below target and 35%below last year.	

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CS-SEN-00077836

N°	Agenda item	Responsible / Deadline
	Review Business Performance LatAm (without LatAm Miami): ▪ Revenues: YTD CHF 442mn, 27% above prior year and12% above target. ▪ Expenses: YTD CHF 102mn, 2% higher than last year and flat to target. ▪ Performance relevant income: YTD CHF 340mn, 37% above prior year, 15% above target. ▪ Margins: YTD 108 bps, 7 bps above target and 11 bps above last year. ▪ Net New Assets: YTD CHF 2,661bn above target and last year. Review Business Performance PB USA (including Miami LatAm): ▪ Revenues: YTD CHF 338mn, 10% above last year, 17% below target. ▪ Expenses: YTD CHF 300mn, 12% above prior year, 7% below target. ▪ Performance relevant income: YTD CHF 38mn, flat to prior year, 56% below target. ▪ Margins: YTD 39 bps 2 bps above last year but 10 bps below target. ▪ Net New Assets: CHF 4,596bn, 64% below last year and 48% below target. Goals 2008 PB Americas: ▪ Revenues: CHF 966mn, up 24% ▪ Expenses: CHF 481mn, up 18% ▪ Performance relevant income: CHF 485mn, up 30% ▪ Margin: 68 bps, up 7 bps ▪ Net New Assets: CHF 14,952bn, up 106% ▪ MIPs: 10,459bn, up 181% ▪ RM: 545, up 16% Goals 2008 PB LatAm ▪ Revenues: CHF 584 up 26% ▪ Expenses: CHF 153 up 31% ▪ Performance relevant income: CHF 431 up 25% ▪ Margin: 92bps ▪ Net New Assets: CHF 7,725bn, up 148% ▪ MIPs: 6,417bn, up 185% ▪ RM: 215, up 21% ▪ Major initiatives: Reform and growth of international business (crossborder+, new concept, OneBank, advisory process), growth of domestic business (Mexico, Brazil) and people franchise (HCP and strategic hiring). Goals 2008 PB USA: ▪ Revenues: CHF 371mn, up 17% ▪ Expenses: CHF 324mn, up 13% ▪ Performance relevant income: CHF 48mn, up 48% ▪ Margin: 47 bps, up 9 bps ▪ Net New Assets: CHF 7,226bn, up 174% ▪ MIPs: 4,042bn, up 174% ▪ RM: 330, up 13% ▪ Major initiatives: RM hiring, production increase per RM, credit & lending platform, client reporting (aggregation only), advisory process and BRM. SW mentions that PB Americas is measured at block 1 and not block 2 and discussions are underway to functionally align operations, which means related cost would become block 2. PSi wants to spend time with Marco Zollinger and Paul Julius to better understand block 2 allocation. The group comments that PB USA margin and MIP targets are very ambitious.	

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CS-SEN-00077837

N°	Agenda Item	Responsible / Deadline
5.	**Roles & Responsibilities**	
	The group agrees that the current role & responsibilities document provided by Heather Vanderhoof was very comprehensive. The following points were discussed; some need further clarification: ▪ Interface (roles & responsibilities) between compliance, Jim Cox and the BAMs. PSi and PS want to increase controls as they are ultimately responsible for the business. ▪ Function of National Sales Manager needs to be further detailed and it needs to be decided which department is responsible for it (ISP, Market Development, Front office support or PB USA). ▪ CW points out that ISP USA is primarily responsible to cover the US (inclusive Miami international) but not the rest of LatAm. ▪ AD ask HV to provide an overview describing the operating model for US as well as for LatAm. His expectation is that they are very similar to identical. If there are variations he needs an explanation. ▪ SW and SB agreed that FOS would be the interface to Switzerland in order to launch front oriented strategic initiatives (practice management, advisory process, client centricity etc.) in the US, manage the projects (in close collaboration with SB) and prepare Market Development to sponsor and drive the for implementation at the front.	HV – 03/06/2008
6.	**Key Priorities by Department**	
	PB USA: ▪ PSi informed that they had the 1st meeting with all the office mangers on Jan. 30 to announce goals and expectations and the 1st PB USA Operating Committee meeting is in the process of being scheduled. ▪ Key priorities are: protect the bank, recruiting, financial performance, RM productivity, client focus, accountability. LatAm: ▪ Results: revenues, NNA and net new hires ▪ New concept and crossborder+, Mexico domestic and Hedging Griffo COO: ▪ Support CEO PB Americas (strategy, leadership meetings, finance, iPPM, BRM etc.), client reporting (aggregation Q4 08), cost/profitability management, BRM improvements from audit report, Deloitte & Touche, ORSA, MICOS rollout), strategy Americas (e.g. M&A), support PB USA (finance, advisory process, practice management, ARS task force, RSA, setting up ISG, INVESTnet, MD accounts, OE deployment), support LatAm (Brazil, finance, CSPA (ex SASI), OE deployment, support ISP (GIPS-C, higher margin initiative, managed investment products) and manage interface management (PB global, functions, regions). ISP: ▪ Focus on revenue opportunities: Lending (increase margin book), equities (institutional & direct access accounts payout), AI (Schafer Cullen, CS Real estate Securities), FI (Muni Bond Portfolio analysis), structured products & preferred advisor (developed & emerging markets blend). ▪ DM should explore whether Lori Cohane should be part of PB USA as she covers individual clients. Market Development: ▪ Recruiting, RM practice management, RM training & development, sponsoring advisory process, establish national sales effort, support and manage CIO function, MBA	DM - 03/06/2008

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CS-SEN-00077838

N°	Agenda item	Responsible / Deadline
	program, marketing and ACE committee. • AD is looking for more ambitious timelines re accreditation program.	
7.	**Client initiative Region Americas**	
	Postponed to next meeting.	
8.	**Wealth Management Culture**	
	Postponed to next meeting.	
9.	**RM Recruiting**	
	Postponed to next meeting.	
10.	**Wrap-up and Next Steps**	
	AD closes the meeting and emphasizes how important excellent execution is for 2008.	
	Next Meeting	
	Thursday, March 06, 2008 10:30am – 12:30am EST Video Conference	

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CS-SEN-00077839

APPENDIX: List of Pending Items

Item	Meeting	Description	Resp.	Deadline
01-07	01/08	Improve reporting assets held away (NNA)	Paul Julius/ Dale Miller	Q3 2007
06-06	12/06	Handling of discretionary managed assets at PB USA – present implementation plan	D. Miller	06/30/2008
15-07	03/23	CSPA – develop RSA and organize road shows	Ch. Wiesendanger, R. Isarin, S. Wyss	tbd
29-07	04/24	Communications concept for recognition	D. Walker, S. Buergi	10/06/2007
40-07	09/06	Execute on "Higher Margin Program"	D. Miller	ongoing
43-07	09/06	Deliver on lending	D. Miller, S. Wyss	ongoing
44-07	09/06	Enhance recruiting pipeline reporting (i.e. introduce various hiring stages & conversion rates)	S. Brenner	10/04/2007
45-07	09/06	Develop guidelines how to apply the top deal to teams instead only individuals	S. Brenner	10/04/2007
46-07	09/06	Develop and present a business case for MBA program	S. Brenner	10/04/2007
52-07	10/04	Present a business case and implementation plan for insurance at the next PBAMC	D. Miller	12/12/2007
53-07	10/04	Develop a solution to centrally control equity trading discounting	D. Miller, P. Julius	12/12/2007
54-07	10/04	Recruiting and hiring process has to be redefined, implemented and communicated	S. Brenner, H. Vanderhoof	11/30/2007
55-07	10/04	Candidate interview process in New York need to be optimized	S. Brenner	11/30/2007
56-07	10/04	Establish a recruiting call after the Monday calls	S. Brenner	11/01/2007
57-07	12/12	Improve account opening process	P. Julius, S. Buergi, S. Brenner	01/31/2008
58-07	12/12	Recommend NNA treatment of USD 6bn SF/HK 10b5 deal	P. Julius	12/20/2008
59-07	12/12	Review and better communicate internal referral program for recruits	H. Vanderhoof	01/31/2008
60-07	12/12	Review the size of the "deal box" for new hiring deal with C. Machate	H. Vanderhoof	01/31/2008
61-07	12/12	ISG - proposal for best strategic CCM option forward (including detailed CCM system analysis)	J. Kiley, P. Skoglund, P. Simons, S. Wyss	01/31/2008
01-08	01/31	Ensure enforcement of crossborder+ travel policy with PB USA RMs	S. Wyss	03/06/2008
02-08	01/31	Provide an overview describing the operating model for US and LatAm	H. Vanderhoof	03/06/2008
03-08	01/31	Explore whether Lori Cohane should be part of PB USA	D. Miller	03/08/2008

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CS-SEN-00077840

To: Walker, David
From: Ying, Ray <</O=CREDIT-SUISSE/OU=GL/CN=RECIPIENTS/CN=RYING1>
Cc: DeChellis, Anthony; Wyss, Silvan; Schärer, Christian (2); Krawciw, Steven
Bcc:
Received Date: 2009-09-16 08:23:22 EST
Subject: FW: Q & A - PB Investor Day

Dave,

IR has sent potential questions for PB Investors Day and wants us to think up more potential Q&A. They need our cut by noon tomorrow. We will start pulling together the data and start drafting responses. It would be great to incorporate your perspectives on these responses and other potential Q&A to be added. Do you have time this morning / early afternoon to discuss? We should probably send a first draft to Tony and Silvan by c.o.b. today to review.

Thank you,
Ray

From: Dechow, Moritz
Sent: Wednesday, September 16, 2009 8:56 AM
To: Franceschetti, Alberto; Depner, Klaus; Krause, Martin; Müller, Martina; Stemper, John; Zäker, Stephan; Theytaz, Philippe; Wade, Alex; Schärer, Christian (2); Ying, Ray; Pazur, Santiago; Helfenstein, André; Grossmann, Jörg
Cc: Mende, Martin; Rachor, Tina; Fischer, Béatrice
Subject: Q & A

Dear all,

based on the versions from the Monday review, IR drafted potential questions that analysts may ask on each presentation.

The Q&A document will contain 7 sections (see attached draft):
(1) Overarching questions
(2) Questions on Walter Berchtold's presentation
(3) -(7) Questions on each BA-Head presentation.

We will centrally cover sections (1) and (2).

We would kindly ask each prep team to prepare Q&As for the respective presentation in section (3) - (7) and return them to us by tomorrow, Thursday, 6 pm CET.
It is planned to distribute a draft to W. Bechtold tomorrow and to all at the rehearsal this Friday. Please align with your BA Head if possible.

Please consider the questions by IR as starting point, and add questions and answers.

For you reference, I habve attached the Q&A of Q2.

Best,

Moritz

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090916 QA
cument for IDAY.do

2Q09 QA Private
Banking_Jul 22...

Attachments:

090916 QA document for IDAY.doc
2Q09 QA Private Banking_Jul 22.doc

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Compliance Training
Rep. Office New York

Date: December 2006
Produced by: US Legal Affairs / YPSP 8

Agenda

- Initial Statement
- Concept of Rep. Office Coverage
- On-site Reviews
- U.S. Legal and Reputational Risks
- Rep. Office – General Definition
- Rep. Office – Universal don'ts
- Rep. Office New York – Scope of activities
- Security
- Your Rep. Office Coverage contacts
- Questions / Comments

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Initial Statement (1/3)

- Banks with
  - significant cross-border and
  - significant offshore operations

  must tailor, adapt and, in some cases, expand their existing compliance framework to address the challenges created by these operations
- Cross-border activities have become significantly more complex and increase need on L&C side to provide support and monitoring
- Compliance with foreign licenses requirements and securing, that no regulated activities are performed without a license, has become very important
- Internal Audit noted specific compliance related weaknesses in relation to traveling activities and to CS Rep. Offices and recommended performing formal compliance reviews and providing compliance training

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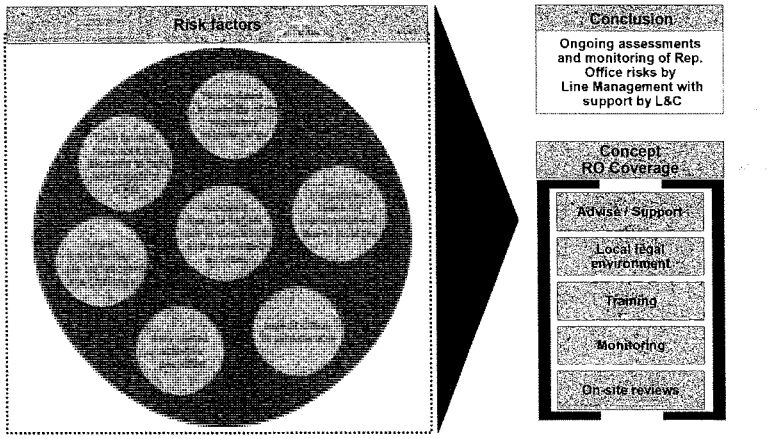
Initial Statement (2/3)



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Date: December 2006 Slide 4

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Initial Statement (3/3)

- Banks with significant cross-border and offshore operations must tailor, adapt and, in some cases, expand their existing compliance framework to address the challenges created by these operations

- The New York Representative Office is engaged in the more traditional representational and administrative activities only and operates with a limited number of employees

Confidential Treatment Requested by Credit Suisse CS-SEN-00081422

Concept of Rep. Office Coverage

The RO Coverage concept consists of 5 main pillars to mitigate Rep. Office risks.

Center of competence for Representative Offices

1 **Advise / Support**
- Questions re. Rep. Offices
- Local Guidelines
- Reporting requirements

2 **Local legal environment**
- Legal and regulatory environment
- Pursuit of activities of competitors
- Legal opinions (within budget range)

3 **Training**
- Core compliance issues
- Swiss Banking system
- Refreshers
- Tailor-made trainings on demand

Monitoring
- Activities (to be elaborated)

5 **Rep. Office on-site reviews**
- Periodic tailor-made on-site reviews
- Reports
- Recommendations

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Date: December 2006 Slide 6

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On-site Reviews

The review of the Rep. Offices includes:

- A review of the activities conducted
- A general assessment of its management and supervision
- A review of whether the office is in compliance with applicable laws and regulations, regulations, including any conditions placed on its operations or activities by the Office of Financial Regulation of the State of Florida ("OFR") as part of the approval of its establishment and/or the Federal Reserve Bank
- Management controls related to expenses
- An evaluation of due diligence practices and procedures, including OFAC screening and AML aspects

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U.S. Legal & Reputation Risks Generally

"Miss Dugan, will you send someone in here who can distinguish right from wrong?"

U.S. Legal & Reputational Risks Generally

Definition of Legal Risk

- ***Legal risk***: potential that lawsuits, adverse judgments or unenforceable contracts can disrupt or otherwise negatively affect the operations or condition of a bank due to:

  - failure to comply with laws
  - failure to comply with prudent ethical standards
  - failure to comply with contractual obligations
  - corresponding exposure to litigation

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U.S. Legal & Reputational Risks Generally

Definition of Reputational Risks

- ***Reputational risk:*** potential that negative publicity regarding an institution's business practices, whether true or not, will cause:

  - decline in stock price
  - decline in customer base, revenues
  - costly litigation
  - "soft costs" (change in business practices, etc.)

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U.S. Legal & Reputation Risks Generally

Legal and Reputation Risk Can Have High Costs in Varying Contexts

- Customers, Counterparties, Shareholders and Markets
- Regulators
- Employees
- Senior Management
- Monetary Costs

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U.S. Legal & Reputational Risk Generally

Customers/Counterparties/Shareholders / Markets

- Most risk managers believe that reputation risk is #1 risk to market value.
- "*The Enron effect is all about headline risk, not real risk. But bad PR can have a real economic effect – just look at our stock price.*"
  -- JPMorgan Chase Vice Chairman
- During the Senate hearings on lending to Enron, Citigroup's market capitalization dropped by $46 billion in two days and JPMorgan Chase's market capitalization dropped by $12 billion.

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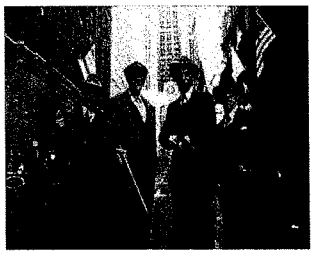
US Legal & Reputational Risk Generally

U.S. Regulators

Who are the most important U.S. regulators for the "One Bank"?

- Securities and Exchange Commission ("SEC")
- Federal Reserve Board ("Fed")
- Commodities Futures Trading Commission ("CFTC")
- U.S. Internal Revenue Service ("IRS")



U.S. Legal & Reputational Risks Generally

Powers of U.S. Regulators

- U.S. regulators have exceptionally broad powers to impose regulatory remedies, both monetary and non-monetary.
- Insufficient management of legal and reputation risks can result in “soft” regulatory penalties that impede business opportunities (e.g., future acquisitions in U.S.)
- Breach of laws and regulations can also result in "hard" regulatory penalties that impact existing businesses

Confidential Treatment Requested by Credit Suisse CS-SEN-00081431

U.S. Legal & Reputational Risks Generally

Regulatory Remedies (Non-Monetary)

- Public or private remedial action
- Curtail new transactions or expansions
- Loss of existing SEC/CFTC licenses held by subsidiaries and/or status under U.S. banking law as "Foreign Holding Company" (FHC)

Confidential Treatment Requested by Credit Suisse

U.S. Legal & Reputational Risk Generally

Public or Private Remedial Action

- U.S. regulators can compel remedial action, in a public Written Agreement or private Memorandum of Understanding.

- Generally, these remedial actions require the breaching institution to implement effective policies, procedures, and controls to address certain shortcomings. This is inevitably more expensive then effectively implementing these controls on the institution's own initiative would have been. May be combined with monetary penalties.
  --> Example: 2003 Global Research Analyst Settlement with SEC

Confidential Treatment Requested by Credit Suisse CS-SEN-00061433

U.S. Legal & Reputational Risk Generally

Public or Private Remedial Action

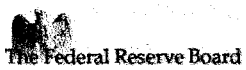
April 2003 Global Analyst Research Settlements:

Settlement of enforcement actions against ten Wall Street firms (incl. Credit Suisse) and two individual analysts arising from an investigation of research analyst conflicts of interest:

--) Monetary Relief --> Disgorgement and civil penalties totaling $875 million
--) Structural Reforms --> Separation of Research/IB, Independent Monitor, etc.
--) Enhanced Disclosures--> e.g., publication of quarterly chart showing each analyst's performance
--) Independent Research--> Payments for independent research totalling $432.5 million
--) Investor Education--> payments totaling $80 million for investor education
--) Voluntary Initiative Regarding Initial Public Offer--> agreement restricting allocations of securities in "hot" IPOs to executive officers and directors of U.S. public companies

Confidential Treatment Requested by Credit Suisse CS-SEN-00081434

U.S. Legal & Reputational Risk Generally



Curtail New Activities or Expansion in the U.S.

- In March 2005, the Fed told Citigroup in a public order that it could no longer engage in significant expansion while it was implementing new compliance risk-management structures:
- *"The Board believes it important that management's attention not be diverted from these efforts by the demands that mergers and acquisitions place on management resources."* Citigroup, Inc., Order Approving the Acquisition of a Bank.
- Citigroup sat in the "penalty box" for thirteen months.

U.S. Legal & Reputational Risk Generally

Ultimate Penalty: Loss of FHC Status

- In order to continue to qualify as a "financial holding company," an international bank must qualify as "well managed":
  - U.S. banking office operations must have received satisfactory composite rating.
  - Management of international bank must meet standards comparable to those required of a U.S. bank owned by an FHC.
  - Any U.S. bank owned by the international bank must also separately be rated as "well managed."
  - Management ratings are especially vulnerable in the area of compliance risk management

U.S. Legal & Reputational Risk Generally

Ultimate Penalty:
Loss of Existing SEC/Bank Licens

The Federal Reserve Board

- Death Penalty: revoke licenses of registered affiliates in U.S. market / require entity to leave U.S. market (e.g., Daiwa)

- Some of most important current licenses in U.S.:
  - NY Branch Office (branch license)
  - CS Securities LLC (USA) (BD/IA) (PB USA, IB USA, AM USA)
  - SASI NY (BD)
  - CSPA (BD/IA)
  - etc.

U.S. Legal & Reputational Risk Generally

Senior Management

U.S. Legal & Reputational Risk Generally

Employees

Public Embarrassment/Scandal Can:

- Distract senior management
- Undermine employee morale
- Potential direct financial/personal consequences to violating employee
- Affect retention of employees generally and hinder recruiting efforts

Confidential Treatment Requested by Credit Suisse CS-SEN-00081439

U.S. Legal & Reputational Risk Generally

Monetary Costs of Legal and Reputational Risk

- Criminal fines or other penalties
- Civil money penalties (e.g., SEC Global Research Analyst Settlement)
- Private civil claims (e.g., under U.S. securities laws, "put" option on part of client to unwind transaction that was executed by party who should have been registered in U.S. as broker-dealer)

Confidential Treatment Requested by Credit Suisse CS-SEN-00081440

U.S. Legal & Reputational Risk Generally

Examples of Recent U.S. Civil Money Penalties Imposed on Banks by Fed

Name:	Year	Amount
Credit Lyonnais SA	2003	USD 100 m.
UBS AG Zurich	2004	USD 100 m.
Citigroup	2004	USD 80 m.
AmSouth Bankcorporation	2004	USD 10 m.
ANB-AMRO NV	2005	USD 70 m.

Excluding other fines (*i.e.*, criminal, SEC) or civil lawsuit settlement or restitution payments made by banks.

Confidential Treatment Requested by Credit Suisse

CS-SEN-00081441

Rep. Office – General Definition (D-0226)

As a general rule, a Representative Office is limited to engaging in representational and administrative functions, such as:

- soliciting new banking business
- and
- acting as liaison between any Credit Suisse branch worldwide and clients in the country where the Rep. Office is located.

A Representative office does not have the authority to make any business decision for the account of the Head Office of Credit Suisse including contracting for any liability on the latter's behalf.

Confidential Treatment Requested by Credit Suisse CS-SEN-00081442

Rep. Office – Universal Don'ts (1/2) (D-0226)

- A Representative may never accept cash or checks for deposit
- In case of loans: A Representative may never disburse money nor accepts repayments
- A Representative may never complete forms on behalf of the client
- A Representative is not allowed to permanently retain client information or data
- Representatives do not have online capabilities or online access to cash, safekeeping or related client accounts at booking centers
- A Representative must be careful to accurately describe his/her role: a client liaison and not an account manager (the account manager is located at the Credit Suisse branch where the account is maintained)

Confidential Treatment Requested by Credit Suisse CS-SEN-00081443

Rep. Office – Universal Don'ts (2/2) (D-0226)

- A Representative may not provide any active assistance in cases of tax evasion or similar acts
- A Representative may not provide any active assistance in the flight of capital
- Credit Suisse strives to avoid unknowing assistance in any criminal enterprise - the identity of contacts (existing and potential clients of Credit Suisse) must always be verified

Confidential Treatment Requested by Credit Suisse CS-SEN-00081444

STATEMENT OF SCOPE OF ACTIVITIES FOR THE CS-NY RO

Basic rule

The CS-NY RO is limited to engaging in representational and administrative functions, such as soliciting new banking business and acting as liaison between any CS branch worldwide and clients in the U.S. The CS-NY RO does not have the authority to make any business decision for the account of the CS Head Office including contracting for any liability on the latter's behalf.

STATEMENT OF SCOPE OF ACTIVITIES FOR THE CS-NY RO

Representational and administrative functions

- The CS-NY RO is primarily a point of contact for clients and prospects of Credit Suisse in the U.S.
- The Representative acts as a liaison between the CS-NY RO and the other business divisions and offices of Credit Suisse and its subsidiaries.
- The Representative may participate in events within the Swiss American business and/or international banking community

STATEMENT OF SCOPE OF ACTIVITIES FOR THE CS-NY RO

Marketing

- The Representative solicits primarily banking business on behalf of Credit Suisse and may also solicit commercial banking transactions, with the exception of deposits and/or deposit-type liabilities
- The Representative may solicit new banking business and call on potential and existing CS clients, but must be careful to accurately describe his/her role, which is that of a client liaison, and not of an account manager
- The Representative may describe and explain in general terms the services offered by Credit Suisse

Confidential Treatment Requested by Credit Suisse CS-SEN-00081447

STATEMENT OF SCOPE OF ACTIVITIES FOR THE CS-NY RO

Account Statements

- The Representative may upon request provide clients of Credit Suisse with statements of their accounts

Deposits

- The Representative may provide wire transfer related details and provide the name and address of the branch location where receipt of deposits may be made

The Representative may not under any circumstances:

- provide investment advice to or solicit any securities transactions from prospective or existing clients of Credit Suisse
- accept cash or checks for deposit, or complete related forms on behalf of clients of Credit Suisse

Confidential Treatment Requested by Credit Suisse CS-SEN-00081448

STATEMENT OF SCOPE OF ACTIVITIES FOR THE CS-NY RO

Loans

- The Representative may solicit loans for Credit Suisse in principal amounts of at least USD 250,000 and assist in applications for such loans as long as the approval for the loans is made at the respective CS branch

The Representative may not under any circumstances

- disburse money or accept repayments of loans or tolerate that money is disbursed at the CS-NY RO or that repayments are made to or via the CS-NY RO

Confidential Treatment Requested by Credit Suisse CS-SEN-00081449

PROSPECTIVE CLIENTS OF CREDIT SUISSE (1)

With respect to prospective clients, the Representative may

- provide account opening documentation and assist the potential client in filling out the required forms
- forward the forms to the appropriate CS branch location. However, the Representative must clearly inform the client that the account is not open until the respective CS branch approves all of the documentation and accepts the account
- organize meetings between prospective clients of Credit Suisse and their account managers

Confidential Treatment Requested by Credit Suisse CS-SEN-00081450

PROSPECTIVE CLIENTS OF CREDIT SUISSE (2)

The Representative must be sensitive to a number of issues before facilitating an account opening

- What is the purpose for opening such an account? If the client indicates that he/she intends to avoid paying taxes, the Representative must decline the client's request.
- The identity of the client must always be verified. Credit Suisse strives to avoid unknowing assistance in any criminal enterprise/terrorist financing
- OFAC screening / AML issues

Confidential Treatment Requested by Credit Suisse

CS-SEN-00081451

EXISTING CLIENTS

With respect to existing clients, the Representative may

- engage in traditional representational and administrative functions, including acting as a liaison between the CS branch and the client
- assist clients with their requests (i.e. change of address, power of attorney, hand out retained mail as appropriate, etc.)
- explain the client's statement as long as the explanation is of a technical nature and the discussion does not entail the giving of investment advice
- help CS clients when they experience problems or require assistance while traveling within the U.S. (i.e. problems with credit cards, emergency cash through Bank of New York, etc.)

The Representative may not

- accept, transmit and/or pass on the CS Head Office or branch any securities orders or wire transfer instructions received from clients. If asked to do so, the Representative should proceed as set out in internal procedures (Annex 1 to the Statement of Scope of Activities).

Confidential Treatment Requested by Credit Suisse CS-SEN-00081452

DONT'S (Summary) - 1

The Representative may not

- provide any assistance in the evasion of taxes
- describe his/her role as the role of an account manager
- provide investment advice to or solicit any securities transactions from prospective or existing clients
- accept cash or checks for deposit, or complete related forms on behalf of clients of Credit Suisse

Confidential Treatment Requested by Credit Suisse CS-SEN-00081453

DONT'S (Summary) - 2

The Representative may not

- disburse money or accept repayments of loans or tolerate that money is disbursed at the CS-NY RO or that repayments are made to or via the CS-NY RO
- accept, transmit and/or pass on to the CS Head Office or branch any securities orders or wire transfer instructions received from clients. If asked to do so, he/she should proceed as set forth in detail in internal procedures
- retain client account information or data (he/she may, however, retain limited client details to assist in client contacts and communication)
- have online capabilities or online access to cash, safekeeping or related client accounts at booking centers

Confidential Treatment Requested by Credit Suisse

CS-SEN-00081454

Security

Data Handling on a strict need-to-know principle

No storage on IT media

- No local storing and archiving of sensitive and confidential data (e.g.):
  - Local Desktop Hard Disk
  - Laptop Hard Disk
  - Outlook (Emails, Calendar, Tasks, Notes)*
  - Memory sticks/ -cards/CD/DVD/etc.
  - Servers ("X:\" or "Y:\")
  - PDA and Handhelds
  - Mobile Phones
- No use of private electronic devices for Business activities*
- *) Keep Desktops and other Devices switched off

Other measures

- *) All formalities and forms have to be sent regularly by courier service (e.g. FedEx) to the Booking Center
- Use Email, Intranet and Internet appropriately and protect information from disclosure to unauthorized persons (acc. D-0021)
- *) No transmission of sensitive data via unsecured Email or Fax device
- *) Order AIS-Statements as "Travel statements" only
- Be aware that phone-lines may be tapped (also with Head Office)

*) Suggestion of Task Force "Roda"

Your contacts

Miami Rep. Office Supervisory Team

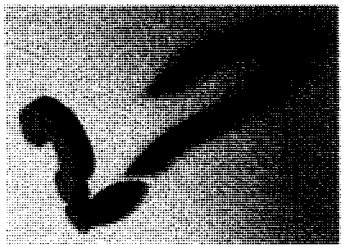
- **L06** **(Compliance Private Banking)**
  Rep. Office Coverage
- **L01** **(Legal)**
  U.S. Legal Matters, Zurich

KYC, AML, PEP, Reputation Risk, etc.

- **Head Office AML Compliance, YCHA 3**
- **NOT INVOLVED** **U.S. AML Officer for Miami Rep Office**
  Head AML Region Americas

Confidential Treatment Requested by Credit Suisse CS-SEN-00081456

Questions / Further Points of Discussion?



CREDIT SUISSE

Confidential / Internal Use Only

Compliance Training
Rep. Office New York

Date: January 2008
Produced by: YPAF

Agenda

- Initial Statement
- Concept of Rep. Office Coverage
- On-Site Reviews
- U.S. Legal and Reputational Risks
- Rep. Office – General Definition
- Rep. Office – Universal don'ts
- Rep. Office New York – Scope of activities
- Security
- Your Rep. Office Coverage contacts
- Questions / Comments

Confidential Treatment Requested by Credit Suisse CS-SEN-00081459

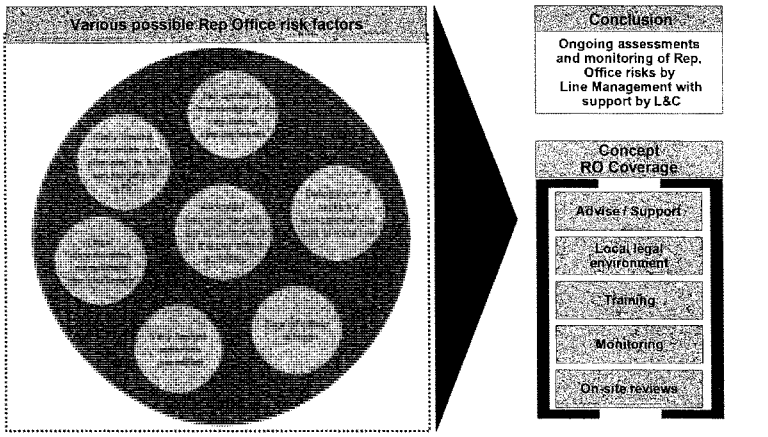
Initial Statement (1/3)

- Banks with
  - significant cross-border and
  - significant offshore operations

  must tailor, adapt and, in some cases, expand their existing compliance framework to address the challenges created by these operations
- Cross-border activities have become significantly more complex and increase need on L&C side to provide support and monitoring
- Compliance with foreign license requirements, and ensuring that no regulated activities are performed without a license, is very important in the "One Bank" regulatory environment
- Both internal and external auditors require/recommend that CS rep offices be subject to formal compliance reviews and be provided in-person compliance training

Confidential Treatment Requested by Credit Suisse CS-SEN-00081460

Initial Statement (2/3)



CREDIT SUISSE

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Produced by: YPAF
Date: January 2008 Slide 4

Confidential Treatment Requested by Credit Suisse

Initial Statement (3/3)

- Banks with significant cross-border and offshore operations must tailor, adapt and, in some cases, expand their existing compliance framework to address the challenges created by these operations

- The New York Representative Office is engaged in only the more traditional representational and administrative activities and operates with a limited number of employees

Confidential Treatment Requested by Credit Suisse CS-SEN-00081462

Concept of Rep. Office Coverage

The RO Coverage concept consists of 5 main pillars to mitigate Rep. Office risks.

Center of competence for Representative Offices

1 **Advise / Support**

- Questions re. Rep. Offices
- Local Guidelines
- Reporting requirements

2 **Local legal environment**

- Legal and regulatory environment
- Pursuit of activities of competitors
- Legal opinions (within budget range)

Training

- Core compliance issues
- Swiss banking system
- Refreshers
- Tailor-made trainings on demand

3 **Monitoring**

- Activities (to be elaborated)

4 **Rep. Office on-site reviews**

- Periodic tailor-made on-site reviews
- Reports
- Recommendations

Confidential Treatment Requested by Credit Suisse

CS-SEN-00081463

On-site Reviews

The review of the Rep. Offices includes:

- A review of the activities conducted
- A general assessment of its management and supervision
- A review of whether the office is in compliance with applicable laws and regulations, regulations, including any conditions placed on its operations or activities by the New York State Banking Department ("NYSBD") and/or by the Federal Reserve Bank as part of the approval of its establishment
- Management controls related to expenses
- An evaluation of due diligence practices and procedures, including OFAC screening and AML aspects

Confidential Treatment Requested by Credit Suisse CS-SEN-00081464

U.S. Legal & Reputation Risks Generally

Our Mission Today

U.S. Legal & Reputation Risks Generally

Our Mission Today: Learn How to Avoid

- ***US legal risk***:
  - Failure to comply with U.S. law and regulations
  - Resulting exposure to regulatory actions, civil / criminal liability

- ***US reputational risk:*** negative publication that, whether true or not, may cause:
  - decline in stock price
  - decline in customer base, revenues
  - costly litigation (US legal system)
  - "soft costs" (change in business practices, etc.)

Confidential Treatment Requested by Credit Suisse CS-SEN-00081466

U.S. Legal & Reputation Risks Generally

Legal and Reputation Risk Can Have High Costs in Varying Contexts

- Customers, Counterparties, Shareholders and Markets
- Regulators
- Employees
- Senior Management
- Monetary Costs

Confidential Treatment Requested by Credit Suisse CS-SEN-00081467

US Legal & Reputational Risk Generally

U.S. Regulators

Who are the most important U.S. regulators for the NY Rep Office and for the "One Bank"?

- Federal Reserve Board ("Fed")
- New York State Banking Department
- Securities and Exchange Commission ("SEC")
- Commodities Futures Trading Commission ("CFTC")
- U.S. Internal Revenue Service ("IRS")
- etc.

Confidential Treatment Requested by Credit Suisse

CS-SEN-00081468

U.S. Legal & Reputational Risks Generally

Powers of U.S. Regulators

- U.S. regulators have exceptionally broad powers to impose regulatory remedies, both monetary and non-monetary.
- Insufficient management of legal and reputation risks can result in "soft" regulatory penalties that impede business opportunities (e.g., future acquisitions in U.S.)
- Breach of laws and regulations can also result in "hard" regulatory penalties that impact existing businesses

Confidential Treatment Requested by Credit Suisse CS-SEN-00081469

U.S. Legal & Reputational Risks Generally

Regulatory Remedies (Non-Monetary)

- Public or private remedial action
- Curtail new transactions or expansions
- Loss of existing NY Rep Office license
- Loss of SEC/CFTC licenses held by subsidiaries
- Loss of CS Group and CS Zurich status under U.S. banking law as "Foreign Holding Company" (FHC)

Confidential Treatment Requested by Credit Suisse CS-SEN-00081470

U.S. Legal & Reputational Risk Generally

- Death Penalty: revoke licenses of all businesses in U.S. market / require entity to leave U.S. market (e.g., Daiwa)

- Some of most important current licenses in U.S. of "One Bank":
  - CS Securities LLC (USA) (BD/IA) (PB USA, IB USA, AM USA)
  - NY Branch Office (branch license)
  - SASI NY (BD)
  - CSPA (BD/IA)
  - NY, Miami and California rep office licenses
  - etc.

Confidential Treatment Requested by Credit Suisse

U.S. Legal & Reputational Risk Generally

Curtail New Activities or Expansion in the U.S.

- In March 2005, the Fed told Citigroup in a public order that it could no longer engage in significant expansion while it was implementing new compliance risk-management structures:
- *"The Board believes it important that management's attention not be diverted from these efforts by the demands that mergers and acquisitions place on management resources."* Citigroup, Inc., Order Approving the Acquisition of a Bank.
- Citigroup sat in the "penalty box" for thirteen months.

Confidential Treatment Requested by Credit Suisse CS-SEN-00081472

U.S. Legal & Reputational Risk Generally

Employees

Public Embarrassment/Scandal Can:

- Distract senior management
- Undermine employee morale
- Potential direct financial/personal consequences to violating employee
- Affect retention of employees generally and hinder recruiting efforts

Confidential Treatment Requested by Credit Suisse CS-SEN-00081473

U.S. Legal & Reputational Risk Generally

Monetary Costs of Legal and Reputational Risk

- Criminal fines or other penalties
- Civil money penalties (e.g., SEC Global Research Analyst Settlement)
- Private civil claims (e.g., under U.S. securities laws, "put" option on part of client to unwind transaction that was executed by party who should have been registered in U.S. as broker-dealer)

Confidential Treatment Requested by Credit Suisse CS-SEN-00081474

U.S. Legal & Reputational Risk Generally

Examples of U.S. Civil Money Penalties Imposed on Banks by Fed

Name:	Year	Amount
Credit Lyonnais SA	2003	USD 100 m.
UBS AG Zurich	2004	USD 100 m.
Citigroup	2004	USD 80 m.
AmSouth Bankcorporation	2004	USD 10 m.
ANB-AMRO NV	2005	USD 70 m.

Excluding other fines (*i.e.*, criminal, SEC) or civil lawsuit settlement or restitution payments made by banks.

Confidential Treatment Requested by Credit Suisse CS-SEN-00081475

Rep. Office – General Definition (P-00226)

As a general rule, a Representative Office is limited to engaging in representational and administrative functions, such as:

- soliciting new banking business
- and
- acting as liaison between any Credit Suisse branch worldwide and clients in the country where the Rep. Office is located.

A Representative office does not have the authority to make any business decision for the account of the Head Office of Credit Suisse, such as contracting for any liability on the latter's behalf.

Confidential Treatment Requested by Credit Suisse CS-SEN-00081476

Rep. Office – Universal Don'ts (1/2) (P-00226)

- A Representative may never accept cash or checks for deposit
- In case of loans: A Representative may never disburse money nor accepts repayments
- A Representative may never complete forms on behalf of the client
- A Representative is not allowed to permanently retain client information or data
- Representatives do not have online capabilities or online access to cash, safekeeping or related client accounts at booking centers
- A Representative must be careful to accurately describe his/her role: a client liaison and not an account manager (the account manager is located at the Credit Suisse branch where the account is maintained)

Confidential Treatment Requested by Credit Suisse CS-SEN-00081477

Rep. Office – Universal Don'ts (2/2) (P-00226)

- A Representative may not provide any active assistance in cases of tax evasion or similar acts
- A Representative may not provide any active assistance in the flight of capital
- Credit Suisse strives to avoid unknowing assistance in any criminal enterprise - the identity of contacts (existing and potential clients of Credit Suisse) must always be verified

Confidential Treatment Requested by Credit Suisse CS-SEN-00081478

STATEMENT OF SCOPE OF ACTIVITIES FOR THE CS-NY RO

Basic rule
The CS-NY RO is limited to engaging in representational and administrative functions, such as soliciting new banking business and acting as liaison between any CS branch worldwide and clients in the U.S. The CS-NY RO does not have the authority to make any business decision for the account of the CS Head Office including contracting for any liability on the latter's behalf.

Confidential Treatment Requested by Credit Suisse
CS-SEN-00081479

STATEMENT OF SCOPE OF ACTIVITIES FOR THE CS-NY RO

Representational and administrative functions

- The CS-NY RO is primarily a point of contact for clients and prospects of Credit Suisse in the U.S.
- The Representative acts as a liaison between the CS-NY RO and the other business divisions and offices of Credit Suisse and its subsidiaries.
- The Representative may participate in events within the Swiss American business and/or international banking community

STATEMENT OF SCOPE OF ACTIVITIES FOR THE CS-NY RO

Marketing

- The Representative solicits primarily banking business on behalf of Credit Suisse and may also solicit commercial banking transactions, with the exception of deposits and/or deposit-type liabilities
- The Representative may solicit new banking business and call on potential and existing CS clients, but must be careful to accurately describe his/her role, which is that of a client liaison, and not of an account manager
- The Representative may describe and explain - in general terms only - the services offered by Credit Suisse

Confidential Treatment Requested by Credit Suisse CS-SEN-00081481

STATEMENT OF SCOPE OF ACTIVITIES FOR THE CS-NY RO

Account Statements

- The Representative may upon request provide clients of Credit Suisse with statements of their accounts

Deposits

- The Representative may provide wire transfer related details and provide the name and address of the branch location where receipt of deposits may be made

The Representative may not under any circumstances:

- provide investment advice to or solicit any securities transactions from prospective or existing clients of Credit Suisse
- accept cash or checks for deposit, or complete related forms on behalf of clients of Credit Suisse

Confidential Treatment Requested by Credit Suisse CS-SEN-00081482

STATEMENT OF SCOPE OF ACTIVITIES FOR THE CS-NY RO

Loans

- The Representative may solicit loans for Credit Suisse in principal amounts of at least USD 250,000 and assist in applications for such loans as long as the approval for the loans is made at the respective CS branch

The Representative may not under any circumstances

- disburse money or accept repayments of loans or tolerate that money is disbursed at the CS-NY RO or that repayments are made to or via the CS-NY RO

Campaign Contributions

- The Rep Office may not make any contributions to political candidates, party committees or Political Action Committees (PACs)

Confidential Treatment Requested by Credit Suisse CS-SEN-00081483

PROSPECTIVE CLIENTS OF CREDIT SUISSE (1)

With respect to prospective clients, the Representative may

- provide account opening documentation and assist the potential client in filling out the required forms
- forward the forms to the appropriate CS branch location. However, the Representative must clearly inform the client that the account is not open until the respective CS branch approves all of the documentation and accepts the account
- organize meetings between prospective clients of Credit Suisse and their account managers

Confidential Treatment Requested by Credit Suisse

PROSPECTIVE CLIENTS OF CREDIT SUISSE (2)

The Representative must be sensitive to a number of issues before facilitating an account opening

- What is the purpose for opening such an account? If the client indicates that he/she intends to avoid paying taxes, the Representative must decline the client's request.
- The identity of the client must always be verified. Credit Suisse strives to avoid unknowing assistance in any criminal enterprise/terrorist financing
- OFAC screening / AML issues

Confidential Treatment Requested by Credit Suisse

EXISTING CLIENTS

With respect to existing clients, the Representative may

- engage in traditional representational and administrative functions, including acting as a liaison between the CS branch and the client
- assist clients with their requests (i.e. change of address, power of attorney, hand out retained mail as appropriate, etc.)
- explain the client's statement as long as the explanation is of a technical nature and the discussion does not entail the giving of investment advice
- help CS clients when they experience problems or require assistance while traveling within the U.S. (i.e. problems with credit cards, emergency cash through Bank of New York, etc.)

The Representative may not

- accept, transmit and/or pass on the CS Head Office or branch any securities orders or wire transfer instructions received from clients. If asked to do so, the Representative should proceed as set out in internal procedures (Annex 1 to the Statement of Scope of Activities).

Confidential Treatment Requested by Credit Suisse

CS-SEN-00081486

VISITOR'S LOG

By means of the Visitor's Log, the Representative ensures that:

- a record is maintained as to all CS internal visitors to the New York Rep Office
- in event of need, he and/or others can track who within CSG visited the Rep Office, and when
- independent confirmation of visits by LCD, Internal Audit, etc.

Confidential Treatment Requested by Credit Suisse CS-SEN-00081467

DONT'S (Summary) - 1

The Representative may not

- provide any assistance in the evasion of taxes
- describe his/her role as the role of an account manager
- provide investment advice to or solicit any securities transactions from prospective or existing clients
- accept cash or checks for deposit, or complete related forms on behalf of clients of Credit Suisse

Confidential Treatment Requested by Credit Suisse CS-SEN-00081488

DONT'S (Summary) - 2

The Representative may not

- disburse money or accept repayments of loans or tolerate that money is disbursed at the CS-NY RO or that repayments are made to or via the CS-NY RO
- accept, transmit and/or pass on to the CS Head Office or branch any securities orders or wire transfer instructions received from clients. If asked to do so, he/she should proceed as set forth in detail in internal procedures
- retain client account information or data (he/she may, however, retain limited client details to assist in client contacts and communication)
- have online capabilities or online access to cash, safekeeping or related client accounts at booking centers

Confidential Treatment Requested by Credit Suisse

CS-SEN-00081469

Security

Data Handling on a strict need-to-know principle

No storage on IT media

- No local storing and archiving of sensitive and confidential data (e.g.):
  - Local Desktop Hard Disk
  - Laptop Hard Disk
  - Outlook (Emails, Calendar, Tasks, Notes)*
  - Memory sticks/ -cards/CD/DVD/etc.
  - Servers ("X:\" or "Y:\")
  - PDA and Handhelds
  - Mobile Phones
- No use of private electronic devices for business activities*
- *) Keep Desktops and other Devices switched off

Other measures

- *) All formalities and forms have to be sent regularly by courier service (e.g. FedEx) to the Booking Center
- Use Email, Intranet and Internet appropriately and protect information from disclosure to unauthorized persons (acc. D-0021)
- *) No transmission of sensitive data via unsecured Email or Fax device
- *) Order AIS-Statements as "Travel statements" only
- Be aware that phonelines may be tapped (also with Head Office)

*) Suggestion of Task Force "Rode"

Confidential Treatment Requested by Credit Suisse CS-SEN-00081490

Your contacts

New York Rep. Office Supervisory Team

- **L06** **(Compliance Private Banking)**
  Rep. Office Coverage
- **L01** **(Legal Private Banking)**
  U.S. Legal Matters, Zurich

KYC, AML, PEP, Reputation Risk, etc.

- **Head Office AML Compliance, YCHA 3**
- **NOT INVOLVED** **U.S. AML Officer for New York Rep Office**
  Head AML Region Americas

Confidential Treatment Requested by Credit Suisse CS-SEN-00081491

Questions / Further Points of Discussion?

TRAVEL REPORT SUMMARY

Copy to SWL

GENERAL DATA

Name of RM, Instrad	RM29 RH
Trip number in current year	1
Destination of travel	Miami, West Palm Beach
Date of travel (from ... until ...)	14. - 21.01.2006
Total cost of travel (in CHF)	CHF 9,850
thereof cost for hotel (in CHF)	CHF 4,250
thereof cost for flight (in CHF)	CHF 3,825

CLIENTS / PROSPECTS VISITED

	number	amount in CHF (= AuM with us)
Clients covered	20	CHF 100,000,000
Prospects visited (at least 25% of visits)	4	

SUCCESS STORY

	number	amount in CHF
New clients opened	2	CHF 10,000,000
Referrals received	2	
NNA		CHF 10,000,000
VVF		
VVA		
Inhouse Trust		
Sales of funds and similar high-yielding products		
Credits		CHF 1,000,000

COMMENTS, HINTS & TRENDS (eg Competitors, Products, Pricing, Market/Politics)

Form Dec-2002/ fbed123f-d303-49ed-a545-1dd7d8cdc708

Business Trip RM29 RH **-> 13.1. – 22.1.2006**

Cash-Vorbezüge / -Retouren / -Verbrauch

USD	800.00	Vorbezüge
USD	400.00	Retouren
USD	400.00	Verbrauch

Cash-Verbrauch USD

Taxi NYC / Miami	352.00	
Total	352.00 USD	454.05

Kreditkarten-Buchungen

Flüge (ZH-MIA-NY-ZH)	3'825.00 CHF	3'825.00
Hotel NYC	1'302.54 USD	
Hotel Miami	827.06 USD	
Hotel West P. Beach	320.45 USD	
Hotel Miami	840.07 USD	
Dinner & Lunches	1'018.00 USD	5'557.05

TOTAL KOSTEN **9'836.10**

Wechselkurse: USD/CHF 1.2899

TRAVEL REPORT SUMMARY

Copy to SWL

GENERAL DATA

Name of RM, Instrad	RM29 RH
Trip number in current year	3
Destination of travel	Los Angeles, San Francisco, Vancouver, Toronto, Montreal
Date of travel (from ... until ...)	29.03. -07.04.2006
Total cost of travel (in CHF)	CHF 12,147
thereof cost for hotel (in CHF)	CHF 5,000
thereof cost for flight (in CHF)	CHF 6,668

CLIENTS / PROSPECTS VISITED

	number	amount in CHF (= AuM with us)
Clients covered	25	CHF 100,000,000
Prospects visited (at least 25% of visits)	4	

SUCCESS STORY

	number	amount in CHF
New clients opened	2	CHF 4,000,000
Referrals received		
NNA		CHF 12,000,000
VVF		
VVA		
Inhouse Trust		
Sales of funds and similar high-yielding products		
Credits		

COMMENTS, HINTS & TRENDS (eg Competitors, Products, Pricing, Market/Politics)

[illegible]

Form Dec-2002/ b0b1b2b6-1462-4e51-8b13-4d92f2c26919

TRAVEL REPORT SUMMARY

Copy to SWLN

GENERAL DATA

Name of RM, Instrad	**RM02 Senior**
Trip number in current year	1
Destination of travel	San Francisco - Los Angeles - Newport Beach
Date of travel (from ... until ...)	17.4 - 28.4.2006
Total cost of travel (in CHF)	CHF 11'800
thereof cost for hotel (in CHF)	CHF 7'000
thereof cost for flight (in CHF)	CHF 4'300

CLIENTS / PROSPECTS VISITED

	number	amount in CHF (= AuM with us)
Clients covered	41	100 Mio
Prospects visited	5	

SUCCESS STORY

	number	amount in CHF
New clients opened	5	13 Mio
Referrals received	2	
NNA		20
VVF		
VVA increase	5	6 Mio
Inhouse Trust	1	
Sales of funds and similar high-yielding products		
Credits		

COMMENTS, HINTS & TRENDS (eg Competitors, Products, Pricing, Market/Politics)

This was another very important trip to California. Old RM's still trying hard to motivate our clients to change institutions and it was key to further intensifie my relationships. Most clients are very happy with our service and the performance on their investments. They appreciate to have the same contact person for more than 4 years now. No Cif's are at risk.

Main focus was on managed accounts, new assets and succession planning.
VVA +CHF 6 Mio VVA DIP +CHF 10 Mio
NNA +CHF 13 Mio NNA DIP +CHF 5 Mio
Trust/Foundations +1 Trust/Foundations DIP +3

Visit of 6 prospects (5 referrals from existing clients and 1 referral from Rep.Office in Lissabon). 5 new account openings and ca. CHF 13 Mio will be transfered within the next 2 - 3 months. About 50% of the funds will be invested in managed accounts.

In order to keep up the pace in TOI's it will be key for me to increase asset base of existing clients (consolidation of banking relationships) or to attract new clients. Very encouraging to see that now after 4 years the amount of referrals is increasing significantly.

Mission
Members of SWLN are asset and profit hungry people proud to deliver outstanding results for the beneficiary

RM29 RH

Form Sep-2001/ BusinessTrip2005.xls

TRAVEL REPORT SUMMARY

Copy to SWLN

GENERAL DATA

Name of RM, Instrad	**RM02 Senior**
Trip number in current year	1
Destination of travel	San Francisco - Los Angeles - Newport Beach
Date of travel (from ... until ...)	17.4 - 28.4.2006
Total cost of travel (in CHF)	CHF 11'800
thereof cost for hotel (in CHF)	CHF 7'000
thereof cost for flight (in CHF)	CHF 4'300

CLIENTS / PROSPECTS VISITED

	number	amount in CHF (= AuM with us)
Clients covered	40	130 Mio
Prospects visited		

SUCCESS STORY

	number	amount in CHF
New clients opened		
Referrals received	5	
NNA		13 Mio
VVF		
VVA increase		
Inhouse Trust		
Sales of funds and similar high-yielding products		
Credits		

COMMENTS, HINTS & TRENDS (e.g. Competitors, Products, Pricing, Market/Politics)

[illegible]

RM29 RH

Reise Zürich-San Francisco-Los Angeles-Newport Beach- Zürich

17.4.2006 – 28.4.2006

Provisorische Spesenabrechnung **RM02 Senior**

Flugkosten:		CHF
Zürich – Los Angeles		
Los Angeles – San Francisco		
San Francisco – Los Angeles		
Los Angeles - Zürich		4'330.00
Hotelkosten:		
Mandarin Oriental, SF	CHF 1'666.00	
Regent Beverly, LA	CHF 2'791.00	
The Island Hotel, Newport	CHF 2'345.00	6'942.00
Lunch client [redacted]		80.00
Taxi to Airport Zurich		70.00
Gift to client		60.00
Taxi Newport Beach – Laguna Beach		50.00
Total Amexco Belastung April 2006		11'532.00
Barauslagen:		
Diverse Barauslagen (Taxi)		250.00
Total		**11'782.00**

CREDIT SUISSE

	Klassifizierung / Classification Classificazione / Classification	nur für bankinternen Gebrauch
	Absender / Expéditeur Mittente / Sender	RM02 Senior
☐ Aktennotiz / Rapport interne Rapporto interno / Memorandum	Ort und Datum / Lieu et date Luogo e data / Place and date	Zürich, 15.3.2006
☐ Protokoll / Procès-verbal Verbale / Minutes	Geht an / Destinataire (s) Destinatario / To	RM29 RH SWLN
☐ Einladung / Invitation Invito / Invitation		
☐ Auftrag / Ordre Ordine / Order	z. K. an / p. c. à: p. c. a / c. c.:	RM22 SH DRH SWLN 1
☐		

Betrifft / Concerne / Re: Business trip - USA/West Coast

Dates:	17.4.2006 – 29.4.2006
Number of Meetings:	ca. 35
AuM:	ca. CHF 80 Mio
Prospects:	3
Locations:	San Francisco – Los Angeles – Newport Beach
Costs:	ca. CHF 12'000

Goals:

- Motivate clients to come to Zurich more often (D-0025)
- Retention Management. Old RM still trying hard to motivate clients to change institution
- Increase penetration of PM Mandates, Funds and SIP's. Target CHF 10 Mio
- NNA. Increase asset base from existing clients. Account openings with new clients (meetings with prospects)
- Reduce open Forcos and Apen cases
- Introduction at Credit Suisse San Francisco and Los Angeles

RM02 Senior

Reise bewilligt: **RM29 RH** → more to quantify

118090 1.98

TRAVEL REPORT SUMMARY

Copy to SWL

GENERAL DATA

Name of RM, Instrad	RM29 RH
Trip number in current year	4
Destination of travel	New York, Boston Durham
Date of travel (from ... until ...)	30.04. - 06.05.2006
Total cost of travel (in CHF)	CHF 6,000
thereof cost for hotel (in CHF)	CHF 2,000
thereof cost for flight (in CHF)	CHF 3,500

CLIENTS / PROSPECTS VISITED

	number	amount in CHF (= AuM with us)
Clients covered	16	CHF 45,000,000
Prospects visited (at least 25% of visits)	4	

SUCCESS STORY

	number	amount in CHF
New clients opened		
Referrals received	2	
NNA		CHF 10,000,000
VVF		
VVA		
Inhouse Trust		
Sales of funds and similar high-yielding products		
Credits		CHF 1,000,000

COMMENTS, HINTS & TRENDS (e.g. Competitors, Products, Pricing, Market/Politics)

[illegible]

Form Dec-2002/ 86c5b090-1f17-47a0-babb-ea4222096beb

TRAVEL REPORT SUMMARY

Copy to SWL

GENERAL DATA

Name of RM, Instrad	**RM21**
Trip number in current year	1
Destination of travel	Miami, NY, Montreal, Toronto, Ottawa
Date of travel (from ... until ...)	03.07.06 to 19.07.06
Total cost of travel (in CHF)	CHF 18,000
thereof cost for hotel (in CHF)	CHF 7,500
thereof cost for flight (in CHF)	CHF 5,300

CLIENTS / PROSPECTS VISITED

	number	amount in CHF (= AuM with us)
Clients covered	33	CHF 54,000,000
Prospects visited (at least 25% of visits)	7	

SUCCESS STORY

	number	amount in CHF
New clients opened	1	CHF 1,000,000
Referrals received	8	
NNA		CHF 1,000,000
VVF	1	CHF 1,000,000
VVA		
Inhouse Trust		
Sales of funds and similar high-yielding products		CHF 200,000
Credits		

COMMENTS, HINTS & TRENDS (eg Competitors, Products, Pricing, Market/Politics)

[redacted]

Form Dec-2002/ e1f6df1b-ea64-448d-a656-c3555922314f

[redacted]

TRAVEL REPORT SUMMARY

Copy to SWL

GENERAL DATA

Name of RM, Instrad	RM20 SH
Trip number in current year	1
Destination of travel	LOS ANGELES END NEW YORK
Date of travel (from ... until ...)	02.10.2006 / 12.10.2006
Total cost of travel (in CHF)	CHF 16'925
thereof cost for hotel (in CHF)	CHF 9'666
thereof cost for flight (in CHF)	CHF 5,079

CLIENTS / PROSPECTS VISITED

	number	amount in CHF (= AuM with us)
Clients covered	37	CHF 256,494,000
Prospects visited (at least 25% of visits)	5	

SUCCESS STORY

	number	amount in CHF
New clients opened	1	CHF 1,500,000
Referrals received	3	
VVF	0	
VVA	0	
Inhouse Trust		
Sales of funds and similar high-yielding products		CHF 2,500,000
Credits		CHF 1,000,000

COMMENTS, HINTS & TRENDS (eg Competitors, Products, Pricing, Market/Politics)

[redacted]

Form Dec-2002/ c43ca896-699c-4ba0-a4c9-59954fe10cd1

[redacted]

Form Dec-2002/ c43ca896-699c-4ba0-a4c9-59954fe10cd1

TRAVEL REPORT SUMMARY

Copy to SAL

GENERAL DATA

Name of RM, Instrad	**RM29 RH**
Trip number in current year	2
Destination of travel	New York, Boston, Chicago, Toronto, Montreal
Date of travel (from ... until ...)	18.3. - 1.4.2007
Total cost of travel (in CHF)	CHF 0
thereof cost for hotel (in CHF)	CHF 0
thereof cost for flight (in CHF)	CHF 0

CLIENTS / PROSPECTS VISITED

	number	amount in CHF (= AuM with us)
Clients covered		
Prospects visited (at least 25% of visits)		

SUCCESS STORY

	number	amount in CHF
New clients opened		
Referrals received		
NNA		
VVF		
VVA		
Inhouse Trust		
Sales of funds and similar high-yielding products		
Credits		

COMMENTS, HINTS & TRENDS (eg Competition, Products, Pricing, Market Politics)

Form Dec-2002/ af17807a-2725-433a-a6ea-f6ac3aa6f317

SALN
RM29 RH

City / Place	Date In	Date Out	Client/ Prospect	Goals	Results	NNA	pot. NNA	VV	Fd/SIP in CHF	FINER	Struct.	Cred	Follow-up	Next Steps / Remarks	AuM in CHF per 4/5/2007
New York	18.03.	22.03.	[redacted]	[redacted]	---									PX issue discussed	0.0
Restaurant					Dinner with [redacted] and [redacted], whom I asset flow to [redacted] to be expected	0	0	0	0	0	0	0		takes part in the "Microfinance" Seminar 19/20. March	19.6
Hotel					Received copy of passport Finer USD Gold, USD 300'000, 30 days rollover, until further notice	0	0	0	0	0.4				to pass on copy of passport to [redacted] to claim Finer R. contract from [redacted] in a rollover basis until further notice	4.4
11 Madison				IB Business with [redacted]		0	0	0	0	0	0	0		IB-Business, Intro [redacted] open introduction, to get to know each other	0.0
11 Madison				General contact; further steps in regard with Canada		0	0	0	0	0	0	0		IB-Business, Intro [redacted] future plans/meetings for Canada Strategy	0.0
Hotel					Ba[redacted]BRIC Lifestyle for USD 100'000	0	0	0	0.1	0	0	0	to review all US securities in the non-managed account, recommendation, data communication to and [illegible] proof payment [illegible] which are covering the ethers [illegible]		81.[illegible]
Tower 49						0	0	0	0	0	0	0		Periodical visit to exchange general information	0.0
Tower 49					USD Gold Finer for USD 250'000	0	0	0	0	0	0	0		30 days rollover basis until further notice	[illegible]
Tower 49						0	0	0	0	0	0	0		PX issue discussed	0.0

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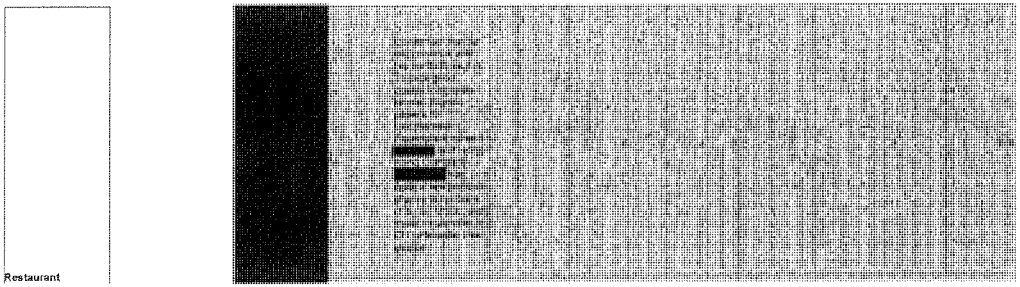
Restaurant	[redacted]	Sells house in Vienna for 1.5 mio EUR; plans to support son's attempt for autonomy with 1 mio USD; Relation with [redacted]s possible to come back to CSPB (6 mio USD); Portfolio o.k., no action required	0	0	0	0	0	0	0			6.2
Hotel		Portfolio ok, no action required; RW thinks about closing his Forex Realtio USD/EUR before maturity in January. If so, action will be initiated by RW	0	0	0	0	0	0	0		Review: "F" everything o.k. Has a lawsuit with 5-6 mio USD but due to its qualification as commercial property, it's difficult to receive a mortgage. Client is looking for a solution, to be followed	1.7
his Office		Will introduce business partner [redacted] who lives in Switzerland Visits Switzerland in May conc. further fund management business with CS	0	0	0	0	0	0	0			7.9
Hotel		Portfolio o.k., no action required	0	0	0	0	0	0	0		[redacted] asked to [redacted] conc. new structure with 2 underlying LLC's Eventually invite [redacted] to Switzerland for contract signing To give update to [redacted]	[illegible]
Tower 49		Put up to USD 600'000.- in a Finer Rev. USD/XAU on a rollover basis until further notice/21.03.07: 300'000/5pct 661,20, Verfall: 19./23. April, Strike: 632,50 dealt	0	0	0	0	0.7	0	0			1.2

Tower 49	[redacted]											
Tower 49	[redacted]											
his Office	[redacted]											
Tower 49	[redacted]											
Restaurant	[redacted]											
Restaurant	[redacted]											

Hotel		Portf. and Perf. o.k. Thinking about merger with equivalent competitor [redacted] to touch base to talk about details. Are planning a listing at NASDAQ	0	0	0	0	0	0	0	to check [redacted] life insurance Policy, x amount to be expected at age 60 and depending on perf. of the bonus port		+0
Hotel		Very open for recommendation, **RM03** can prepare proposal with 50% of assets in USD Portfolio (balanced), [redacted] also to provide the client with 10 or more years perf. comparison	0	0	0	0	0	0	0		Provided us with copy of sons passport (16 years old) to keep on file	????
Tower 49			0	0	0	0	0	0	0		PK issue discussed	0.0
		meeting cancelled	0	0	0	0	0	0	0		Is currently in Atlanta	0.0
Hotel	to get 4 Talons for W9 accounts	client did so far not sign the talons	0	0	0	0	0	0	0			7.4
Hotel		[redacted] talk to client about changes from USD strategy to a CHF international strategy [redacted] chanse if has assets abroad, will open an ac during his next stay in Switzerland	0	0	0	0	0	0	0			2.5
his Office		Finers o.k., is interested in loc. AI's > to follow up	0	0	0	0	0	0	0			1.3
Hotel			0	0	0	0	0	0	0			0.3



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Hotel	[redacted]	Reviewed PF, everything o.k. Brought up reference subject, will get back to [redacted] concerning this.	0	0	0	0	0	0	0			1.3
Jim's Office		Rev. everything o.k. PF position adjustment 5% (??) BRIC-Investments Info has been sent by RM03	0	0	0	0	0	0	0			1.3
Hotel		Minor change in PF in Nov managed. Review of PF, everything is o.k. Likely to send money via [redacted]	0	0.5	0	0	0	0	0			1.1
Hotel		Is reconsidering what he wants to do New a/c for [redacted] and Sister, POA for both Proposal for account VPs Has house in the Czech Republic where he gets Yuntar fees from which might be handed by us in the future	0	0.5	0	0	0	0	0			0.2

Hotel	[redacted]		Rev. PF. We are on track to reach the 3 mio USD mark (now 2.86 mio USD) Has another 2.7 mio CAD which she might transfer to us Considers to buy a house in Toronto, will def. decide in 3-4 month	0	2	0	0	0	0	0			3.5
Hotel			Reviewed his prev. positions has large EUR exposure (Loan)	0	0	0	0	0	0	0	To monitor closely the development of the foreign exchange rate?		10.4
Hotel/Restaurant			[redacted] is about to close the a/c as he thinks that there is no use of it/never stated that client is on the right track and should not change anything. Made a Pro/Con list. Client will think about it	0	0	0	0	0	0	0			3.9
Hotel			Meeting with son [redacted] in Florida - Reviewed PF, everything is o.k.	0	0	0	0	0	0	0			3.7
his Office			Talked about collaboration/spec. deals, strategy talks	0	0	0	0	0	0	0			0.0
Hotel/Restaurant			[redacted] suggested to open a USD Equity mandate	0	0.5	0	0	0	0	0	To show a performance example comparison covering the last 10 years		1.2
Hotel			Rev. everything o.k. Considers to repatriate the assets	0	0	0	0	0	0	0			0.9

Confidential Treatment Requested by Credit Suisse

his Office			[redacted]		Will send 10 mio USD to put in existing mandate in Aic setup review concerning access possibilities. Ries to have access for all (princ & poal) without double-checking	10	10	10	0	0	0	0			29.7
Hotel					is actually in the Czech Rep. to sell his business	0	4	0	0	0	0	0	Consolidation of assets as discussed in dec. RM03	Next meeting in London April/May	3.8
his Office					Recommended 2 contacts: 1. [redacted] 2. [redacted] both in Montreal	0	0	0	0	0	0	0		will see new contacts in Montreal	0.0
Montreal	28/03/2007	31/03/2007													
phone call					Talked on the phone with the client, his FF is fine, will continue with the strategy. Res in USD > 11%	0	10	0	0	0	0	0			2.0
			2												
			3												
			4												
Total AuM covered	In Mio CHF	180.5													180.5

Overall Results

NNA	In Mio CHF	10.0	10	17.5						
Discr. Mandates	In Mio CHF	10.0			10					
Funds/SIPs	In Mio CHF	0.3				0.3				
FINERS	In Mio CHF	2.5					2.45			
New Structures	#	1.0						1		
Credits	In Mio CHF	0.0							0	

Country	Date In	Date Out	Client/ Prospect	Goal
Brazil			[redacted]	introduce CS
	MCL	08/09/2004	08/12/2004 [redacted]	introduce CS
	HA	08/09/2004	08-14-04 [redacted]	introduce CS
			[redacted]	2nd mtg / met wife
			[redacted]	introduce CS
			[redacted]	obtain possible referrals
			[redacted]	introduce CS
			[redacted]	met [redacted] above
			[redacted]	2nd mtg HA, this time
			[redacted]	introduce CS
			[redacted]	introduce CS [redacted]
Croatia	08-16-04	08-27-04		
			[redacted]	investment discussion
			[redacted]	introduce CS

Results	Next Step	Further Remarks
interested	see nxt trip in Belo Horizonte	
interested, not immediate	see nxt trip	
A/C opened	await transfer of assets	
positive; open a/c within 2 mo.	invited to Formula I event Oct-04	
interested, not immediate	meet nxt trip [redacted]	
interested, but below minimum	call fm time to time	
positive	f.u. details of project Sep 15	
excellent referral source	keep in touch	
ex-colleague [redacted] business on ov	f.u. w/possible referral agreemt?	
committed to large txfer early '0	keep actively in touch	
referral source of above	keep actively in touch	
interested	visit nxt trip	
very interested	invited to lunch w/wife nxt trip	
committed, late '04	will visit NY early Oct 04	
interested	visit new factory Sorocaba Oct 04	
not cur minimum	keep in touch [redacted]	

TRAVEL REPORT SUMMARY

Copy to SAL

GENERAL DATA

Name of RM, Instrad	RM29 RH	
Trip number in current year	4	
Destination of travel	New York	
Date of travel (from ... until ...)	29.7. - 1.8.2007	
Total cost of travel (in CHF)	CHF 4,385	
thereof cost for hotel (in CHF)	CHF 842	
thereof cost for flight (in CHF)	CHF 3,344	

CLIENTS / PROSPECTS VISITED

	number	amount in CHF (= AuM with us)
Clients covered		
Prospects visited (at least 25% of visits)	1	

SUCCESS STORY

	number	amount in CHF
New clients opened	1	still tbd, max 40 Mio, realistically 15 Mio
Referrals received		
NNA		
VVF		
VVA		X
Inhouse Trust		
Sales of funds and similar high-yielding products		
Credits		

COMMENTS, HINTS & TRENDS (eg Competitors, Products, Pricing, Market/Politics)

[redacted]

Form Dec-2002/ 9a14175e-2c16-44a5-89fa-10e315886bce

Marketing Event/Activity – Proposal Form

Responsible Applicant	RM29 RH	Name Event/Activity	Swiss Ball 2007, New York

Event Activity

Description
- The Swiss Society of New York hosts it's annual Swiss Ball 2007 at the Pierre Hotel on February 3, 2007. Celebration of the 125th Anniversary in style with Guest of Honor Claude Nobs, founder of the Montreux Jazz Festival.
http://www.swisssocietyny.com/event.cgi?45
- Swissness is important. Invitees have a hugh referral potential and en excellent network.
- Credit Suisse will host 1 table and will invite 10 persons

Objects and expected return

Quantitative (AuM; Product Volumes etc.)
- AuM CHF 10 – 20 Mio.

Qualitative
- Client retention
- Maintaining good relationships to business partners (political and business community of New York)

Number of Invited Guests/Target Audience	Existing clients: 2
	Prospects: 4
Date/Period/Frequency	February 3, 2007
Place/Medium	The Pierre Hotel, NYC
Participants CS	- RM29 RH (2 pers.) - RP01 (2 pers.)
Costs	Total: USD 6'500
	Breakdown of Costs - USD 6'500 : Table for designated group of guests

Date / Signature Applicant	- 22.01.07	Decision SAL Date/Signature	☐ Approved ☐ Rejected - ...

Please forward the form to: **NOT INVOLVED**

CREDIT SUISSE

Produced by: NOT INVOLVED
Date: December 2006 Slide 1

Confidential Treatment Requested by Credit Suisse

Business Trip: New York, Miami, Boston
September 17 – 28

RM: RM29 RH SWLN

Travel day: September 17 and 27
September 17 – 24 -> New York; 24 – 27 -> Miami; 27 -> Boston

Saturday, September 17 ***Results***

[redacted] [redacted] Review of portfolio;

Sunday, September 18
xxx

Monday, September 19

[redacted]

periodical meeting; foundation issue still pending

purchase of funds for USD 0.1 Mio
purchase of funds for USD 0.3 Mio

Retention; ex **RM35** client; NNA to be expected for Dec/Jan -> **USD 3 Mio DIP**

pre-discussion meeting for the same day in the evening

Investment Proposal -> USD 1.95 Mio; **Discretionary Mandate DIP**
Investment Proposal -> USD 0.73 Mio; **Discretionary Mandate DIP**

new formalities; account split; 1/3 for one brother, 2/3 for the other brother; heavy family dispute; intro to all sons

NNA to be expected for Jan/Feb 2006 -> **USD 2-4 DIP**

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Tuesday, September 20

[redacted]

Performance Review; NNA to be expected in Jan -> **USD 0.5 Mio DIP**
Performance Review

Performance Review; NNA to be expected in Oct -> **USD 0.35 Mio DIP;** intro to son

NNA CHF 4 Mio (received 23.9.2005); Review of portfolio; NNA to be expected for Oct/Nov -> USD 3-5 Mio; discretionary portfolios in

Goal: new relationship and NNA

regular meeting to touch base and to place new leads
regular meeting to touch base and to place new leads

Review of portfolio; CSPA lost CHF 12 Mio in April; try to get those assets back in due time -> **DIP**

Wednesday, September 21

[redacted]

Review of investments; outlook; will make decisions within the next few weeks -> new investments; intro to daughter (PoA)

balanced EUR strategy changed in to capital gains EUR strategy
balanced EUR strategy changed in to capital gains EUR strategy

Review of portfolio; **purchase of Funds -> CHF 0.25 Mio**

new investments to consider
new investments to consider
Switch from 10y Podium Note in 6y Podium Note; USD 1 Mio still to be invested; decision will be done in Oct/Nov

different topics

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Thursday, September 22

[redacted] Review of portfolio; new investment ideas placed; has other offshore account with [redacted]

purchase of funds for USD 0.12 Mio

periodical meeting

periodical meeting

Funding of the account; IPO still outstanding – to be expected in January 2006

Friday, September 23

[redacted] Review of portfolio

Saturday, September 24

Sunday, September 25

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P-00025
Policy

Bank relationships with US Persons, US Taxpayers and EAMs that are located in the US or have clients who are US Persons and/ or US Taxpayers ("US Person Policy")

Valid from	01.01.2007	Version 1.0
Issuing Unit	Private Banking General Counsel	
Author	L01	
Contact	L01	
Replaces	D-0025 Version 1.0 26.11.2002	
Original Language	English	
Scope/ Recipients		

Summary
This Policy governs our business policy with regard to bank relationships with US Persons, US Taxpayers, and External Asset Managers ("EAMs") that are located in the United States ("US EAMs") and EAMs that have any US Person and/ or US Taxpayer as a client.

Changes

- Non-US EAMs. The special agreement entered into with non-US EAMs with at least on US Person client has been revised. These EAMs must now confirm to us that they either:
  (a) have an investment adviser license in the US, or
  (b) advise less than 15 US Person clients in total and agree not to exceed this number, or
  (c) agree to not use any type of contacts into or within the United States to provide Investment Advice to US Person clients.
  These EAMs must comply in all cases with the product restrictions for US Person and US Taxpayer clients, including the requirements for non-US EAMs who wish to purchase CSAM/ CS/ IPB funds for these clients.
- Exception approval form. The exception approval form has changed, together with the applicable procedures for the registration and archiving of this form.

Minimum Global Standards
Dealings with US Person clients or activities within the United States are only permissible to the extent allowed under this Policy. This Policy sets forth the requirements applicable to all non-US based private banking operations in their dealings with US Persons and activities in the United States. It also sets forth product guidelines for these locations as well as rules applicable in dealing with US based external asset managers. This policy does not apply to those subsidiaries that are licensed by the Securities and Exchange Commission as either a broker-dealer, investment adviser or both.

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Credit Suisse
Policy
Bank relationships with US Persons, US Taxpayers and EAMs that are located in the US or have clients who are US Persons and/or US Taxpayers ("US Person Policy")
Version 1.0

P-00025

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P-00025

1. Basis

This Policy is based upon:

- D-0002 „Legal & Compliance in the Credit Suisse division (CS division)"
- United States laws administered and enforced by the US Securities and Exchange Commission ("SEC"), the US Commodity Futures Trading Commission ("CFTC") and the US Internal Revenue Service ("IRS")

2. Content and purpose

This Policy governs our business policy with regard to bank relationships with US Persons, US Taxpayers, and External Asset Managers ("EAMs") that are located in the United States ("US EAMs") and EAMs that have any US Person and/or US Taxpayer as a client.

The purpose of this Policy is to avoid regulatory and reputational risk and to ensure uniform adherence to the restrictions applicable under US law to bank relationships with US Persons and US Taxpayers. A further aim is to ensure that there is a uniform standard for establishing and maintaining such relationships.

If other CS policys on specific US-related products or areas apply (e.g., D-0202, "Sale of CSAM/CS/IPB investment funds to US Persons and US Taxpayers", D-0256, "Client business in US financial futures and options on US financial futures"), these policys shall take precedence.

3. Scope

This Policy applies to all organizational units of the CS BU in Switzerland and abroad. It applies *mutatis mutandis* to all other legally autonomous domestic and foreign companies and foreign branches and representative offices of the CS BU in accordance with their circumstances and local regulatory framework. Subsidiaries holding licenses from the SEC and/or CFTC are not required to adhere to restrictions under this Policy on activities or products permitted to them under such licenses or to comply with 8.1 or 8.2.

4. General Rule

4.1 "US Person" defined for purposes of P-00025

The definition of "US Person" is crucial to this Policy. "US Persons" generally include (subject to exceptions):

- Individuals: if **resident** in the United States or its territories (Puerto Rico, Guam, Samoa)
- Partnerships, corporations or LLCs: if **organized** under US law
- US EAMs, even if their clients are non-US Persons
- Trusts and estates: if any trustee (trust) or executor/administrator (estate) is a US Person
- For **full definition**, see Appendix 1

Important exception: assets of US Persons that are managed by the bank on a **fully** discretionary basis (e.g., discretionary portfolios as stated in D-0069 Discretionary Mandates) qualify for treatment as the assets of non-US Persons where the US Person client has given the bank a fully discretionary mandate outside the United States in accordance with Appendix 2, section 1. This means that portfolios managed for US-Person clients by Investment Management (I/M) on a fully discretionary basis are not treated as assets of "US Persons". In contrast, portfolios managed by external asset managers of the bank (EAMs) with respect to their US Person clients will in principle be treated as assets of "US Persons".

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4.2 General Rule

Communications by mail, telephone, telex, telefax, internet or e-mails into or from the United States, or visits or meetings in the United States, may **not** be used to provide **Investment Advice or Solicitation**, as defined below.

4.3 "Investment Advice" defined

- any discussion or comments on the advisability of investing in or the value of various investments or securities in general or of specific securities
- providing analyses or research reports concerning securities
- any buy, sell or hold recommendations relating to securities, including indirect recommendations through the presentation of information (for example, providing quotes)
- allowing US Persons access to internet sites which contain such securities-related information
- assisting in the preparation of contracts or forms for discretionary portfolio management agreements or related safekeeping accounts

4.4 "Solicitation" defined

- any affirmative effort to induce transactional securities business for the bank or affiliates - whether to induce a single securities transaction, to develop customer goodwill or to make the bank known in the US
- any communication to encourage the execution of securities transactions through the bank
- providing securities quotes, even if time delayed
- sending printed or electronic advertising materials into the US other than Credit Suisse Group's annual report or Fact Sheets with general descriptions of the bank
- conducting promotional seminars (i) in the US or (ii) outside the US targeted to US Persons
- advertising broker-dealer services on a radio or television broadcast into the US or in a printed publication of general circulation in the US
- providing research, even if the recipient has actively sought out and requested the research
- allowing US Persons access to internet sites which contain any of the above information
- allowing US Persons to purchase or sell securities through an internet site

5. Permissible accounts, services and contacts with US Persons

5.1 Discretionary portfolio management agreements signed outside the US and with retained mail or non-US address

5.1.1 Account opening

5.1.1.1 Discretionary portfolio management agreements can only be signed/granted outside the US.

5.1.1.2 Discretionary portfolio management agreements must have retained mail or mail/communications sent to a non-US address. No mail may be sent into the US to US Persons relating to their discretionary portfolios. Only exception: the information required for tax purposes (AIS year-end statement and tax statements), once per year.

5.1.1.3 Account opening formalities must be completed as described in Appendix 2.

5.1.2 Relationship/contacts with US Person clients with discretionary portfolio management agreements

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5.1.2.1 All contacts into the US with respect to the discretionary portfolios are strictly prohibited. If the client meets the relationship manager outside the United States, advice and information can be given at that time. Follow-ups into the United States are not allowed.

5.1.2.2 Wherever possible, US Persons should be encouraged to provide discretionary portfolio management agreements to the bank. Because a fully discretionary portfolio managed by the bank is not treated as assets of a US Person, the range of securities products available for the portfolio will be much broader. See section 6.2.

5.2 Safekeeping accounts on "execution only" basis / no Solicitation of account or subsequent orders

5.2.1 Account opening

5.2.1.1 Contact with client to open the account must be unsolicited. For example, on his own initiative, the client writes to the bank by mail or fax, calls by phone, visits the bank, a branch or a representative office or has been introduced to the bank without any Solicitation by the bank. See 4.4.

5.2.1.2 If an e-mail has been received with a request for a safekeeping account or other information, see Appendix 2 section 3.

5.2.1.3 Documents to open safekeeping accounts can be prepared:
- Outside the United States, or
- Inside the United States with the assistance of a representative office of the bank, or
- By way of correspondence if a Credit Suisse representative office or affiliate has performed the know-your-client ("KYC") due diligence required by the law applicable in the location where the safekeeping account will be held.

5.2.1.4 Account opening formalities must be completed as described in Appendix 2.

5.2.2 Relationship/contacts with US Person clients with safekeeping accounts

5.2.2.1 The General Rule must be observed: no contacts may be made that would constitute Investment Advice or Solicitation. Instructions that come from clients on an unsolicited basis that are "execution only" are allowed.

5.2.2.2 Statements may be sent to the client in the United States which refer to securities transactions already effected, including statements of safekeeping accounts ("Depotverzeichnis") and statements of investments ("Anlageverzeichnis"), as well as statements relating to current, cash or savings accounts, if any.

5.2.2.3 No additional materials may be sent to the US address; in particular, no marketing materials of any type and no materials regarding future decisions to be made by the client (e.g. rights offerings, tender offers, etc.) may be sent to the client in the United States.

5.2.2.4 No fees may be charged for investment advice (transactional and administrative fees allowed.)

5.3 Cash, savings and current accounts

Cash, savings and current accounts may be provided to US Persons without limitation, except that no communications constituting Investment Advice or Solicitation may be made in violation of the General Rule.

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6.4 Loans

Loans may also be provided to US Persons, subject to normal Credit Department approval.

6 Permissible products

6.1 "US Taxpayer" defined

The definition of "US Taxpayer" includes not only US Persons, but also US citizens and US greencard holders, wherever they reside and regardless of whether they have granted a discretionary mandate. For a more detailed definition, see Appendix 1. In case of doubt, see http://my.csintra.net/psiw5/uswh_t/uswht_allgemeines_d.htm or contact the Tax Switzerland / Front Office Support (TTSB) for further information.

6.2 Product chart

The product chart found in the US Legal Matters section of the Legal & Compliance intranet site (http://my.csintra.net/legalcompliance/en/legal/us_legal_matters/_us_law.html) provides an overview of the types of products generally available and generally not available for (i) US Persons (defined in Appendix 1), (ii) US citizens who are not US residents (all of whom qualify as US Taxpayers, see definition in Appendix 1), and (iii) discretionary mandates granted to the bank for US Persons. The product chart is not intended, however, to replace the product-specific restrictions, if any (e.g. sales restrictions, QI tax restrictions), which take precedence in all cases.

6.3 Sales restrictions

Many products are subject to specific sales restrictions that must be complied with and are set forth in the VV40 pages on the HOST mainframe. If you have any questions regarding specific product restrictions, contact General Counsel / PB Switzerland Compliance / Business Compliance (YCPP 1) for more information.

Overrides of VV40 restrictions or warnings are strictly prohibited, except permitted overrides for CSAM/CS/IPB funds when sold in compliance with policy D-0025 ("U" code) or permitted overrides for discretionary portfolios for US Persons managed by the bank on a fully discretionary basis ("H" code). If you believe a restriction may be incorrect and have materials to support this belief, you must first contact General Counsel / PB Switzerland Compliance / Business Compliance (YCPP 1). The restriction must be corrected before you place an order. Unauthorized overrides of these selling restrictions are monitored and may cause a reversal of the transaction.

6.4 Qualified Intermediary (QI) tax restrictions

No securities of US issuers can be purchased for US Taxpayers unless a "W-9" form has been obtained from the client. The W-9 discloses the client's identity to the US tax authorities. The VV40 pages on the HOST mainframe provide information on whether the particular product is subject to a W-9 requirement. See http://my.csintra.net/psiw5/uswh_t/uswht_allgemeines_e.htm or contact the Tax Switzerland / Front Office Support (TTSB) for further details.

7 EAMs / Special situations involving US Persons

7.1 US EAMs

US EAMs are independent asset managers or investment advisers that are located in the United States. Their clients may be US Persons or non-US Persons. All relationships with US EAMs must both:

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- comply with the General Rule in section 4.2: no Investment Advice or Solicitation may be provided or made to any US EAM or its clients in the United States, even if the clients are non-US Person clients, **and**
- be approved in advance by General Counsel / PB Switzerland Legal / US Legal Matters. In general, relationships with unaffiliated US EAMs will be approved only if they comply with the "Guidelines for Cooperation with Unaffiliated EAMs Organized, Incorporated or Resident in the United States" found in the US Legal Matters section of the Legal & Compliance intranet site (http://my.csintra.net/legalcompl iance/en/legal/us_legal_matters/ us_law.htm l) Relationships with affiliated US EAMs in respect of non-US Person clients are subject to even greater restrictions and are generally only possible in the context of client referrals.

7.2 Non-US EAMs

EAMs that are not located in the United States but that have at least one US Person client with the bank are required to enter into a special agreement with the bank (Appendix 3, Form No. 112 838) in which they, among other things, confirm to the bank their status in respect of US Person clients. If the EAM has at any time more than 15 US Person clients, it is required to either have or obtain an investment adviser license from the SEC or undertake vis-à-vis the bank to refrain from communications by mail, telephone, telex, telefax, internet or e-mails into or from the United States, or visits or meetings in the United States, to provide Investment Advice. The special agreement requires all non-US EAMs to comply with applicable United States product restrictions when purchasing products for their US Person and US Taxpayer clients and also establishes procedures for and conditions on the purchase of CSAM/CS/IPB funds that have not been registered in the US for EAM clients that are US Persons in accordance with policy D-0202.

7.3 Special situations involving US Persons

Rules governing the treatment of US Persons in the context of certain special situations (use of intermediaries, joint account relationships, power of attorney relationships, community of heirs, direct orders for execution by US brokers, dormant accounts) are set forth in Appendix 4.

The bank may not use third party intermediaries or agents to circumvent the terms of this Policy.

8 Implementation / responsibilities

8.1 Switzerland: concentration of US Person clients

All new bank relationships with US Persons (other than operating corporate clients and clients of non-US EAMs, who may continue to be served by the central EAM desk) are to be opened within, managed and monitored by the dedicated US Center of Competence in Zurich or Geneva . Exceptions will be granted only if the responsible RM and his relevant superiors complete and sign the corresponding section of the exception form http://webhotel.csintra.net/form s/125473.doc for each CIF and if the defined procedures for registration and archiving of the exception approval form are complied with (as found at http://csintra.net/international_clients/en/risk_countries.html under "host filing of authorized approved exceptions"). By signing the exception form, the RM's superiors agree to accept responsibility for managing the relationship and monitoring compliance with this Policy. No new CIF may be opened until this form has been submitted.

All existing relationships with US Persons must basically be transferred to the dedicated US Center of Competence in Zurich or Geneva. Existing US Person clients will be permitted to stay with RMs outside of the dedicated US Center of Competence only if the exception form http://webhotel.csintra.net/form s/125473.doc is completed and signed by the relevant RM

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and his relevant superiors for each CIF as well as registered and archived as indicated at http://csintra.net/international_clients/en/risk_countries.html under "host filing of authorized approved exceptions".

If the RM who has been managing a relationship with a US Person client on the basis of an approved exception changes (e.g., departure, retirement), or if a non-US Person client subsequently becomes a US Person client due to a change in domicile, the relevant client must be transferred to the dedicated US Center of Competence in Zurich or Geneva unless a new exception form is completed, signed and submitted as described above.

Notwithstanding the above, Investment Consulting shall be required to transfer its US Person clients to the dedicated US Center of Competence in all cases, without exception.

8.2 Switzerland: EAM Desk
The EAM Desk is responsible for sending out and collecting signed special agreements (Appendix 3, Form No. 112 838) from all non-US EAMs with at least one US Person client. The EAM Desk shall also be responsible for submitting the signed agreements to Formalities Control, which will then check the documents and forward them to the central archive (ULDV 1 / Elar) for systematic filing.

8.3 International units, Product Centers and Independent Private Banks
International units, Product Centers and the Independent Private Banks are required to handle client relationships *mutatis mutandis* as per "8.1 Switzerland" and should provide for a centralization of US Person relationships within their organizations (e.g., special desks).

8.4 Possible sanctions for non-compliance
Violations of this Policy may subject the bank or its affiliates to litigation and regulatory actions in the United States. Willful violations of this Policy may also subject both the bank and the individual employee to criminal liability.

8.5 Questions
General Counsel / PB Switzerland Legal / US Legal Matters is to be contacted for questions relating to this Policy. For a list of frequently asked questions, see the US Legal Matters section of the Legal & Compliance intranet site (http://my.csintra.net/legalcompliance/en/legal/us_legal_matters/_us_law.html). Questions concerning specific products are not to be directed to the US Legal Matters team, but should be directed to the General Counsel / PB Switzerland Compliance / Business Compliance (YCPP 1).

9 Entry into force
This Policy enters into force with immediate effect.

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NOT INVOLVED

NOT INVOLVED

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and his relevant superiors for each CIF as well as registered and archived as indicated at http://csintra.net/international_clients/en/risk_countries.html under "host filing of authorized approved exceptions".

If the RM who has been managing a relationship with a US Person client on the basis of an approved exception changes (e.g., departure, retirement), or if a non-US Person client subsequently becomes a US Person client due to a change in domicile, the relevant client must be transferred to the dedicated US Center of Competence in Zurich or Geneva unless a new exception form is completed, signed and submitted as described above.

Notwithstanding the above, Investment Consulting shall be required to transfer its US Person clients to the dedicated US Center of Competence in all cases, without exception.

8.2 **Switzerland: EAM Desk**
The EAM Desk is responsible for sending out and collecting signed special agreements (Appendix 3, Form No. 112 838) from all non-US EAMs with at least one US Person client. The EAM Desk shall also be responsible for submitting the signed agreements to Formalities Control, which will then check the documents and forward them to the central archive (ULDV 1 / Elar) for systematic filing.

8.3 **International units, Product Centers and Independent Private Banks**
International units, Product Centers and the Independent Private Banks are required to handle client relationships *mutatis mutandis* as per "8.1 Switzerland" and should provide for a centralization of US Person relationships within their organizations (e.g., special desks).

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Violations of this Policy may subject the bank or its affiliates to litigation and regulatory actions in the United States. Willful violations of this Policy may also subject both the bank and the individual employee to criminal liability.

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9 **Entry into force**
This Policy enters into force with immediate effect.

CEO PB

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Beilage / Appendix / Annexe / Allegato 1

Definition of "US Person" and "US Taxpayer" within the meaning of P-00025

II. Definition of "US Taxpayer"

1. Type of client/ account:	1. Will be treated as a "US Taxpayer" if:
Natural person	• Resident in the US (**not** including any US possession or territory); or • Citizen of the US (**not** including any US possession or territory); or • Lawful permanent resident of the US (i.e., holder of a "greencard", wherever resident); or • Generally, if present in the US for 183 days or more during current year and preceding 2-year period (excepting days present in the US as teacher, student or trainee on "F", "J", "M" or "Q" visa)
Partnership, corporation, LLC	Created or organized under the laws of the US, any of its states or the District of Columbia (**not** including any US possession or territory)
Estate	Income is subject to US federal income tax, regardless of source
Trust	• Court within the United States is able to exercise primary supervision over administration of trust **and** • One or more US Taxpayer fiduciaries have authority to control all substantial decisions of the trust

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Account opening formalities for Discretionary Portfolio Management Agreements and Safekeeping Accounts of US Person clients

1. Account opening formalities for Discretionary Portfolio Management Agreements as stated in D-0069

1.1. Discretionary portfolio management agreements for US Person clients must be granted and signed by the client while he is **outside the United States**.

1.1.1. Discretionary portfolios can only be discussed with the client and signed outside the United States

1.1.2. No discretionary portfolio management agreement form can be sent into the United States, for example it cannot be included in any package of account opening documents to open an account by way of correspondence

1.2. Correspondence must be either retained by the Bank (to be handed over on Bank premises) or mailed to a non-US address.

1.3. Discretionary portfolio management agreements for US Persons are to be opened using the Bank's **customary forms**:

1.3.1. Form 112603 "Contract for the opening of an account/safekeeping account".

Under form 112603 "Contract for the opening of an account/safekeeping account", however, the US Person client must either provide a **non-US address** in item 5 of the form or tick the box under item 6 "The depositor hereby instructs CREDIT SUISSE (hereinafter refererd to as the Bank) to retain all the correspondence and documents pertaining to the account and safekeeping account" (etc.). In the second paragraph under item 6, the US Person client then has two options: he can either opt for periodic dispatch of correspondence to a **non-US address** (weekly, monthly, bi-monthly, quarterly, semi-annual, annual) or, alternatively, have the correspondence be handed **over on bank premises**, in which case "retained on bank premises" should be written in the space provided under the second paragraph in Item 6. The RM must then correctly enter the CIF of the RET routing agreed with the client in the address data channel (AD-LW) in accordance with D-0005 "Handling of retained and periodically dispatched correspondence (RET/eRET)".

1.3.2. The Bank's customary discretionary portfolio management agreement forms, see "Set-up Process of Discretionary Mandates for Relationship Managers" in PMnet in the bank's intranet, and

1.3.3. Relevant forms/declarations required for USWHT purposes.

2. Account Opening Formalities for Safekeeping Accounts for US Persons

2.1. Safekeeping accounts (securities brokerage and/or custodian services) for US Persons may be opened only in accordance with P-00025 **section 5.2.1**.

2.2. Safekeeping accounts for US Persons are to be opened using the Bank's **customary forms**:

2.2.1. Form 112600 "Contract for the opening of an account/safekeeping account".

2.2.2. Form 112853 "Declaration on the Handling of Correspondence and Instructions Regarding Corporate Actions" (but see Endnote), and it must be stressed to the US Person client that he will not be informed of when to give the bank additional instructions and will not be informed of or be able to exercise subscription rights for certain newly-issued securities.

2.2.3. Relevant forms/declarations required for USWHT purposes.

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2.2.4. Form 112 703 Standing Investment Instructions (optional)

A US Person client does not have to provide this document, but it can grant the bank Standing Investment instructions if these conditions are met:

2.2.4.1 The form can only be discussed with the client and signed outside the United States

2.2.4.2 The form cannot be sent into the United States, for example it cannot be included in any package of account opening documents to open an account by way of correspondence

2.3. RET mail to be retained on bank premises or an address outside the US is preferred, in which case item 5 of form 112600 should be completed as described in section 1.3.1 above.

3. Handling of e-mail inquiries

In the event that an unsolicited e-mail request to open a safekeeping account is received from a prospective US Person client over the bank's internet website, a standard response must be sent along the lines of the following:

"We regret that we are not able to provide the services that you have requested. We apologize for the inconvenience and thank you for your interest in our company."

Endnote: Exception: US custodian banks do not have to complete form 112853, "Declaration on the Handling of Correspondence and Instructions Regarding Corporate Actions."

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Special Agreement with Non-US External Asset Managers that have US Person or US Taxpayer Clients (form 112 838)

P-00025 Appendix 3, "Special Agreement with Non-US External Asset Managers that have US Person or US Taxpayer Clients", is Credit Suisse Form 112 838 that may be found in the Credit Suisse Intranet.

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Rules governing special situations involving US Persons

Set forth below are the rules governing special situations involving US Person clients that commonly arise. For further information, please consult the list of frequently asked questions in the US Legal Matters section of the Legal & Compliance internet site (http://csintra.net/legalcomplian ce/en/legal/us legal matters/us law.ht ml) or contact General Counsel / PB Switzerland Legal / US Legal Matters.

Overview

1. Community of heirs
2. Direct orders for execution by US brokers
3. Dormant accounts
4. Joint accounts
5. Powers of attorney
   5.1. Non-US Person as holder of PoA
   5.2. US Person as holder of PoA
6. US-registered broker-dealers as counterparties

1. Community of heirs

The fact that a community of heirs includes one or more US Persons does not result in treatment of the Safekeeping Account held in the name of the community of heirs as a whole as a US Person for purposes of this Directive.[1] However, in the event that an heir who is a US Person wishes to open his own account, the rules under this Directive shall apply.

2. Direct Orders for execution by US brokers

Direct Orders for execution by US brokers are governed by separate directive (D-0100).

3. Dormant accounts

Communications with US Persons solely to determine or verify the client address for purposes of the prevention of dormant accounts do not fall under the General Rule as long as no Investment Advice or Solicitation is provided. Note in this regard that the discretionary management of dormant assets of a US Person by the bank will *a priori* preclude communications with the client into the US and therefore be compatible with the General Rule.

4. Joint accounts

If one or more holders of a joint account is a US Person, the entire account must be treated as a US Person.[2]

5. Powers of attorney

5.1. Non-US Person as holder of PoA

In general, the bank is permitted to accept and execute orders and instructions for securities trades from non-US Persons who hold powers of attorney relating to the account of a US Person unless we know that the holder of the power is acting at the behest of the US Person for purposes of circumventing the restrictions described in this Directive.[2]

[2] These may be Qualified Intermediary (QI) tax considerations also applicable to such accounts; see http://my.csintra.net.csiw5ou.swht/uswht_allgemeines_e.htm, or consult with TTSB in this regard for possible implications.

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Rules governing special situations involving US Persons

If the holder of the power of attorney, however, is a non-US external asset manager (EAM) that has entered into an "Agreement between Credit Suisse and EAMs", the rules set out in section 7.2 of P-00025 apply, and the EAM must also enter into the "Special agreement with non-US EAMs that have US Person or US Taxpayer Clients" (form 112 838).

5.2. US Person as holder of PoA

The bank may not accept or execute orders and instructions for securities trades from a US Person who holds a power of attorney over the account of a non-US Person or US Person unless:

5.2.1. the General Rule is complied with at all times with respect to the holder of the power of attorney, i.e. no Investment Advice or Solicitation is provided to such person in violation of the General Rule, **and**

5.2.2. the holder of the power of attorney is an individual and is not acting in a professional capacity.

If the US holder of the power of attorney is not an individual or is acting in as a professional capacity, acceptance or execution of orders instructions must be approved in advance by General Counsel / PB Switzerland Legal / US Legal Matters. See section 7.1 in P-00025, "US EAMs".

6. US-registered broker-dealers as counterparties

Notwithstanding this Directive, the bank may solicit and effect transactions in securities with or for any US-registered broker-dealer, whether acting as principal for its own account or as agent for others.*

* There may be Qualified Intermediary (QI) tax considerations also applicable to such accounts; see http://my.csintra.net.psiw5/uswh_t/uswht_allgemeines_e.htm or consult with TTSB in this regard for possible implications.

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Policy

Bank relationships with US Persons, US Taxpayers, US EAMs and non-US EAMs with US Persons and/or US Taxpayers clients ("US Person Policy")

Valid from	19.05.2008	Version 2.0
Issuing Unit	Private Banking General Counsel	
Author	L01	
Contact	L01	
Replaces	P-00025 Version 1.1 01.01.2007	
Original Language	English	
Scope/Recipients		

Summary
This Policy governs our business policy with regard to bank relationships with US Persons, US Taxpayers, and External Asset Managers ("EAMs") that are located in the United States ("US EAMs") or that have any US Person and/or US Taxpayer clients.

Changes

5.5 Travel to the United States by Relationship Managers ("RMs")
A cross-reference to the existing travel pre-approval requirement under Policy P-00225 has been added, as well as more explicit guidance on when travel to the United States will be approved. RMs may travel to the US to visit existing clients only if the visit is initiated by the client, is for a purely and exclusively social nature and no discussion is had relating to securities or investments. As a prerequisite for such travel, the RM must complete a US Cross-Border training session and follow the procedures for obtaining the relevant travel approval. Visits to prospective clients are not permitted.

7.2 Non-US EAMs
Non-US EAMs that intend to have at least one US Person and/or beneficial account owner as shared clients are expressly prohibited from forwarding into or distributing in any manner into the United States bank account opening documentation and/or any bank materials relating to products or services.

Minimum Global Standards
Dealings with US Person clients or activities within the United States are only permissible to the extent allowed under this Policy. This Policy sets forth the requirements applicable to Credit Suisse Switzerland ("CS") Private Banking Division and the Private Banking operations of all non-US based CS affiliates in their dealings with US Persons and activities in the United States. It also sets forth product guidelines as well as rules applicable in dealing with US based external asset managers ("EAMs") and non-US based EAMs with US Person clients. This policy does

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not apply to those CS affiliates that are licensed by the US Securities and Exchange Commission ("SEC") as either a broker-dealer, investment adviser or both.

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Credit Suisse
Policy
Bank relationships with US Persons, US Taxpayers, US EAMs and non-US EAMs with US Persons and/or US Taxpayers clients ("US Person Policy")
Version 2.0

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1. Basis

This Policy is based upon:

- P-00002 Legal & Compliance in Credit Suisse (CS)**
- United States laws administered and enforced by the US SEC, the US Commodity Futures Trading Commission ("CFTC") and the US Internal Revenue Service ("IRS")

2. Content and purpose

This Policy governs our business policy with regard to bank relationships with US Persons, US Taxpayers, and External Asset Managers ("EAMs") that are located in the United States ("US EAMs") and EAMs that have any US Person clients and/or US beneficial account owners and/or US Taxpayer clients.

The purpose of this Policy is to avoid regulatory and reputational risk and to ensure uniform adherence to the restrictions applicable under US law to bank relationships with US Persons and US Taxpayers. A further aim is to ensure that there is a uniform standard for establishing and maintaining such relationships.

If other CS policies on specific US-related products or areas apply (e.g., P-00202, "Sale of CS/[redacted] to US Persons and US Taxpayers", P-00256, "Client business in US financial futures and options on US financial futures", P-04887, "US restricted securities"), these policies shall take precedence.

3. Scope

This Policy applies to all organizational units of the CS Private Banking Division in Switzerland and abroad. It applies *mutatis mutandis* to all other legally autonomous non-US domestic and foreign companies and foreign branches and representative offices of CS in accordance with their circumstances and local regulatory framework. Affiliates holding licenses from the SEC and/or CFTC are not required to adhere to restrictions under this Policy on activities or products permitted to them under such licenses or to comply with 8.1 or 8.2.

4. General Rule

4.1 "US Person" defined for purposes of P-00025

The definition of "US Person" is crucial to this Policy. "US Persons" generally include (subject to exceptions):

- Individuals: if **resident** in the United States or its territories (Puerto Rico, Guam, Samoa, US Virgin Islands, Northern Mariana)
- Partnerships, corporations or LLCs: if **organized** under US law
- US EAMs, even if their clients are non-US Persons
- Trusts and estates: if any trustee (trust) or executor/administrator (estate) is a US Person
- For **full definition**, see Appendix 1

Important exception: assets of US Persons that are managed by the bank on a **fully** discretionary basis (e.g., discretionary portfolios as stated in P-16027 Discretionary Mandates) qualify for treatment as the assets of non-US Persons where the US Person client has given the bank a fully discretionary mandate outside the United States in accordance with Appendix 2, section 1. This means that portfolios managed for US-Person clients by MACS Switzerland on a fully discretionary basis are not treated as assets of "US Persons". In contrast, portfolios managed by external asset managers of the bank (EAMs) with respect to their US Person clients will in principle be treated as assets of "US Persons".

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4.2 General Rule

Communications by mail, telephone, telex, telefax, internet or e-mails into or from the United States, or visits or meetings in the United States, may **not** be used to provide **Investment Advice or Solicitation**, as defined below.

4.3 "Investment Advice" defined

- any discussion or comments on the advisability of investing in or the value of various investments or securities in general or of specific securities
- providing analyses or research reports concerning securities
- any buy, sell or hold recommendations relating to securities, including indirect recommendations through the presentation of information (for example, providing quotes)
- allowing US Persons access to internet sites which contain such securities-related information
- assisting in the preparation of contracts or forms for discretionary portfolio management agreements or related safekeeping accounts

4.4 "Solicitation" defined

- any affirmative effort to induce transactional securities business for the bank or affiliates - whether to induce a single securities transaction, to develop customer goodwill or to make the bank known in the US
- any communication to encourage the execution of securities transactions through the bank
- providing securities quotes, even if time delayed
- sending printed or electronic advertising materials into the US other than Credit Suisse Group's annual report or Fact Sheets with general descriptions of the bank
- conducting promotional seminars (i) in the US or (ii) outside the US targeted to US Persons
- advertising broker-dealer services on a radio or television broadcast into the US or in a printed publication of general circulation in the US
- providing research, even if the recipient has actively sought out and requested the research
- allowing US Persons access to internet sites which contain any of the above information
- allowing US Persons to purchase or sell securities through an internet site

5. Permissible accounts, services and contacts with US Persons

5.1 Discretionary portfolio management agreements signed outside the US and with retained mail or non-US address

5.1.1 Account opening

5.1.1.1 Discretionary portfolio management agreements can only be signed/granted outside the US.

5.1.1.2 Discretionary portfolio management agreements must have retained mail or mail/communications sent to a non-US address. No mail may be sent into the US to US Persons relating to their discretionary portfolios. Only exception: the information required for tax purposes (AIS year-end statement and tax statements), once per year.

5.1.1.3 Account opening formalities must be completed as described in Appendix 2.

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5.1.2 Relationship/ contacts with US Person clients with discretionary portfolio management agreements

5.1.2.1 All contacts into the US with respect to the discretionary portfolios are strictly prohibited. If the client meets the relationship manager ("RM") outside the United States, advice and information can be given at that time. Follow-ups into the United States are not allowed.

5.1.2.2 Because a fully discretionary portfolio managed by the bank is not treated as assets of a US Person, the range of securities products available for the portfolio will be much broader. See section 6.2.

5.2 Safekeeping accounts on "execution only" basis / no Solicitation of account or subsequent orders

5.2.1 Account opening

5.2.1.1 Contact with client to open the account must be unsolicited. For example, on his own initiative, the client writes to the bank by mail or fax, calls by phone, visits the bank, a branch or a representative office or has been introduced to the bank without any Solicitation by the bank. See 4.4.

5.2.1.2 If an e-mail has been received with a request for a safekeeping account or other information, see Appendix 2 section 3.

5.2.1.3 Documents to open safekeeping accounts can be prepared:
- Outside the United States, or
- Inside the United States with the assistance of a representative office of the bank, or
- By way of correspondence if a Credit Suisse representative office or affiliate has performed the know-your-client ("KYC") due diligence required by the law applicable in the location where the safekeeping account will be held.

5.2.1.4 Account opening formalities must be completed as described in Appendix 2.

5.2.2 Relationship/ contacts with US Person clients with safekeeping accounts

5.2.2.1 The General Rule must be observed: no contacts may be made that would constitute Investment Advice or Solicitation. Instructions that come from clients on an unsolicited basis that are "execution only" are allowed.

5.2.2.2 Statements may be sent to the client in the United States which refer to securities transactions already effected, including statements of safekeeping accounts ("Depotverzeichnis") and statements of investments ("Anlageverzeichnis"), as well as statements relating to current, cash or savings accounts, if any.

5.2.2.3 No additional materials may be sent to the US address; in particular, no marketing materials of any type and no materials regarding future decisions to be made by the client (e.g. rights offerings, tender offers, etc.) may be sent to the client in the United States.

5.2.2.4 No fees may be charged for investment advice (transactional and administrative fees allowed.)

5.3 Cash, savings and current accounts

Cash, savings and current accounts may be provided to US Persons without limitation, except that no communications constituting Investment Advice or Solicitation may be made in violation of the General Rule.

5.4 Loans

Loans, with the exception of lombard loans, may also be provided to US persons subject to standard approval from the Credit department. Lombard loans may be offered to US persons only in compliance with the general rule stipulated in para.4.2.

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5.5 Travel to the United States by RMs

5.5.1 RMs may visit US Persons in the US only if:

- The visit is with an existing US Person client (**no** visits with/to US Person prospective clients in the US are permitted other than within the scope of ordinary interaction among fellow social invitees, with no solicitation),
- The visit was initiated exclusively at the existing US Person client's request (and the RM documents this in FrontNet or in another appropriate fashion),
- It is for a purely and exclusively social purpose, **and**
- The General Rule in Section 4.2 is observed at all times during the visit.

5.5.2 Meetings with US Person clients pursuant to 5.5.1 above should never be with large groups of individuals.

5.5.3 Prior to travel, the RM must obtain certification for US travel by attending a US Cross Border Training session. For details, see the US Legal Matters section of the Legal & Compliance intranet site (http://csintra.net/legalcomplian ce/en/legal/us_legal_matters/us_ law.html). In addition, the RM must comply with P-00225, which requires, among other things, pre-approval of the trip by the RM's line manager and by the US Country Head.

5.5.4 Visits to existing clients who are non-US Persons temporarily present in the US are not subject to the restrictions above.

6. Permissible products

6.1 "US Taxpayer" defined

The definition of "US Taxpayer" includes not only US Persons, but also US citizens and US greencard holders, wherever they reside and regardless of whether they have granted a discretionary mandate. For a more detailed definition, see Appendix 1. In case of doubt, see http://my.csintra.net/psiw5/uswh t/uswht_allgemeines_d.htm or contact the Tax Switzerland / Front Office Support (TTSB) for further information.

6.2 Product chart

The product chart found in the US Legal Matters section of the Legal & Compliance intranet site (http://csintra.net/legalcomplian ce/en/legal/us_legal_matters/us_ law.html) provides an overview of the types of products generally available and generally not available for (i) US Persons (defined in Appendix 1), (ii) US citizens who are not US residents (all of whom qualify as US Taxpayers, see definition in Appendix 1), and (iii) discretionary mandates granted to the bank for US Persons. The product chart is not intended, however, to replace the product-specific restrictions, if any (e.g. sales restrictions, QI tax restrictions), which take precedence in all cases.

6.3 Sales restrictions

Many products are subject to specific sales restrictions that must be complied with and are set forth in the VV40 pages on the HOST mainframe or the relevant "Restrictions" page of VDPS System. If you have any questions regarding specific product restrictions, contact General Counsel / PB Switzerland Compliance / Business Compliance (YCPP 1) for more information. Overrides of VV40 restrictions or warnings are strictly prohibited, except permitted overrides for CS/[redacted] funds when sold in compliance with policy P-00202 ("U" code) or permitted overrides for discretionary portfolios for US Persons managed by the bank on a fully

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discretionary basis ("H" code). If you believe a restriction may be incorrect and have materials to support this belief, you must first contact General Counsel / PB Switzerland Compliance / Business Compliance (YCPP 1). The restriction must be corrected before you place an order. Unauthorized overrides of these selling restrictions are monitored and may cause a reversal of the transaction.
RMs are prohibiting from approving the delivery-in of investment fund shares into the account of a US Person or US Taxpayer client if those shares are subject to applicable US sales restrictions.

6.4 Qualified Intermediary (QI) tax restrictions
No securities of US issuers can be purchased for US Taxpayers unless a "W-9" form has been obtained from the client. The W-9 discloses the client's identity to the US tax authorities. The VV40 pages on the HOST mainframe provide information on whether the particular product is subject to a W-9 requirement. See http://my.csintra.net/psiw5/uswh_t/uswht_allgemein_es_e.htm or contact the Tax Switzerland / Front Office Support (TTSB) for further details.

7. EAMs / Special situations involving US Persons

7.1 US EAMs and other US professional fiduciaries
US EAMs are independent asset managers or investment advisers that are located in the United States. Their clients may be US Persons or non-US Persons. All relationships with unaffiliated US EAMs and/or US professional fiduciaries who hold limited powers of attorney over a client's account to provide the bank trading instructions with respect to that account must both:

- comply with the General Rule in section 4.2: no Investment Advice or Solicitation may be provided or made to any US EAM or other US professional fiduciary or its/their clients in the United States, even if the clients are non-US Person clients, **and**
- be approved in advance by PB General Counsel / Legal PB Americas / US Legal Matters Front (YPAF). In general, relationships with unaffiliated US EAMs and US professional fiduciaries will be approved only if they comply with the "Guidelines for Cooperation with Unaffiliated EAMs Organized, Incorporated or Resident in the United States" found in the US Legal Matters section of the Legal & Compliance intranet site (http://csintra.net/legalcomplian ce/en/legal/us_legal_matters/us_ law.html)

Relationships with affiliated US EAMs in respect of their clients are subject to special rules; questions regarding the specifics of these requirements should be directed to PB General Counsel / Legal PB Americas / US Legal Matters Front (YPAF). See also Appendix 4, Section 5.2, "US Person Individual as Holder of a PoA".

7.2 Non-US EAMs
EAMs that are not located in the United States but that intend to have at least one US Person client and/or beneficial account owner with the bank are required to enter into a special agreement with the bank (Appendix 3, Form No. 112 838) in which they, among other things, confirm to the bank their status in respect of US Person clients and/or beneficial account owners and agree to refrain from forwarding into or distributing in any manner within the United States bank account opening documentation and/or any bank materials relating to products or services. If the EAM has at any time more than 15 US Person clients and/or beneficial account owners, it is required to either have or obtain an investment adviser license from the SEC or undertake vis-à-vis the bank to refrain from communications by mail, telephone, telex, telefax, internet or e-mails into or from the United States, or visits or meetings in the United States, to provide Investment Advice. The special agreement requires all non-US EAMs to comply with applicable United States product restrictions when purchasing products for their US Person and

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US Taxpayer clients and also establishes procedures for and conditions on the purchase of CS/[redacted] funds that have not been registered in the US for EAM clients that are US Persons in accordance with policy P-00202.

7.3 Special situations involving US Persons

Rules governing the treatment of US Persons in the context of certain special situations (use of intermediaries, joint account relationships, power of attorney relationships, community of heirs, direct orders for execution by US brokers, dormant accounts) are set forth in Appendix 4.

Notwithstanding the General Rule in Section 4.2 and the Travel Policy in Section 5.5, RMs may engage in communications by mail, telephone, telex, telefax, internet or e-mails into or from the United States, or visits or meetings in the United States with existing or prospective clients which are US banks, US broker dealers, or US banks acting in a broker dealer capacity to (i) discuss existing commercial bank relationships and/or bank products, (ii) solicit such existing or prospective US bank or broker dealer clients for new banking products or services, except for trust services, bank deposits or funding for securities transactions (please contact PB General Counsel / Legal PB Americas / US Legal Matters Front (YPAF) for further information or the applicable definitions), and (iii) solicit existing or prospective US bank or broker dealer clients for securities products or services.
The bank may not use third party intermediaries or agents to circumvent the terms of this Policy.

8. Implementation / responsibilities

8.1 Switzerland: concentration of US Person clients

All new bank relationships with US Persons (other than operating corporate clients and clients of non-US EAMs, who may continue to be served by the central EAM desk) are to be opened within, managed and monitored by the dedicated US Center of Competence in Zurich or Geneva. Exceptions will be granted only if the responsible RM and his relevant superiors complete and sign the corresponding section of the exception form http://webhotel.csintra.net/_forms/125473.doc for each CIF and if the defined procedures for registration and archiving of the exception approval form are complied with (as found at http://csintra.net/international_clients/en/risk_countries.html under "host filing of authorized approved exceptions"). By signing the exception form, the RM's superiors agree to accept responsibility for managing the relationship and monitoring compliance with this Policy. No new CIF may be opened until this form has been submitted.

All existing relationships with US Persons must be transferred to the dedicated US Center of Competence in Zurich or Geneva. Existing US Person clients will be permitted to stay with RMs outside of the dedicated US Center of Competence only if the exception form http://webhotel.csintra.net/forms/125473.doc is completed and signed by the relevant RM and his relevant superiors for each CIF as well as registered and archived as indicated at http://csintra.net/international_clients/en/risk_countries.html under "host filing of authorized approved exceptions".

If the RM who has been managing a relationship with a US Person client on the basis of an approved exception changes (e.g., departure, retirement), or if a non-US Person client subsequently becomes a US Person client due to a change in domicile, the relevant client must be transferred to the dedicated US Center of Competence in Zurich or Geneva unless a new exception form is completed, signed and submitted as described above.

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Notwithstanding the above, Investment Consulting shall be required to transfer its US Person clients to the dedicated US Center of Competence in all cases, without exception.

8.2 Switzerland: EAM Desk
The EAM Desk is responsible for sending out and collecting signed special agreements (Appendix 3, Form No. 112 838) from all non-US EAMs with at least one US Person client and/or beneficial account owner. The EAM Desk shall also be responsible for submitting the signed agreements to Formalities Control, which will then check the documents and forward them to the central archive (ULDV 1 / Elar) for systematic filing.

8.3 International units, Product Centers and Independent Private Banks
International units, Product Centers and the Independent Private Banks are required to handle client relationships *mutatis mutandis* as per "8.1 Switzerland" and should provide for a centralization of US Person relationships within their organizations (e.g., special desks).

8.4 Possible sanctions for non-compliance
Violations of this Policy may subject the bank or its affiliates to litigation and regulatory actions in the United States. Willful violations of this Policy may also subject both the bank and the individual employee to criminal liability.

8.5 Questions
PB General Counsel / Legal PB Americas / US Legal Matters Front (YPAF) is to be contacted for questions relating to this Policy. For a list of frequently asked questions, see the US Legal Matters section of the Legal & Compliance intranet site (http://csintra.net/legal/compliance/en/legal/us_legal_matters/us_law.html). Questions concerning specific products are not to be directed to the US Legal Matters team, but should be directed to the General Counsel / PB Switzerland Compliance / Business Compliance (YCPP 1).

9. Entry into force
This Policy enters into force with immediate effect.

CEO PB

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Beilage / Appendix / Annexe / Allegato 1

Definition of "US Person" and "US Taxpayer" within the meaning of P-00025

I. Definition of "US Person"

1. Type of client/account	1. Will be treated as a "US Person" for purposes of P-00025 if:
Natural person	Resident in the United States or its territories (Puerto Rico, Guam, Samoa, US Virgin Islands, Northern Mariana Islands) (Note: Citizenship and US greencard holder status is not relevant, so US citizens and US greencard holders who do not actually live in the US are not US Persons, except that identifiable groups of US citizens residing outside the US, such as US military and US diplomatic personnel and former US residents temporarily residing outside the US, will remain US Persons.)
Partnership, corporation, LLC	Organized or incorporated under US law
Estate	Any executor or administrator of any estate is a US Person, unless the conditions are met in section 2 below for estates that are "Not US Persons"
Trust	Any trustee of any trust is a US Person, unless the conditions are met in section 2 below for trusts that are "Not US Persons"
Any non-discretionary account (other than an estate or trust)	Held by a dealer or other fiduciary (wherever located), such as Credit Suisse, for the benefit or account of a US Person Example: Safekeeping Accounts
Any Discretionary Mandate within the meaning of P-16027	Held by a dealer or other fiduciary (e.g. EAM) organized, incorporated or resident in the United States. Note: if the Discretionary Mandate is held for the benefit or account of a non-US Person, see US EAMs in section 7.1 of P-00025.
Any partnership or corporation organized under non-US law	Formed to circumvent the US law prohibiting the purchase of securities not registered as required by the SEC
2. Type of client/account	2. Will not be treated as a US Person within the meaning of P-00025 (but may nonetheless be a US Taxpayer, see section 6.1.1)
Natural person	Individual (including US citizens, dual-passport US citizens and holders of US permanent residence permits, i.e., "greencards") who does not reside in the United States
Discretionary Mandate within meaning of P-16027 for US Person client (not EAM client)	The bank, as non-US fiduciary, has full investment discretion for the discretionary portfolio.
Estates	If no executor or administrator of the estate (US or non-US) is a US Person, then the estate will not be treated as a US Person. Even if the executor or administrator is a US Person, the estate will not be treated as a US Person if: ☐ The executor or administrator is a professional fiduciary (i.e. not a family member), and ☐ Another non-US Person executor or administrator of the estate has sole or shared investment discretion with respect to the assets in the estate, & ☐ The estate is governed by non-US law.
Trusts	If no trustee of the trust (US or non-US) is a US Person, then the trust will not be treated as a US Person. Even if the trustee of any trust is a US Person, the trust will not be treated as a US Person if: ☐ The trustee is a professional fiduciary, and ☐ Another non-US Person trustee of the trust has sole or shared investment discretion with respect to the assets of the trust, and

1/2

CREDIT SUISSE

P-00025

Beilage / Appendix / Annexe / Allegato 1

Definition of "US Person" and "US Taxpayer" within the meaning of P-00025

	☐ No beneficiary of the trust (and no settlor if the trust is revocable) is a US Person.
Trust: If trustee is a non-US Person but trust has a US Person as a beneficiary	Even though a US Person is a beneficiary of a non-US trust, the trust itself is still not a US Person. Example: Liechtenstein foundation with a non-US trustee and US beneficiaries.

II. Definition of "US Taxpayer"

2. Type of client/account	1. Will be treated as a "US Taxpayer" if:
Natural person	☐ Resident in the US (**not** including any US possession or territory); or ☐ Citizen of the US (**not** including any US possession or territory); or ☐ Lawful permanent resident of the US (i.e., holder of a "greencard", wherever resident); or ☐ Generally, if present in the US for 183 days or more during current year and preceding 2-year period (excepting days present in the US as teacher, student or trainee on "F", "J", "M" or "Q" visa)
Partnership, corporation, LLC	Created or organized under the laws of the US, any of its states or the District of Columbia (**not** including any US possession or territory)
Estate	Income is subject to US federal income tax, regardless of source
Trust	☐ Court within the United States is able to exercise primary supervision over administration of trust **and** ☐ One or more US Taxpayer fiduciaries have authority to control all substantial decisions of the trust

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Account opening formalities for Discretionary Portfolio Management Agreements and Safekeeping Accounts of US Person clients

1. **Account opening formalities for Discretionary Portfolio Management Agreements as stated in P-16027**

1.1. Discretionary portfolio management agreements for US Person clients must be granted and signed by the client while he is **outside the United States**.

1.1.1. Discretionary portfolios can only be discussed with the client and signed outside the United States

1.1.2. No discretionary portfolio management agreement form can be sent into the United States, for example it cannot be included in any package of account opening documents to open an account by way of correspondence

1.2. Correspondence must be either retained by the Bank (to be handed over on Bank premises) or mailed to a non-US address.

1.3. Discretionary portfolio management agreements for US Persons are to be opened using the Bank's **customary forms**:

1.3.1. Form 112603 "Contract for the opening of an account/safekeeping account"

Under form 112603 "Contract for the opening of an account/safekeeping account", however, the US Person client must either provide a **non-US address** in item 5 of the form or tick the box under item 6 "The depositor hereby instructs CREDIT SUISSE (hereinafter referred to as the Bank) to retain all the correspondence and documents pertaining to the account and safekeeping account" (etc.). In the second paragraph under item 6, the US Person client then has two options: he can either opt for periodic dispatch of correspondence to a **non-US address** (weekly, monthly, bi-monthly, quarterly, semi-annual, annual) or, alternatively, have the correspondence be handed **over on bank premises**, in which case "retained on bank premises" should be written in the space provided under the second paragraph in Item 6. The RM must then correctly enter the CIF of the RET routing agreed with the client in the address data channel (AD-LW) in accordance with P-00405 "Handling of retained and periodically dispatched correspondence (RET/eRET)".

1.3.2. The Bank's customary discretionary portfolio management agreement forms, see "Set-up Process of Discretionary Mandates for Relationship Managers" in PMnet in the bank's intranet, and

1.3.3. Relevant forms/declarations required for USWHT purposes.

2. **Account Opening Formalities for Safekeeping Accounts for US Persons**

2.1. Safekeeping accounts (securities brokerage and/or custodian services) for US Persons may be opened only in accordance with P-00025 **section 5.2.1**.

2.2. Safekeeping accounts for US Persons are to be opened using the Bank's **customary forms**:

2.2.1. Form 112603 "Contract for the opening of an account/safekeeping account"

2.2.2. Form 112853 "Declaration on the Handling of Correspondence and Instructions Regarding Corporate Actions", and it must be stressed to the US Person client that he will not be informed of when to give the bank additional instructions and will not be informed of or be able to exercise subscription rights for certain newly-issued securities.

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Exception: This Form does not need to be completed in the case of US registered broker-dealers and US banks acting in a broker or dealer capacity as well as in those situations approved in advance by PB General Counsel / Legal PB Americas / US Legal Matters Front / YPAF.

2.2.3. Relevant forms/declarations required for USWHT purposes.
2.2.4. Form 112 703 Standing Investment Instructions (optional)

A US Person client does not have to provide this document, but it can grant the bank Standing Investment Instructions if these conditions are met:

2.2.4.1 The form can only be discussed with the client and signed outside the United States
2.2.4.2 The form cannot be sent into the United States, for example it cannot be included in any package of account opening documents to open an account by way of correspondence

2.3. RET mail to be retained on bank premises or an address outside the US is preferred, in which case item 5 of form 112603 should be completed as described in section 1.3.1 above.

3. Handling of e-mail inquiries

In the event that an unsolicited e-mail request to open a safekeeping account is received from a prospective US Person client over the bank's Internet website, a standard response must be sent along the lines of the following:

"We regret that we are not able to provide the services that you have requested. We apologize for the inconvenience and thank you for your interest in our company."

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P-00025

CREDIT SUISSE

Beilage / Appendix / Annexe / Allegato 3

Special Agreement with Non-US External Asset Managers that have US Person or US Taxpayer Clients (form 112 838)

P-00025 Appendix 3, "Special Agreement with Non-US External Asset Managers that have US Person or US Taxpayer Clients", is Credit Suisse Form 112 838 that may be found in the Credit Suisse Intranet.

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CREDIT SUISSE

Rules governing special situations involving US Persons

Set forth below are the rules governing special situations involving US Person clients that commonly arise. For further information, please consult the list of frequently asked questions in the US Legal Matters section of the Legal & Compliance internet site (http://csintra.net/legalcomplian ce/en/legal/us_legal_matters/us_ law.html) or contact PB General Counsel / Legal PB Americas / US Legal Matters YPAF or YPAL.

Overview

1. Community of heirs
2. Direct order business / direct trading access
3. Dormant accounts
4. Joint accounts
5. Powers of attorney
   5.1. Non-US Person as holder of PoA
   5.2. US Person individual as holder of PoA
6. US-registered broker-dealers as counterparties

1. Community of heirs

The fact that a community of heirs includes one or more US Persons does not result in treatment of the Safekeeping Account held in the name of the community of heirs as a whole as a US Person for purposes of this Directive. However, in the event that an heir who is a US Person wishes to open his own account, the rules under this Directive shall apply.

2. Direct order business / direct trading access

Authorization for direct order (DO) business within the meaning of P-00100 and direct trading access within the meaning of P-00173 may not be granted to any US Persons, with the exception of US registered broker-dealers and US banks acting in a broker or dealer capacity and in situations approved in advance by PB General Counsel / Legal PB Americas / US Legal Matters YPAF or YPAL.

3. Dormant accounts

Communications with US Persons solely to determine or verify the client address for purposes of the prevention of dormant accounts do not fall under the General Rule as long as no Investment Advice or Solicitation is provided. Note in this regard that the discretionary management of dormant assets of a US Person by the bank will *a priori* preclude communications with the client into the US and therefore be compatible with the General Rule.

4. Joint accounts

If one or more holders of a joint account is a US Person, the entire account must be treated as a US Person.[2]

5. Powers of attorney

5.1. Non-US Person as holder of PoA

In general, the bank is permitted to accept and execute orders and instructions for securities trades from non-US Persons who hold powers of attorney relating to the account of a US Person unless we know that the

[2] There may be Qualified Intermediary (QI) tax considerations also applicable to such accounts; see http://icweb1.csintra.net/securi ties-treasury/psiw5/uswht/uswht_allge meines_e.htm or consult with TTSB in this regard for possible implications.

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holder of the power is acting at the behest of the US Person for purposes of circumventing the restrictions described in this Directive.[3]

If the holder of the power of attorney, however, is a non-US external asset manager (EAM) that has entered into an "Agreement between Credit Suisse and EAMs", the rules set out in section 7.2 of P-00025 apply, and the EAM must also enter into the "Special agreement with non-US EAMs that have US Person or US Taxpayer Clients" (form 112 838).

5.2. US Person individual as holder of PoA

The bank may not accept or execute orders and instructions for securities trades from a US Person who holds a power of attorney over the account of a non-US Person or US Person unless:

5.2.1. the General Rule is complied with at all times with respect to the holder of the power of attorney, i.e. no Investment Advice or Solicitation is provided to such person in violation of the General Rule, **and**

5.2.2. the holder of the power of attorney is an individual and is not acting in a professional capacity.

If the US holder of the power of attorney is not an individual or is acting in as a professional capacity, acceptance or execution of orders instructions must be approved in advance by General Counsel / PB Switzerland Legal / US Legal Matters. See section 7.1 in P-00025, "US EAMs and other US professional fiduciaries".

6. US-registered broker-dealers and banks as counterparties

Notwithstanding this Directive, the bank may solicit and effect transactions in securities with or for any US-registered broker-dealer, whether acting as principal for its own account or as agent for others.[4]

The same applies with respect to US banks acting in a broker or dealer capacity.

[3] There may be Qualified Intermediary (QI) tax considerations also applicable to such accounts; see http://icweb1.csintra.net/securi ties-treasury/psiw5/uswht/uswht_allge meines_e.htm or consult with TTSB in this regard for possible implications.

To: David, Gerda <gerda.david@credit-suisse.com>; Weinstein, Craig <craig.weinstein@credit-suisse.com>
From: Ramirez, Frank </O=CREDIT-SUISSE/OU=GL/CN=RECIPIENTS/CN=FRAMIREZ>
Cc:
Bcc:
Received Date: 2008-09-09 15:35:19 EST
Subject: RE: funds transfer

They can, however they must go through our colleagues in the Representative Office in New York (see attachment). I have been told that the minimum is $500,000 and I believe there is a referral fee arrangement. Alexa has been pretty helpful in the past.

Ignore the Rep Office in Miami as they only deal with Mexico, Central America, and South America.

Frank

-----Original Message-----
From: David, Gerda
Sent: Tuesday, September 09, 2008 3:25 PM
To: Ramirez, Frank; Weinstein, Craig
Subject: FW: funds transfer

Frank - see below - can US citizens open accounts with the Swiss bank in Switzerland?

Craig - if all they want is Swiss Francs, they can hold currency in their regular brokerage account with us here. If they need a bank account, then we need Frank's answer.

Gerda David
Vice President
Private Banking USA
gerda.david@credit-suisse.com

CREDIT SUISSE SECURITIES (USA)LLC
200 Crescent Court, Suite 1100
Dallas, Texas 75201
(214)979-4017 voice
(214)979-3606 fax
www.credit-suisse.com

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-----Original Message-----
From: Weinstein, Craig
Sent: Tuesday, September 09, 2008 3:00 PM
To: David, Gerda

Subject: FW: funds transfer

Gerda,

Kettman's are moving LEH accounts to CS. Have home near Basel Switzerland and keep UBS account there. See note below. Can they open CS account in Switzerland?

Craig

Craig Weinstein Vice President
David Smith Vice President
Lee Moore Vice President

Credit Suisse Securities (USA) LLC
Private Banking USA

200 Crescent Court, Suite 1100
Dallas, TX 75201
Phone: (214) 979-4081
Fax: (214) 979-3651
craig.weinstein@credit-suisse.com

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-----Original Message-----
From: Jack Kettman [mailto:jack_kettman@msn.com]
Sent: Tuesday, September 09, 2008 2:24 PM
To: Weinstein, Craig
Cc: diana kettman
Subject: funds transfer

Dear Craig:

We have a situation that requires a rather quick solution. UBS is closing our account in Swiss francs in switzerland. We received notice today with only a week or so of the remaining time to arrange for a funds transfer (thanks UBS). Can we open a swiss franks account with Credite Suisse? and have our UBS funds transfer there in a week or so?
Kindly let me know so that we can take care of any arrangements before next thursday when we head to New York.

Many thanks in advance if it is possible, regards regardless! Jack Kettman

To: Skoglund, Peter <peter.skoglund@credit-suisse.com>
From: Schaerer, Roger </O=CREDIT-SUISSE/OU=GL/CN=RECIPIENTS/CN=ROGER.SCHAERER>
Cc:
Bcc:
Received Date: 2008-09-30 08:21:15 EST
Subject: RE: opening an account with credit suisse

Hi Peter,

I have no problem getting back to all these inquiries. However, I do not want to start writing back and forward by e-mail.

It would be very helpful to let them know that we require a minimum of one million Dollars to open the account. To make it easier for you to handle such e-mail inquiries, I would recommend that you simply reply in a similar way our head office in Zurich does:

In order to know more about our accounts and services in Switzerland, please contact our Representative Office in New York at (212) 238-5125.

If they call we are happy to explain what is possible and what is not.

Kind regards from New York,

Roger Schaerer
Senior Representative

CREDIT SUISSE
Representative Office
12 East 49th Street, 40th floor
New York, NY 10017
Phone: (212) 238-5126
Fax: (212) 238-5128
Email: roger.schaerer@credit-suisse.com

-----Original Message-----
From: Skoglund Peter (CS)
Sent: Monday, September 29, 2008 6:50 PM
To: Schaerer Roger (SALN 3)
Subject: Fw: opening an account with credit suisse

Sorry Roger but could you have someone respond to this question? Thanks.

----- Original Message -----
From: Joann Contreras <joanncontreras2007@gmail.com>
To: Skoglund, Peter
Sent: Mon Sep 29 18:34:52 2008
Subject: opening an account with credit suisse

Hello Peter: I have a few questions. I have $45,000 and I want open a Swiss Bank Account. How do i go about this? Do I need to open an account and put it in a CD? Do I have to have a certain credit rating? Please advise what my options are as I am looking to move my money offshore. Thanks, Joann Contreras

---

To: Schaerer, Roger <roger.schaerer@credit-suisse.com>
From: Villarreal, Frank <frank.villarreal@credit-suisse.com>
Cc:
Bcc:
Received Date: 2006-11-10 15:32:01 EST
Subject: RE: Referral

Roger,

What are the fees associated with a pure fixed income/money market type of emphasis? He is specifically looking for Swiss Francs.
-F-

From: Schaerer Roger (SWLN 3) [mailto:roger.schaerer@credit-suisse.com]
Sent: Friday, November 10, 2006 12:07 PM
To: Villarreal Frank (CS)
Subject: RE: Referral

Hi Frank,

Question 1)

If he intends to purchase US securities, he will need a W-9

If he plans to invest the money in money market, European securities, time deposits, euro bonds in US$ or other currencies, no W-9 is needed or US Tax ID is needed.

Question 2)

Although he will have a checking account of sort, he can not really use it like a local checking account. The main reason is that the money is booked outside of the US and nobody will accept personal overseas checks. If he needs money in the US he can ask for a wire transfer (within 24-48 hours) or have them send him an international bank draft. That normally is not a problem at all because few people use there overseas accounts to do the day to day banking.

Question 3)

The client can give instructions to have the bank send you a copy of his statement by mail(monthly, quarterly etc.)

Questions 4)

He can have his account managed and choose between five profiles (pure fixed income, income oriented, balanced, growth oriented, full equity) and he can choose the reference currency in which he will measure the portfolio manager (US$ exclusively, US$ with some other currencies, Euro, CHF, etc.)

If he brings more than 5 Mio US$, premium mandates are possible where the client can create his own benchmark and/or asset allocation.

Please let me know if you have any additional questions.

Many thanks and best regards,

Roger Schaerer
Senior Representative

CREDIT SUISSE
Representative Office
12 East 49th Street, 40th floor
New York, NY 10017
Phone: (212) 238-5126
Fax: (212) 238-5128
Email: roger.schaerer@credit-suisse.com

From: Villarreal Frank (CS)
Sent: Friday, November 10, 2006 11:29 AM
To: Schaerer Roger (SWLN 3)
Subject: Referral

Hello Roger,

Carey Timbrell has asked me to follow up with a local gentleman looking to set up an account in Switzerland. My understanding is that he ideally needs at least CHF 500,000. I have a few additional questions:

Will he need to provide a W-9 or a US Tax ID?

Will he have checking ability?

Will we receive duplicate statements or be able to monitor the account here in SF?

If he wants to diversify, what types of managers/investments are available? In other words, what might a typical global allocation look like if he is looking for capital preservation?

Thanks,
-Frank-

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To: Holmes David (CS) <david.holmes@credit-suisse.com>
From: Schaerer Roger (SALN 3) <roger.schaerer@credit-suisse.com>
Cc:
Bcc:
Received Date: 2007-01-24 11:59:09 EST
Subject: RE: Prospect

Thanks David,

I will get in touch with him.

Best regards from New York,

Roger

[redacted] = Redacted by the Permanent Subcommittee on Investigations

-----Original Message-----
From: Holmes David (CS)
Sent: Wednesday, January 24, 2007 11:56 AM
To: Schaerer Roger (SALN 3)
Subject: FW: Prospect

Roger,
Good morning. I received another cold call-in from a gentleman in Houston. He says he has a partner with a current CS account in Zurich, and that he wants one also. I told him we can not deal with him directly, but that you handle this kind of situation for a US investor wanting an account in Switzerland. He says he would also like a US account, and I will have a team contact him about that. He says he meets our 3MM minimum and is primarily interested in commodities, managed futures, currencies, etc. His name is [redacted] at:

[redacted]
Houston, TX [redacted]
[redacted]

Since he is unknown to us, please exercise your own due diligence. He claims US citizenship. Thanks

Hope all is well.

David K. Holmes CFA
Managing Director and Regional Manager
Private Banking USA
Credit Suisse Securities (USA) LLC
200 Crescent Court Suite 1100
Dallas, Texas 75201
(214) 979-4036
(214) 979-3625 Fax

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==========

-----Original Message-----
From: Gorman, Matt.W
Sent: Wednesday, January 24, 2007 8:47 AM
To: Holmes, David
Subject: FW:

David,
This sounds like it would be better for you to follow up.
Regards,

Matt

-----Original Message-----
From: [redacted]@yahoo.com]
Sent: Tuesday, January 23, 2007 9:54 PM
To: matt.w.gorman@credit-suisse.com
Subject:

Dear Sir:

I am a private investor who is interested in establishing an account with Credit Suisse.
Please contact me at your earliest convenience.
Thank you.

[redacted]
Houston, TX [redacted]

[redacted]

[redacted] = Redacted by the Permanent Subcommittee on Investigations

To: Isarin, Richard (CSPA) <richard.isarin@credit-suisse.com>
From: Upton, Nigel (CSPA) </O=CREDIT-SUISSE/OU=GL/CN=RECIPIENTS/CN=NUPTON1>
Cc:
Bcc:
Sent Date: 2010-05-27 07:57:25 EST
Subject: RE: swiss Account for U.S

No I did not, he was cagey from the start and he clearly was not comfortable. So I stressed the Importance of full transparency. I would rather be safe than sorry.

Nigel

From: Isarin, Richard (CSPA)
Sent: Thursday, May 27, 2010 2:49 PM
To: Upton, Nigel (CSPA)
Subject: RE: swiss Account for U.S

We actually require fro new VD clients:

1. IRS acceptance letter OR letter confirming start of the VD procedure from reputably Lawfirm
2. Signing of W9
3. Purchase of one income generating US security

We do not require:

Proof of actual disclosure (FBAR in this case could only be filed first time in 2011)
Payment of penalties (take years to determine and non of our business really.)

You may have scared the poor guy away, maybe he thought you were a journalist or the future divorce lawyer of his wife.....

From: Upton, Nigel (CSPA)
Sent: Thursday, May 27, 2010 2:44 PM
To: Isarin, Richard (CSPA)
Subject: RE: swiss Account for U.S

FYI

I met with [redacted] in NY and he is currently with UBS and going through the voluntary disclosure with the IRS, we discussed the CSPA offering and I stressed that before going forward we would need to see proof of acceptance and actual disclosure and payment of penalty and taxes to the IRS. He was hesitant at the importance I placed on getting proper documentation, and maybe on my part paranoia he requested to keep his passport copy (that he had already given to me). So I returned it.

I will follow up on this but you may appreciate my resistance to actively follow this lead.

Nigel
>
> From: Isarin, Richard (CSPA)
> To: [redacted]optonline.net' ; Upton,

[redacted] = Redacted by the Permanent Subcommittee on Investigations

> Nigel (CSPA)
> Sent: Mon May 17 11:36:32 2010
> Subject: RE: swiss Account for U.S
>
>
> Dear [redacted]
>
> As we discussed, Nigel Upton will be in New York this week
> Wdnesday through Friday. His celphone is [redacted]
>
> Nigel, [redacted] is looking for a new Swiss Banking relationship.
> Can you please contact him to agree a meeting this week?
>
> Best regards,
>
> Richard Isarin
> Managing Director Senior Advisor
> Chief Executive Officer
> CREDIT SUISSE PRIVATE ADVISORS AG
> Bleicherweg 33, 6th Floor
> 8070 Zurich, Switzerland
> Phone: +41 44 334 0040
> Cell: +41 79 201 6167
> Fax: +41 44 334 0060
> mailto:richard.isarin@credit-suisse.com
> www.credit-suisse.com/privateadvisors
> Please be advised that Credit Suisse Private Advisors does not
> accept orders or instructions to execute transactions in
> Securities by e-mail, text message or fax. Such orders shall be
> provided by direct telephonic communication (no voice mail).
>
> _____
>
> From: [redacted]@optonline.net [mailto[redacted]@optonline.net]
> Sent: Monday, May 17, 2010 5:26 PM
> To: Isarin, Richard (CSPA)
> Subject: swiss Account for U.S
>
>
> Dear Mr Isarin
> It was a pleasure talking with you over the telephone today ,
> As discussed your name was refered to me by Mr Rolf Bogli , I am
> interested in having a relationship with credit Suisse , I will
> be in New York till the end of May , you can have your Client
> advisor contact me at my office no : [redacted]
> Or Cell [redacted]
> Kind Regards
> [redacted]
>
> ==========
> Please access the attached hyperlink for an important electronic
> communications disclaimer:
> http://www.credit-suisse.com/legal/en/disclaimer_email_ib.html
> ==========
>
>
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[redacted] = Redacted by the Permanent Subcommittee on Investigations

CREDIT SUISSE

CSPA - Transfer of W-9 clients

"Receiver Project" 2nd STC-Meeting

November 28, 2005

Confidential Treatment Requested by Credit Suisse

Agenda

Project

- Status update of "Sender Project"
  - Feedback from internal communication
  - REDACTED
  - Status of client portfolio review
  - Draft of "Client Letter" and "Talon" (waiver of banking secrecy)
- Status update on "Receiver Project"
  - Transfer process update
  - Implications of double accounts
  - Status of recruitment
- Roadshow presentation and organization
- Other issues
- ~~Next steps~~

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CS-SEN-00143682

Communication Plan for Credit Suisse RMs

Communicatio n, Marketing

Activities	Responsible	Due Date
▪ Deliver feedback to documents to be sent out i.e. Intranet News, Email to Front Mgmt, Email to RMs, Checklist for RMs in CS, Q&A	Core Team	completed
▪ Sendout of Email to affected Front Mgmt i.e. Email to Front Mgmt, Checklist for RMs in CS, Q&A, Exception Application Form	Streams	completed
▪ Publish Intranet News Entry i.e. Intranet News, Checklist for RMs in CS, Q&A, Exception Form	SOAM 1	suspended
▪ Sendout of Email to affected RMs i.e. Email to RMs, Checklist for RMs in CS, Q&A, Exception Form	SOAM 1	completed
▪ Sendout of Invitations to Roadshows	Streams	ZH,GE ok / others pending
▪ Roadshows Welcome & Formalities Package for all RMs, Detailed Explanation of Migration Process and Formalities	CSPA/Streams	4. – 15.12.06

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REDACTED

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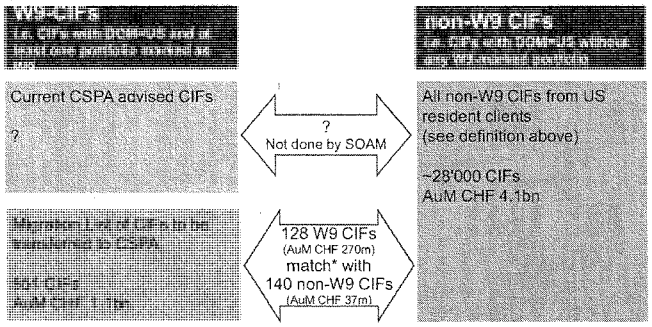
US-client CIF-Analysis

Client Transfer



*) Matching has been done by a pure comparison of CIF name fields and an additional birthdate match where possible.
Numbered account CIFs have been explicitely excluded from the matching process.

Confidential Treatment Requested by Credit Suisse

CS-SEN-00143685

Status Update "Receiver Project" (Nov 28, 2006)

Client communicatio n, client transfer, gaps at CSPA

- Coordination
  - Content of joint Roadshow defined (see final draft)
  - General steps of transfer process for CS-RM defined (Checklist)
  - Detailed review of checklists for CS-RMs to be discussed in meeting tomorrow
- CIF-analysis
  - Double Relation of 128 W9-CIFs (AuM 270m) match with 140 non-W9-CIFs (AuM 37m), REDACTED
  - "Double relation clients" (ca. 25% of potential AuM) require special treatment and transfer process needs to be adapted (revision of transfer process, schedule)
- Portfolios
  - Product screening of existing client portfolios to be completed by Dec. 15, 2006
- Recruitment
  - 2 Ops and 1 PM hired, interviews with junior RM ongoing, applications for SWLN4 received
- Communication
  - Joint "Sender Group" and CSPA roadshow in CH starting from Dec. 4st to 15th 2006
  - Invitations for Roadshow in ZH and GE sent, other (BS, BE, Chur, Locarno) still pending

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Roadshows

Communicatio
n, Marketing

Location	Responsible		
▪ Zurich 5.12.06, 08:45h	Markus Walder	SWLN	(S. Candrian)
▪ Zurich 13.12.06, 15:15h	Gion Cavelti Daniel R. Wenger	SROC 2 SIAR	(I. Piffaretti) (S. Amiet)
▪ Basel	Patrick Alig	SRNA	
▪ Bern	Franz Schneider	SRMA	
▪ Chur	Heinz Köbeli	SREA	
▪ Geneva 14.12.06, 13:00h	Markus Walder	SWLN	(S. Candrian)
▪ Locarno?	n.n.?		

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CS-SEN-00143687

Next Steps

Project

- REDACTED
- Define client transfer process in detail (meeting Sender and Receiver Project November 29, 2006)
- Adapt transfer process for "double account clients" if required (incl. numbered accounts)
- Include input from STC-meeting in order to complete documents and presentation for Roadshow
- Review W-9 client portfolio list in order to detect "non-authorized" positions by December 15, 2006
- In coordination with SWLN, elaborate a plan to avoid a bottleneck at SWLN4 during the transfer period
- Initiate interviews for open position in SWLN4
- Workstream meeting Dec 13, 2006
- Core team meeting "Sender Project" Dec 15, 2006)
- Next "STC Receiver Project" Dec 21, 2006

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Annex

Trading Process

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Checklist for CS-RM

Client Transfer

Checklist: Migration of US resident W-9 clients to CSPA 1/2

Existing CIF: _____ Client Office: _____ RM: _____

Account name: _____ CSPA Advisor: _____

Type: ☐ Discretionary ☐ Brokerage

RM CS = Current Credit Suisse Relationship Manager
SWLN4 = New SWLN4 Relationship Manager (administrator for custody account)
RM CSPA = New CSPA Relationship Manager
CSPA Contact = Contact Point CSPA: Hans Jung Vetter, Tel. 044 / 334 00 56
Stream Head = Responsible WS project stream contact (see Q&A or Email)
HPL = Hans-Peter Lüssi (Asset Management)

First steps to decide whether to transfer
(All must be done)

Step	Action	Responsible	Done	Date
1	Obtain indication of necessary portfolio adjustments from Stream Head if the client will be transferred to CSPA (for information only. There will be no portfolio adjustments before the client's decision to be moved to CSPA, i.e. Step 15)	RM CS	☐	
2	Contact client and inform him about the change in policy and necessary portfolio adjustments (contact via phone and client listed)	RM CS	☐	
3	Inform Stream Head about preliminary client wishes	RM CS	☐	
4a	If client is positive, or wishes to learn more directly from CSPA, mail/fax "authorization letter" to client	RM CS	☐	
4b	If client is negative contact Stream Head to agree next steps; if client has a discretionary mandate, contact HPL	RM CS/ Stream Head	☐	
5	Obtain authorization letter (signed original only) N.B. it is against Swiss banking secrecy to proceed from here without the signed original "authorization letter"	RM CS	☐	
6	Inform CSPA Contact Point about the arrival of the authorization letter and obtain name of new CSPA RM	RM CS	☐	
7	Provide initial preparatory checks (see below I)	RM CS	☐	
8	Compile and handover client documentation package to new CSPA RM (see below II)	RM CS	☐	
9	Introduce client to new CSPA RM	RM CS	☐	
10	Contact potential CSPA client and inform him/her re CSPA offering	RM CSPA	☐	
11a	If client is negative contact Stream Head to agree next step	RM CSPA	☐	
11b	If client is positive notify RM and Stream Head	RM CSPA	☐	
12	Send all CSPA relationship opening documents to client	RM CSPA	☐	
13	Obtain CSPA opening documents (signed originals only)	RM CSPA	☐	
14	CSPA acceptance notification to RM & Stream Head: Go signal for RM CS to adjust portfolio of client	RM CSPA	☐	
15	Execute indicated portfolio adjustments before transfer of CIF to CSPA (according to information from Step 1)	RM CS	☐	
16	Transfer of CIF to SWLN4 (i.e. RM change in "CLRM" application)	RM/SWLN4	☐	

I. Initial Preparatory Checks
(All must be done)

Action	Responsible	Done	Date
Complete pending tasks and update client dossier	RM CS	☐	
Update FrontNet to the latest status	RM CS	☐	

II. Client Documentation Package
(All must be done)

Action	Responsible	Done	Date
Print special mailing instructions	RM CS	☐	
Print Special Terms and Tariffs and add it to package	RM CS	☐	
Print FrontNet KYC and add it to hand-over package	RM CS	☐	
Print current statement of investment	RM CS	☐	
List open pendencies with formalities	RM CS	☐	
Add copies of all existing formalities to package	RM CS	☐	
Official hand-over of package from RM to CSPA / HJV	RM CS	☐	

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15 October 2011
Slide 10

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Definition of Client Opening Process at CSPA

Client Transfer

CS-RM sends documentation of interested client (incl. "Talon", waiver of banking secrecy) to CSPA

CSPA informs CS-RM who is the responsible RM at CSPA

Verification of completeness of documentation at CSPA – "if incomplete go back to SOAM"

CSPA contacts client and promotes CSPA offering

client doesn't agree transfer: Contact Stream Head | Client agrees

CSPA notifies CS-RM if any client portfolio adjustments are required

CSPA sends documents to SWLN4 in order them to be archived

SWLN4 "flags" client (W-9 client of CSPA)

CSPA sends CSPA contract formalities to client (tbd if required CS documents can also be sent)

CSPA-RM opens client account at SASI

CSPA opens trading account for client

Client transfer to CSPA finalized

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CS-SEN-00143691

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Annex

Details on Project

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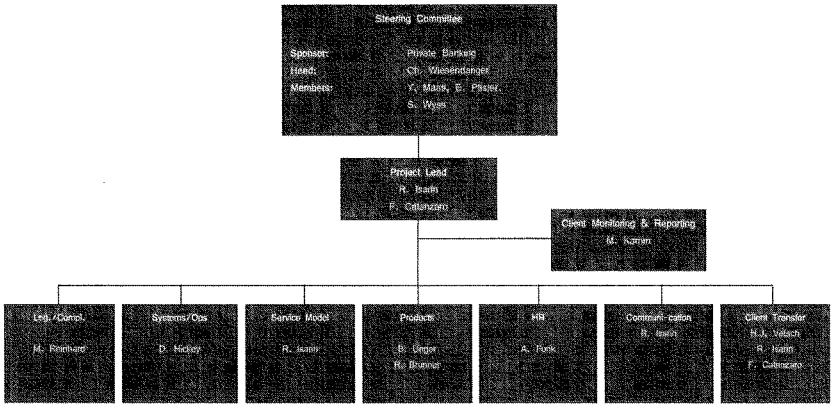
Organization of "Receiver Project"

Project



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Slide 13

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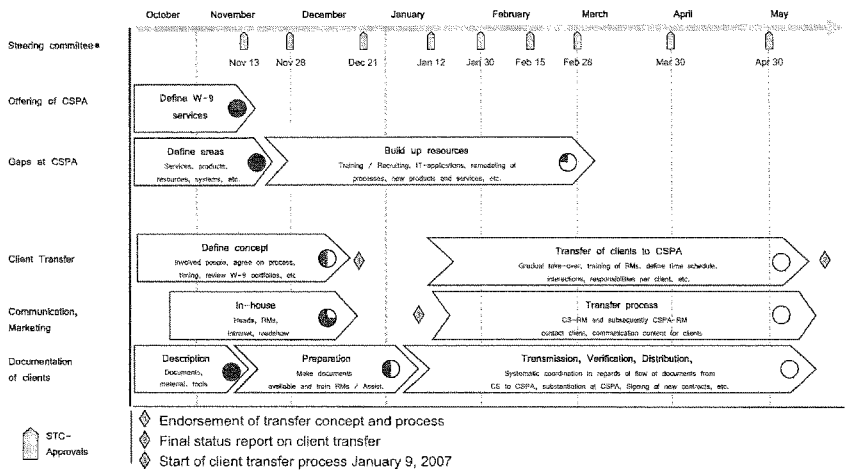
Proposed Roadmap "Receiver-Project"

All W-9 transferred by June 07



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*exact dates for 2007 still tbd

15 October 2011
Slide 14

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Content of Steering Committee Meetings/Calls (1/2)

Project

Proposal for Agenda

1. STC Meeting Nov 13, 2006

- Info and update on status
- Explain and approve future Service Model
- Report on Gap-analysis and the measures to close them
- Update on progress on client transfer concept
- Update on communication measures and milestones (incl. required documents)
- REDACTED
- Next steps

2. STC-Call Nov 28, 2006

- Update on status
- Detailed draft of client transfer concept from CS to CSPA
- Update on communication (letter to clients, material for individual client contact, etc.)
- Present roadshow documents
- REDACTED
- Next steps

3. STC Meeting Dec 11, 2006

- Update on status
- Update on client portfolio review
- Approve client transfer concept from CS to CSPA
- Feedback from Roadshow
- Update on communication (status report on comm. measures and documents, etc.)
- Other pending issues
- Next steps

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CS-SEN-00143695

Content of Steering Committee Meetings/Calls (2/2)

Project

Proposal for Agenda

4. STC-Call Mid-Jan 2007

- Update on status
- Update on communication
- REDACTED
- Next steps

5. STC-Meeting End-Jan 2007

- Update on status
- Update on communication
- REDACTED
- Next steps

Other STC-Meetings Feb - May 2007

- Update on status
- Figures (AuM, Number of clients transferred, number
- Report about client reactions
- Learnings
- Other pending issues (legal, systems, etc.)
- Next steps

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Guidelines of Project

Project

Periodical meeting

- Bi-weekly STC Meeting/Calls
- Possibility for ad-hoc access
- Weekly and ad-hoc meetings with "Sender Project"
- Possibility to create dedicated transfer process substream
- Bi-weekly Project Team Status Meeting:
  - Status Tracking
  - Co-ordination and information
  - Issue identification and solving
  - Change request impact analysis on sender stream
  - Define priorities, measures, decisions or escalate issues
- STC Debriefing Meetings with Workstream Leaders

Mandates

- Clear Mandate Defined
- Implementation Plan
  - Objectives
  - Detailed plan and milestones
  - Deliverables per milestone
  - Organization and interfaces
  - Resources planning
  - Risks and mitigating measures

- **Project Reporting**
- Weekly / Bi-Weekly
- Achieved deliverables & milestones
- Planned deliverables, milestones and actions for next reporting period
- Major change request v. mandate

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CS PRIVATE ADVISORS

September 17th 2008

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CS-SEN-00159528

CSPA 2008

- Results YTD August
- Review Miami closure
- UBS Team
- UBS SFA vs CS CSPA key indicators
- Solaris update
- W9 project – results and way forward
- CSPA IT Platform replacement
- HR
- SBP 2009
- Legal & Compliance
- PM 2008 YTD April

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CS-SEN-00159529

Results year to date August

CSPA Income / Cost	31.08.2008				Forecast 2008	Bdgt 2008
	Services	Zürich	Miami	TOTAL CSPA		*adjusted as by March 08*
AUM (in Mio CHF) 31.12.07		550	536	1'086		1'150
AUM (in Mio CHF) 30.06.08		620	515	1'135		
AUM (in Mio CHF) 31.08.08		**683**	**312**	**995**		
AUM (in Mio CHF) 31.12.08				**800**	**950**	**1'600**
Average AUM		**609**	**466**	**1'075**	**1'010**	**1'453**
Average AUM		**288**	**235**	**523**	**380**	**681**
NNA (in Mio CHF) 31.08.08		**101**	**-3**	**98**	**-140**	**150**
Perform. relev.Revenues	**21**	**4'308**	**2'841**	**7'170**	**10'100**	**11'000**
Income Comm./Interest/Other	21	2'478	1'695	4'194	5'900	
Referred Revenues	0	1'830	1'146	2'976	4'200	
Perform. relevant Cost	**1'913**	**869**	**1'997**	**4'779**	**6'580**	**7'000**
Human Resources	799	312	360	1'471	2'100	
Office Expenditures	70	54	106	230	350	
Other running Expenditures	732	147	240	1'119	1'600	
Commission Expenses	0	246	213	459	600	
Allocate direct cost	312	110	17	439	660	
Write off (leasehold impr. & IT)			210	210	210	
HR-Termination cost			851	851	1'060	
Perform. relevant income	**-1'892**	**3'439**	**844**	**2'391**	**3'520**	**4'000**
Charges from outside & Bonus	**2'519**	**350**	**0**	**2'869**	**3'400**	
Bonus incl. soc.sec.	1'450	350	0	1'800	1'800	
GLAD Transfers	1'069			1'069	1'600	
TOTAL Operating Expenses	**4'432**	**1'219**	**1'997**	**7'648**	**9'980**	
Profit Contribution	**-4'411**	**3'089**	**844**	**-478**	**120**	
FTE, as by May 31st (excl. GLAD)	**8**	**3**	**5**	**16**		
FTE, after closing Miami	**7**	**5**	**0**	**12**		

d by: Richard Isarin
pterrber 16th 9th 2008 Slide 3

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Review Miami closure (costs)

	BoD June 10th		Final
•Base severance payments (3 wks/yr)	$	120'000.-	110'000.-
•Discretionary payments	$	700'000.-	650'000.-
•Pay in lieu of 60 days notice	$	107'000.-	90'000.-
•Outplacement and medical	$	40'000.-	20'000.-
•Repatriation plus notice periods Expats	CHF	120'000.-	60'000.-
•Write-down Leasehold improvements	CHF	270'000.-	210'000.-
•Three months rent (assumption)	$	40'000.-	25'000.-
•Total closure cost	**CHF**	**1'420'000.-**	**1'270'000.-**

* None vested for pension fund

FX USD/CHF = 1.117

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CS-SEN-00159531

Review Miami closure (business impact)

- Kai Poetschke moved CHF 120 million to EAM desk (NNA neutral)
- Kai Poetschke moved CHF 26 million to Geneva (NNA neutral)
- Best guess 2008 AuM impact Miami closure CHF 310 million
- Best guess 2008 NNA impact Miami closure CHF -165 million

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CS-SEN-00159532

UBS Team

- Hired 4 Senior RM's from UBS – Swiss Financial Advisors
- One starts November 1st, others February 1st
- Search for two experienced CS assistants under way
- Hire has not been officially communicated
- Market communication will be passive ("no comment")
- None have been sent on garden leave by SFA
- Total book of approx CHF 1.3 billion (50% discretionary)
- Integration measures (mandates, documentation) are under way

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CS-SEN-00159533

SFA vs CSPA – key indicators

	SFA	CSPA/ CS
2007		
AuM CHF bln	3.8	1.1
Revenues CHF mln	32	8
Costs CHF mln	26	11
2008 est.		
AuM CHF bln	3.1	0.9
Revenues CHF mln	28	11
Costs CHF mln	26	10
# clients	2000	500
discretionary (% AuM)	62%	52%
Staff		
Management	2	1
CFO (mainly MIS / Controlling)	7	1
Redacted		
IT	2	2
Operations	6	6
PM	11	3
RM + Ass.	30	5
Total staff	60	19.4

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Basic offering

SFA	CSPA
UBS-PM Global EUR	**CSPA PM EUR**
Fixed income Income Yield Balanced Growth Equities	Fixed Income Conservative Balanced Growth Equity
UBS-PM Global USD	**CSPA PM USD International**
Fixed income Income Yield Balanced Growth Equities	Fixed Income Conservative Balanced Growth Equity
UBS-PM Global CHF	**CSPA PM CHF**
Fixed income Income Yield Balanced Growth Equities	Fixed Income Conservative Balanced Growth Equity
UBS-PM International EUR	**CSPA PM USD**
Fixed income Income Yield Balanced Growth Equities	Fixed Income Conservative Balanced Growth Equity
minimum investment 1M CHF	minimum investment 1M USD

managed fund portfolios => minimum investment 250'000 CHF	**not available => small clients are covered with ETF's**
UBS PM Dynamic Liquidity USD	**special mandates available on request for 5M USD +**
UBS Thematic Global Climate Solutions	**special mandates available on request for 5M USD +**
UBS PM Asian Opportunities	**special mandates available on request for 5M USD +**
UBS PM European Opportunities	**special mandates available on request for 5M USD +**

according to R.M. the Asian Opportunities Portfolio would be nice to have, otherwise we can cover the basic needs of SFA clients

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PM Approach

According to the sample portfolios of SFA, the approach seems to be very similar to
CSPA's approach => Core Satellite with ETF's

structure of portfolios

	UBS-PM Global EUR	CSPA PM EUR
	Equity mandate	Equity mandate
Total ETF	**48.80%**	**51.00%**
Total singel stocks	**28.20%**	**29.00%**
Hedge Funds	**5.00%**	**7.00%**
Commodity ETFs	**5.00%**	**6.00%**
	87.00%	**93.00%**

- the approach is very similar

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CS-SEN-00159536

Profile comparison

Those two profiles fit each other perfectly

	UBS-PM Global EUR						CSPA PM EUR				
	Fixed income	Income	Yield	Balanced	Growth	Equities	Fixed Income	Conservative	Balanced	Growth	Equity
Equity	0.00%	10.00%	21.00%	43.00%	62.00%	77.00%	0.00%	22.00%	44.00%	66.00%	86.00%
EUR	88.60%	79.40%	74.00%	63.10%	54.30%	48.50%	100.00%	84.00%	67.00%	52.00%	34.00%

Those two profiles fit each other perfectly

	UBS-PM Global USD						CSPA PM USD International				
	Fixed income	Income	Yield	Balanced	Growth	Equities	Fixed Income	Conservative	Balanced	Growth	Equity
Equity	0.00%	10.00%	21.00%	43.00%	62.00%	77.00%	0.00%	22.00%	44.00%	66.00%	86.00%
USD	75.30%	68.70%	65.30%	58.20%	52.60%	49.30%	50.00%	65.00%	61.00%	57.00%	40.00%

CSPA has much more CHF exposure within the CHF mandates / SFA clients could choose the EUR profile instead or split up the mandates

	UBS-PM Global CHF						CSPA PM CHF				
	Fixed Income	Income	Yield	Balanced	Growth	Equities	Fixed Income	Conservative	Balanced	Growth	Equity
Equity	0.00%	10.00%	21.00%	43.00%	62.00%	77.00%	0.00%	22.00%	44.00%	66.00%	86.00%
CHF	69.60%	62.20%	57.30%	47.40%	39.40%	34.30%	90.00%	90.00%	90.00%	75.00%	n/a

This SFA profile seems to be a mixture between Global and EUR — **This CSPA profile is for clients which don't want currency risk**

	UBS-PM International EUR						CSPA PM USD				
	Fixed income	Income	Yield	Balanced	Growth	Equities	Fixed Income	Conservative	Balanced	Growth	Equity
Equity	0.00%	10.00%	21.00%	43.00%	62.00%	77.00%	0.00%	22.00%	44.00%	66.00%	88.00%
EUR	73.40%	65.80%	60.70%	50.70%	42.60%	37.40%	100.00%	97.00%	94.00%	88.00%	78.00%

- profiles can be exchanged to a very high degree

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CS-SEN-00159537

PM Performance 2007

(CSPA figures are in compliance with GIPS)

We compare UBS Global CHF with CSPA CHF (although they are differently structured => see slight before)
We compare UBS Global EUR with CSPA EUR and
UBS Global USD with CSPA USD International

Investment Profile	Performance CSPA	Performance MSCI / LB Benchmark	Delta	Performance SFA	Delta
CHF GROWTH	0.08%	-1.17%	1.25%	1.79%	-1.71%
EUR FIXED INCOME	3.09%	-0.09%	3.18%	1.25%	1.84%
EUR BALANCED	2.37%	1.96%	0.41%	1.04%	1.33%
EUR EQUITY	2.52%	3.18%	-0.66%	2.67%	-0.15%
USD Int. FIXED INCOME	12.12%	8.13%	3.99%	7.03%	5.09%
USD Int. BALANCED	9.73%	8.66%	1.07%	9.35%	0.38%
USD Int. GROWTH	10.09%	9.05%	1.04%	10.02%	0.07%
31.12.2007					

This comparison only contains CSPA composites which were active during the whole 2007! CSPA figures are in compliance with GIPS. A GIPS compliant performance report is available on request. The above presented comparison does not meet the GIPS standards. The figures showed for Credit Suisse and UBS are from a source which is believed to be trustworthy, but CSPA can not be held reliable for its accuracy. Further information about CSPA's individual composites and performance are available on request.

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CS-SEN-00159538

PM Performance 1.1.2008 – 30.06.2008

(CSPA figures are in compliance with GIPS)

Investment Profile	Performance CSPA	Performance MSCI / LB Benchmark	Delta	Performance SFA	Delta
CHF CONSERVATIVE	-4.43%	-4.36%	-0.07%	-6.76%	2.33%
CHF BALANCED	-8.29%	-8.27%	-0.02%	-10.83%	2.54%
CHF GROWTH	-13.73%	-12.20%	-1.53%	-14.23%	0.50%
EUR FIXED INCOME	-0.27%	-0.95%	0.68%	-1.08%	0.81%
EUR CONSERVATIVE	-3.40%	-5.22%	1.82%	-5.16%	1.76%
EUR BALANCED	-8.00%	-9.48%	1.48%	-9.16%	1.16%
EUR GROWTH	-11.53%	-13.84%	2.31%	-13.02%	1.48%
EUR EQUITY	-15.34%	-17.34%	2.00%	-15.24%	-0.10%
USD Int FIXED INCOME	3.37%	3.13%	0.24%	1.48%	1.89%
USD Int. CONSERVATIVE	-0.31%	-0.26%	-0.05%	-1.17%	0.86%
USD Int. BALANCED	-3.72%	-3.68%	-0.04%	-4.49%	0.77%
USD Int. GROWTH	-7.09%	-7.02%	-0.07%	-7.31%	0.22%
USD Int. EQUITY	-8.60%	-9.67%	1.07%	-9.20%	0.60%
30.06.2008					

This comparison only contains CSPA composites which were active during the whole 2008! CSPA figures are in compliance with GIPS. A GIPS compliant performance report is available on request. The above presented comparison does not meet the GIPS standards. The figures showed for Credit Suisse and UBS are from a source which is believed to be trustworthy, but CSPA can not be held reliable for its accuracy. Further information about CSPA's individual composites and performance are available on request.

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CS-SEN-00159539

CSPA – Status update Solaris STC August 27th

Achievements so far

- Completed migration to NFS as per scheduled go-live date on 11 Aug
- Initiated Phase 2 testing (i.e. full settlement automation)
- Commenced dismantling of dedicated infrastructure/services at SASI, as fallback solution was not needed
- Completed hiring in Operations and implemented a new organizational structure

Next steps

- Finalize Phase 2 testing and implementation of CSPA full settlement automation (Go-Live by Sept 15)
- REDACTED
- Further stabilize IT production environment
- Build an implementation plan until end of 2009 (to be managed outside project Solaris)
- Operational risk analysis of new set-up (mid September)

Key risks identified and mitigation measures

- Extensive manual workarounds for postponed function delivery (no mitigation other then ongoing delivery of automated functionalities)
- Risk: Limited training in Operations on NFS systems, new processes and procedures
  - Mitigation:
    - Extended training by NFS
    - Complete documentation of processes and procedures

Request for feedback/decision

- Delivery of automation of functions, anticipated for Q4 will need to be pushed back as far as Q2 2009. Request clear decision that in-scope functionalities will be covered within approved CSPA Solaris budget into 2009.

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CS-SEN-00159540

Solaris budget 2008 – 2009

YTD as is expenditures	CHF 620'000.--		
Outlook Aug- Dec	CHF 1'610'000.--		
THP implementation N&P		540'000.--	
Consulting/Project management			250'000.--
IT cost HOST CS		20'000.--	
Implentation NFS		300'000.--	
IT-OPS (testing/support)		500'000.--	
Postimplementation 2009	CHF 460'000.--		
THP implementation N&P		240'000.--	
Consulting/Project management			105'000.--
IT cost HOST CS		0.--	
Implentation NFS		115'000.--	
TOTAL COST SOLARIS	**CHF 2'690'000.--**		

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CS-SEN-00159541

Project W9 – results and way forward

- 228 CIF's transferred (out of initial scope of 930)
- CHF 258 million AuM transferred (out of initial scope of 1'260)
- 66 CIF's with CHF 37 million still in the pipeline
- During 2008 32 W9 introductions by CS (7 with CHF 22 million enrolled)
- The need for a CS / CSPA referral agreement has been recognized and is pending with Controlling

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CS-SEN-00159542

SBP 2009 V2

Confidential Treatment Requested by Credit Suisse

REDACTED

Confidential Treatment Requested by Credit Suisse

CS-SEN-00159544

PM Performance 1.1.2008 - 31.08.2008

(CSPA figures are in compliance with GIPS)

Investment Profile	Performance CSPA	Performance MSCI / LB Benchmark	Delta	Performance Credit Suisse	Delta	Performance UBS	Delta
CHF CONSERVATIVE	-2.07%	-1.84%	-0.23%	-3.70%	1.63%	-3.91%	1.84%
CHF BALANCED	-5.67%	-5.51%	-0.16%	-8.87%	3.20%	-7.78%	2.11%
CHF GROWTH	-11.41%	-9.12%	-2.29%	-12.16%	0.75%	-11.62%	0.21%
EUR FIXED INCOME	0.69%	0.84%	-0.15%	0.41%	0.28%	1.84%	-1.15%
EUR CONSERVATIVE	-2.16%	-4.01%	1.85%	-3.93%	1.77%	-3.43%	1.27%
EUR BALANCED	-7.33%	-8.82%	1.49%	-9.64%	2.31%	-8.28%	0.95%
EUR GROWTH	-12.27%	-13.60%	1.33%	-14.49%	2.22%	-13.15%	0.85%
EUR EQUITY	-14.78%	-17.41%	2.63%	-18.82%	4.04%	-17.10%	2.32%
USD FIXED INCOME	2.81%	1.16%	1.65%	0.68%	2.13%	1.60%	1.21%
USD CONSERVATIVE	-1.66%	-1.86%	0.20%	-2.85%	1.19%	-2.28%	0.62%
USD BALANCED	-5.22%	-4.88%	-0.34%	-8.79%	3.57%	-6.36%	1.14%
USD GROWTH	-10.87%	-7.94%	-2.93%	-12.61%	1.74%	-10.45%	-0.42%
USD EQUITY	-12.81%	-10.40%	-2.41%	-16.26%	3.45%	-13.83%	1.02%
31.08.2008							

This comparison only contains CSPA composites which were active during the whole 2008! CSPA figures are in compliance with GIPS. A GIPS compliant performance report is available on request. The above presented comparison does not meet the GIPS standards. The figures showed for Credit Suisse and UBS are from a source which is believed to be trustworthy, but CSPA can not be held reliable for its accuracy. Further information about CSPA's individual composites and performance are available on request.

Confidential Treatment Requested by Credit Suisse

CS-SEN-00159545

PM Controlling 1.1.2008 – 31.08.2008

- no major deviations/offences found
- no use of leverage or derivatives
- no issues raised by CSPA internal PM controlling
- received GIPS verification letter from KPMG for 2007

Confidential Treatment Requested by Credit Suisse

CS-SEN-00159546

For further details about PM's achievements, please look at the attached PM Action Report 2008

Confidential Treatment Requested by Credit Suisse

CS-SEN-00159547

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CS PRIVATE ADVISORS

Information meeting

December 17th 2007

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Confidential Treatment Requested by Credit Suisse

CS-SEN-00160287

Agenda

- Review
- Forecast 2007
- Key variables forecast 2008
- Forecast 2007 - 2009
- PM

Confidential Treatment Requested by Credit Suisse

CS-SEN-00160288

Review

- Asset base was almost doubled: CHF 1'130 million from CHF 600 million
- Good NNA: Total CHF 220 million versus budget CHF 100 million
- End of April decision by CS not to integrate Miami in PB USA in the short term
- Closure of Bear Stearns clearing relationship
- Turnovers in operations and IT areas were well managed,
- Full one-bank functional management structure
  - Daniel Hickey was not replaced
  - Transfer of Chris Freeze to AM Compliance
  - Functional transfers of Maja Kamm, Operations and Controlling
- Approx. 140 W9 CIF's with CHF 180 million enrolled
- Very strong result of PM versus internal benchmarks and UBS Zurich
- First Class conpliance confirmed again by Group Audit: B2

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CS-SEN-00160269

2007 Nov YTD CSPA Cost/Income Overview

(CHF '000, source ABACUS & ADAC)

		Org Units				TOTAL CSPA			
	Figures in TCHF	Services	W9-Concentr.	Zürich	Miami	YTD	SPB YTD	SBP 2007	Forecast 2007
ABACUS & ADAC	AUM (in Mio CHF)	0	201	327	546	1'074	1'247	1'305	1'150
	Average AUM YTD	0	91	311	459	861	1'172	955	899
	NNA (in Mio CHF)	0	1	19	198	217	92	100	293
	bps p.a. (based on avgAUM YTD)	0	49	67	72	68	43	52	65
	bps p.a. (in CSPA, on AvgAUM YTD)	0	24	24	25	25	17	21	24
	Perform. relev. net Revenues		408	1'900	3'047	5'355	4'583	5'000	5'842
	Income Comm. / Interest / Other		*228*	*1'397*	*2'385*	*4'010*	*3'327*	*3'629*	*4'375*
	Commission Expenses		*-20*	*-176*	*-399*	*-595*	*-543*	*-592*	*-649*
	Shared Revenues		*200*	*679*	*1'061*	*1'940*	*1'799*	*1'963*	*2'116*
	Perform. relevant Cost	4'668	0	545	1'963	7'175	8'181	8'965	7'827
	Personel Expenses	*2'899*		*390*	*1'313*	*4'602*	*5'178*	*5'649*	*5'021*
	Premises & Equipment	*280*		*64*	*115*	*459*	*1'222*	*1'658*	*500*
	Other running Expenditures	*1'489*		*91*	*534*	*2'114*	*1'781*	*1'658*	*2'306*
	Perform. relevant income	-4'668	408	1'355	1'084	-1'820	-3'598	-3'965	-1'986
	Charges from outside & Bonus	2'138		281	961	3'381	3'095	3'336	3'688
	TOTAL Operating Expenses	6'806	0	825	2'924	10'556	11'276	12'301	11'515
	Profit Contribution	-6'806	408	1'075	123	-5'201	-6'693	-7'301	-5'674
inclusive all CSG	**Shared revenues SALN**								2'116
	TOTAL Profit Contribution								-3'558
	Head Count	17		3	5	25	25	27	25

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CS-SEN-00160290

Look ahead

- Uncertainty regarding integration of CSPA Miami will continue
- Functional responsibility for IT
- Upgrade of the SASI functionalities
- W9 transfer to be completed in first half 2008
- Review of all special tariff terms
- Increase of reveneus – bps returns
- Overriding objective to make CSPA bottomline profitable over 2008
- Closer cooperation with SALN

Confidential Treatment Requested by Credit Suisse

CS-SEN-00160291

Key figures 2008 forecast

- Closure of Bear Stearns and HR cuts present an annual saving of CHF 1 million.
- Adjustment of RSA with CS to 70/30 split will generate extra CHF 1.4 million
- Functional management model greatly improves the performance relevant costbase
- In H1 2008 CHF 250 million in W9 assets should still be enrolled from CS
- The overall effect will be a radical improvement in the 2008 results for CSPA

Confidential Treatment Requested by Credit Suisse

CS-SEN-00160292

Forecast results

	2006	FC 2007	FC 2008 *
Performance relevant net Revenues	3674	5842	12134
Performance relevant costs	-7543	-7827	-6442
Performance relevant income	-3869	-1985	5692
Charges from outside & bonus	-2756	-3688	-5229
Former Latin offices cleanup	-735		
Profit Contribution	-7360	-5673	463

* Excluding approx 2'500 revenue at CS – attachment 2

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CS-SEN-00160293

PM Performance 1.1.2007 - 30.11.2007

(CSPA figures are in compliance with GIPS)

Investment Profile	Performance CSPA	Performance MSCI / LB Benchmark	Delta	Performance Credit Suisse	Delta	Performance UBS	Delta
CHF GROWTH	3.04%	1.70%	1.34%	6.30%	-3.26%	-0.49%	3.53%
EUR FIXED INCOME	2.66%	0.28%	2.38%	3.08%	-0.42%	1.45%	1.21%
EUR BALANCED	3.49%	2.80%	0.69%	5.55%	-2.06%	0.21%	3.28%
EUR EQUITY	5.30%	4.52%	0.78%	7.75%	-2.45%	0.84%	4.46%
USD CONSERVATIVE	6.88%	5.66%	1.22%	9.50%	-2.62%	6.19%	0.69%
USD BALANCED	7.80%	5.99%	1.81%	10.96%	-3.16%	5.65%	2.15%
USD GROWTH	8.82%	6.31%	2.51%	12.94%	-4.12%	5.11%	3.71%
USD EQUITY	7.86%	6.54%	1.32%	13.11%	-5.25%	4.73%	3.13%
30.11.2007							

This comparison only contains CSPA composites which were active during the whole 2007! CSPA figures are in compliance with GIPS. A GIPS compliant performance report is available on request. The above presented comparison does not meet the GIPS standards. The figures showed for Credit Suisse and UBS are from a source which is believed to be trustworthy, but CSPA can not be hold reliable for its accuracy. Further information about CSPA's individual composites and performance are available on request.

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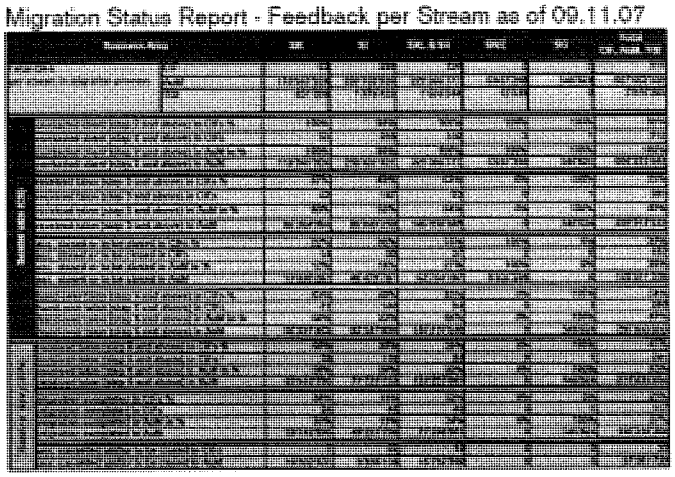
CS-SEN-00160294

Appendix 3: ex SOAM 1

PROJECT W9

Migration Status Report - Feedback per Stream as of 09.11.07



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CREDIT SUISSE PRIVATE ADVISORS

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Date: December 13th 2007 Slide 9

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PROJECT W9

7th Core Team Meeting

March 2, 2007
(v1 sent out)

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PROJECT W9
7th Core Team Meeting

- Overall Project Status
- Update Status CIF Exclusions in Step 3
- Results Exceptions W9 Decision Board
- Update Status Migration Reporting
- Scope Extension W9 CIFs in International Locations
- Next Steps

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ROADMAP PROJECT W9: STEP 2 + 3

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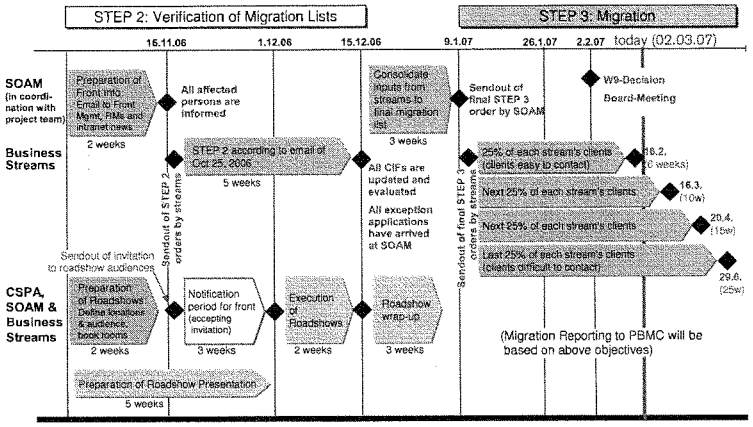

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Date: 02.03.2007 Slide 3

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PROJECT W9
7th Core Team Meeting

- Overall Project Status
- Update Status CIF Exclusions in Step 3
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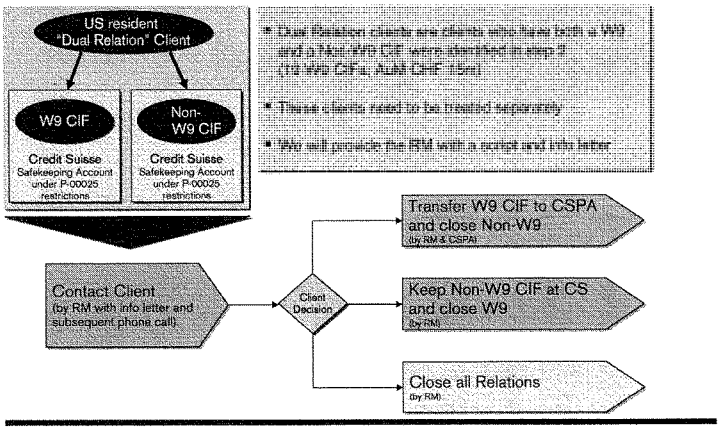
Project W9

Update Status CIF exclusion in Step 3 – Dual Relationship



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Project W9

Communication process for RMs with Dual Relationship Clients

1. RM sends info letter to the client
2. RM contacts client verbally to discuss client wishes:
   - RM informs client of the fact that he has 2 safekeeping account relationships with CS (W9 or Non-W9)
   - RM explains that due to a variety of general market, business and regulatory considerations, US resident clients are being given two choices:

     (1) to transfer their W9 relationship to CSPA and close their current Non-W9 relationships, or
     (2) keep their current Non-W9 relationships at Credit Suisse and close the W9 relationships.
   - Wording

     "In order for CS to transfer your W9 relationship to CSPA, we kindly ask you to sign and return the authorization below, by mail to original, to RM.

     Alternatively, should you decide not to transfer your W9 relationship to CSPA or if you fail to return the authorization below, we will not be able to continue the current W9 relationship with you and will be required to close your W9 safekeeping relationship.

     In either situation, please complete the Closing Instruction Form (for your W9 or Non-W9 relationship) with all the pertinent and / or customary wiring instructions.

     Please provide your feedback no later than 1 month from calling the client."

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Project W9

Update Status CIF exclusion in Step 3 – Portfolio Blocking & ESOS

Portfolio Blocking	* Only for those CIFs possible where the RM indicated the option of portfolio blocking on the feedback list in December 2006 (25 CIFs, AuM CHF 84m) * CS wants to ensure that these clients do not use any securities investment benefits anymore (no US nor other non-US securities) * We are currently in the process of finalizing our technical solutions for portfolio blocking

REDACTED

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PROJECT W9
7th Core Team Meeting

- Overall Project Status
- Update Status CIF Exclusions in Step 3
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- Scope Extension W9 CIFs in International Locations
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Project W9

Results Exceptions W9 Decision Board

Overview Exceptions

- 92 exception applications received
- Total AuM CHF 587m (w/o 1 special case with AuM CHF 582m)
- Total revenue CHF 3.4m (w/o 1 special case with revenue CHF 2.4m)

Categories of Reasons

- UHNWI Strategy
- Contact Person in CH or outside USA/US Territories
- Intermediaries involved
- Client is moving back to CH
- Strong Relationship to RM
- Other Reasons

Decision of the Board Meeting

- 25 exceptions have been granted (SI: 10; SR: 8; SAL: 7; SWZ: 1)
- Reasons to grant exceptions:
  - CIFs where the account holder has indicated that he/she intends to return to Switzerland before the end of 2008
  - CIFs where the RM is in contact with a POA who is resident outside the US

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Project W9

Exceptions – Minutes of W9 Decision Board Meeting (Feb 2, 2007)

- **UHNWI Strategy: 10 CIFs in total / No exception has been granted.**
  - → These CIFs are managed at the UHNWI desk according to the risk country directive and the current UHNWI strategy. In the opinion of the decision board, in the UHNWI setup, the risk situation for Credit Suisse within the UHNWI setup in not reduced. Therefore, this exception reason has been declined.
- **Contact Person in CH or outside USA/US Territories: 20 CIFs in total / 18 CIFs have been granted an exception.**
  - → The contact person for this relationship is not located in the US/US territories and therefore there is no contact directly to the USA re-garding investment advise. If the Relationship Manager does not contact the US resident account holder but a POA/Authorised Agent, who is not US resident, then Credit Suisse is not running any risk regarding SEC licenses. Therefore, the CIFs in this cluster can be granted an exception if the POA/Authorised Agent is a family member and entered in the FrontNet.
- **Intermediaries involved: 9 CIFs/ No CIF has been granted an exception.**
  - → These CIFs have been referred to CS by an intermediary. The related intermediaries have brought significant assets to CS which could be put at risk. In the opinion of the decision board, the intermediary setup does not affect the risk situation for Credit Suisse. Therefore, this exception reason has been declined.
- **Client is moving back to CH: 6 CIFs / 5 CIFs have been granted an exception.**
  - → The account holder is only temporerily in the US. They are expected to return to Switzerland in the next years. If the account holder is moving back to Switzerland, there is only a temporary risk in these cases. The decision board is willing to take these limited risks under the conditions that the account holder is returning to Switzerland before end of 2008. Furthermore, these relations will be tracked and, if the account holder is not returning as planned, the relations will be transferred to CSPA by the end of 2008.
- **Strong Relationship to RM: 61 CIFs / No exception has been granted.**
  - → The client has a very strong relationship to the current Relationship Manager. He is not prepared to transfer to CSPA. In the opinion of the decision board, this does not affect the risk situation for Credit Suisse. Therefore, this exception reason has been declined.
- **Other Reasons: 22 CIFs / 3 CIF has been granted an exception.**
  - → There are several specific reasons which did not fit to the above clusters. All CIFs in the 'Other Reasons' cluster have been discussed by the Exception Board Members. There are only three CIFs that have been granted an exception

Within the above categories each CIF has been discussed individually.

For escalation process contact your Line Management

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PROJECT W9
7th Core Team Meeting

- Overall Project Status
- Update Status CIF Exclusions in Step 3
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Project W9

Update Status Migration Reporting - Feedback per Stream as of 16.02.07

SR	• Convinced that migration process has been started • Due to queries and questions from RMs, there is a time delay – therefore, low migration status • Reporting according to timetable
SI	• Client informed – no feedback yet (CIFs: 211) • Authorization taken received (CIFs: 9) • Initial info on client provided to CSPA (CIF: 1)
SW7	• No feedback received
SAL	• Client informed – no feedback yet (CIFs: 62) • Negative reaction after contacting by letter (CIFs: 4) • Positive reaction after contacting by letter (CIFs: 41) • Authorization taken received (CIFs: 4) • Client got CSPA opening forms (CIF: 1)

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PROJECT W9
7th Core Team Meeting

- Overall Project Status
- Update Status CIF Exclusions in Step 3
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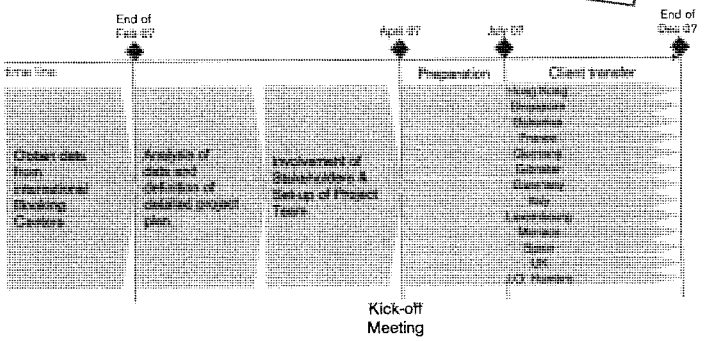
Project W9 - Roadmap for International Locations
Scope Extension W9 CIFs in International Locations

First draft!
February 28, 2007



Next steps

- Involvement of Business Development International
- Identification of Stakeholders (CH & local Booking Centers)

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PROJECT W9
7th Core Team Meeting

- Overall Project Status
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Next Steps

Activities	Responsible	Due Date
▪ Deliver Feedback to any topic of this presentation	Core Team	by mid-March 2007
▪ Deliver Status Report optional	Streams	March 16, 2007
▪ Deliver Status Report must	Streams	April 20, 2007
▪ Next Core Team Meeting / Quick Update	Core Team	March 30, 2007

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CS-SEN-00181296

To: Von Bargen, Cristina <cristina.vonbargen@csfb.com>
From: McFadden, Jeanmarie </O=CREDIT-SUISSE/OU=NEW-YORK/CN=RECIPIENTS/CN=JMCFADDE>
Cc:
Bcc:
Received Date: 2004-01-15 15:59:55 EST
Subject: RE: Swiss Ball in New York on January 24, 2003

---

see the traffic below--he COPIED us on the original email

-----Original Message-----
From: Von Bargen, Cristina
Sent: Thursday, January 15, 2004 3:58 PM
To: McFadden, Jeanmarie
Subject: RE: Swiss Ball in New York on January 24, 2003

i don't recall manny asking for our input do you?

-----Original Message-----
From: Rybach, Manuel
Sent: Thursday, January 15, 2004 3:44 PM
To: Whalen, Mary
Cc: McFadden, Jeanmarie; Von Bargen, Cristina
Subject: FW: Swiss Ball in New York on January 24, 2003

Mary,
FYI. Per Karin's decision, CSG will be one of the six main sponsor of the January 24 Swiss Ball in New York, organized by the Swiss Society of New York. The other main sponsors are Novartis, Rolex, Swiss, Swiss Re and UBS. The following people will be sitting at the Credit Suisse table:

- Norbert Arnold, Deputy Consul General, Consulate General of Switzerland (with Rita Arnold, spouse)
- Markus Christen, guest of CSFB New York (with Doris Christen, spouse)
- Roger Schaerer, Representative on behalf of CSPB Rep. Office New York (with Maria Elena Ochoa, guest of Mr. Schaerer)
- Karl Studer, Representative on behalf of CSFB New York (with Lucia Studer, spouse)
- Markus Walder, CSPB Regional Head for North America (with Tina Mueller, guest of Mr. Walder).

Since I didn't hear back from CSFB Corp Comm I had to assume that they were not interested in the event and gave Roger Schaerer the go ahead as to inviting people.
Regards,
Manny

-----Original Message-----
From: Whalen, Mary
Sent: Montag, 5. Januar 2004 20:35
To: Rybach, Manuel
Subject: RE: Swiss Ball in New York on January 24, 2003

fine by me, why not ask corp comm. if someone there would like to go?

Mary Whalen
Managing Director
External Affairs and Public Policy
202-626-3301

Confidential Treatment Requested by Credit Suisse

> CREDIT | FIRST
> SUISSE | BOSTON
>
>

-----Original Message-----
From: Rybach, Manuel
Sent: Monday, January 05, 2004 1:48 PM
To: Whalen, Mary
Cc: McFadden, Jeanmarie; Von Bargen, Cristina
Subject: FW: Swiss Ball in New York on January 24, 2003

Mary,
As you can see below, Karin supports CSG sponsorship of an event hosted by the Swiss Society of New York, to be held in NYC on January 24 - with Group Communications picking up the tab (USD 10K). I have spoken with Roger Schaerer, a Swiss guy who works out of CSPB's Rep Office in NYC and who has been involved in the Swiss Society for several years now. CSG involvement in the Society apparently dates back to Rainer Gut's days.
- Traditionally, the events are very discreet and do not serve as marketing platforms per se. Main sponsors (CSG) will be named in the invitation and in the opening remarks. However, there is no room to place a logo etc.
- Nevertheless, I think both CSPB and Karin feel that being a main sponsor is a must for CSG - in light of what other Swiss firms participate as sponsors and our Swiss-American ties etc. Note that Swiss Ambassadors Blickenstorfer (DC) and Loretan (NYC) will also attend the event.
- As a main sponsor, CSG would get a table (10 people, i.e. 5 couples). Roger Schaerer and his boss, Markus Walder of CSPB, will attend, as will Karl Studer (a veteran Swiss banker working for CSFB in NYC who wants to be involved in Switzerland-related events - remember the biotech event at the Swiss Embassy in DC?) and Norbert Arnold, head of the Swiss consular section in NYC. This means that CSFB could - but of course does not have to - send an additional couple, should there be any interest. Additional tables could be purchased at a lower rate.
Please let me know if this works for you and if you have any suggestions as to who might want to go as well, thank you.
Regards,
Manuel

Manuel Rybach
CREDIT SUISSE GROUP
Public Affairs / GCBI
Schanzeneggstrasse 3/7
P.O. Box 1
CH - 8070 Zurich
Switzerland
Phone: +41 1 333 51 81
Fax: +41 1 333 69 68
email: manuel.rybach@credit-suisse.com

-----Original Message-----
From: Rhomberg, Karin
Sent: Donnerstag, 25. Dezember 2003 13:04
To: Buchmann, Beat; Kraaz, Claudia; Buholzer, Rene; !Rybach, Manuel
Cc: Schaerer, Roger
Subject: RE: Swiss Ball in New York on January 24, 2003

Hi there
Pls. see e-mail exchange below. Based upon the input of Mr Schaerer, my view is that CS should participate in

this event as a sponsor and that this is something for the Group (GCC) to pay for. Given my absence until January 11, could I ask somebody in GC (maybe Manuel?) to arrange everything, i.e. coordinate with GCC, XC, Roger Schaerer and Mary or Cristina/Jeanmarie with regard to who to invite, Credit Suisse logo presence, other Society of NY activities etc.
Thanks and regards, Karin

-----Original Message-----
From: Roger Schaerer [mailto:roger.schaerer@credit-suisse.com]
Sent: Mittwoch, 24. Dezember 2003 19:56
To: karin.rhomberg@credit-suisse.com
Subject: RE: Swiss Ball in New York on January 24, 2003

Dear Ms. Rhomberg,

I do not know exactly who on the Group level would be responsible to make the decision, whether Credit Suisse Group should continue to support the Swiss Society of New York and whether we should remain a principal sponsor.

As Joe pointed out, it is clearly not a marketing event to generate new clients but it is clearly a statement of Credit Suisse Group as a company to the Swiss business community in New York.

I would appreciate if you could get me some feedback, especially on how to handle this in the future.

With my very best regards,

Roger
---------- Forwarded by Roger Schaerer/CSPB on 12/24/2003 01:41 PM ----------

"Straehle Joachim H (SW)" <joachim.h.straehle@credit-suisse.com> on 12/23/2003 06:30:38 PM

To: Roger Schaerer/CSPB@PCOMINT
cc: "Siegenthaler Alexander (SWL)" <alexander.siegenthaler@credit-suisse.com>, "Walder Markus (SWLN)" <markus.walder@credit-suisse.com>

Subject: RE: Swiss Ball in New York on January 24, 2003

Dear Roger

Thanks for your e-mail. I am not sure if CSPB should represent CS-Group for this event. It does not generate any new clients for us. Therefore I think CS Group or Marketing of CSFS should decide if CS should continue this sponsorship. Otherwise you always
can take a table.

Best regards

Joe

-----Original Message-----
From: Schaerer Roger (SWLN 3)
Sent: Dienstag, 23. Dezember 2003 21:13
To: Straehle Joachim H (SW)
Cc: Siegenthaler Alexander (SWL); Walder Markus (SWLN)
Subject: Swiss Ball in New York on January 24, 2003

Dear Joe,

In my capacity as a board member of the Swiss Society of New York, I am asking you for some guidance in

connection with the annual Swiss Ball at the Hotel Pierre on January 24, 2004.

In recent years, CS First Boston (on behalf of CS Group) has supported this event with US$ 10'000, which is, in fact, the amount for principal sponsorship. Being a principal sponsor will provide Credit Suisse with the following:

Inclusion on the list of sponsors on the SSNY web site throughout the year 2004
Inclusion of CS name on all of our membership and event mailings
Mention of CS as a principal sponsor of the Swiss Ball
Table up to 10 persons at the Swiss Ball
CS employees may participate at all SSNY events at the membership price event though they are not members

Unfortunately, CSFB has decided not to participate this time, which means that CS Group will not be represented at the Swiss Ball in January. This, in contrast to UBS, Novartis, Swiss Re, Rolex and Swiss Airlines, who have all committed US$ 10'000 to be a principal sponsor in addition to smaller firms like Vontobel, Julius Baer, Davidoff, Ruesch International who bought a table for US$ 3'000.

Traditionally, key people from the Swiss business and political community attend this event and I believe, that Credit Suisse as one of the largest Swiss companies with a strong presence in New York, should be part of it.

I had spoken to Markus earlier today and he has suggested, that I contact you directly to get your opinion. What is your take on this issue ? Does it make sense for me to contact somebody at the Group level or do you think it is not worth pursuing ?

I am looking forward to getting some feedback from you.

With my very best regards,

Roger

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MEMORANDUM

To Credit Suisse
Date 16 July 2012
Document No. 070965/02167178/ROR
Subject **Production of Swiss Sourced Documents to the Permanent Subcommittee on Investigations of the U.S. Senate (PSI)**

1. Issue

We have been asked by Credit Suisse to opine on the permissibility under Swiss law to disclose, on request of the Permanent Subcommittee on Investigations of the U.S. Senate (PSI), Swiss sourced business records and other information relating to Credit Suisse's U.S. cross-border business.

2. The Federal Council's Decision of 4 April 2012

2.1 Scope and legal effects

In its session of 4 April 2012, the Swiss Federal Council granted permission under Article 271 (1) of the Swiss Criminal Code ("SCC") to certain Swiss banks, including Credit Suisse, to directly cooperate with "U.S. authorities" by producing documents and information on their U.S. cross-border business, including employee and third party related data (the "Decision"). In relevant parts, the Decision reads as follows (free translation):

> *Permission under Article 271 paragraph 1 of the Criminal Code is hereby granted to the banks under investigation by the US-authorities in order to safeguard their rights, in particular in order to explain their business practices in the US-business – including (to the extent*

required) related data on employees of the bank and third parties, to the exclusion of bank customer data.

The Decision was obviously aimed at removing the legal hurdles standing in the way of full cooperation with the U.S. law enforcement agencies that had launched a formal investigation into said banks, namely the Department of Justice (DoJ) and the Securities and Exchange Commission (SEC). Both agencies had repeatedly expressed their dissatisfaction with the level of cooperation by the banks. The Federal Council's decision was thus carried by the clear expectation that the banks would make swift use of the newly opened possibilities for cooperation, thereby easing the tension that had arisen.

According to guidance received from the State Secretariat for International Financial Matters (SIF) and the Swiss Financial Market Supervisory Authority (FINMA), the Decision has the following legal effects for the Swiss banks concerned in case of direct cooperation with U.S. authorities:

- Removal of criminal exposure under Article 271 (and 273) SCC in case of cooperation with U.S. authorities;
- Removal of regulatory risks.

By contrast, the Decision did not release the banks of their duties and potential liability under employment law and applicable data protection legislation. This was expressly made clear in SIF's letter of 4 April 2012, with which the Decision was communicated to Credit Suisse. That letter stated the following (free translation):

Civil liability risks remain a matter for each bank to assess.

Civil liability issues may arise as a result of the fact that the permission granted envisages direct cooperation by the banks with U.S. authorities (as opposed to indirect cooperation on request of a Swiss authority within the framework of legal or administrative assistance proceedings). Accordingly, the banks remain fully responsible should the disclosure of data to a U.S. authority infringe the rights of an employee/third party.

2.2 Definition of "U.S. Authorities"

The Decision does not define the term "U.S. authorities". In particular, it does not specify whether the production of data on request of the PSI could, in principle, be within the scope of the permission to cooperate as granted by the Federal Council.

In a letter dated 2 May 2012 addressed to Credit Suisse, SIF clarified that this is in fact the case.

However, in that same letter, SIF recalled again that the permission to cooperate should not be misunderstood as being a blanket permission releasing the bank of civil liability should a disclosure of (unredacted) Swiss sourced documents to the PSI infringe the rights of employees and third parties. According to the SIF, the bank has to take into consideration when conducting the required balancing of interests test that information

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provided to the parliament might be made accessible to the public. The SIF also expressed its view that the PSI should seek documents and information from the U.S. authorities in charge with an investigation, rather than asking for production from Switzerland.

3. Swiss Legal Framework

3.1 Employer's duty of care and duties under data protection legislation

Under Swiss employment law, the bank has a general contractual duty of care towards its employees, including a duty to protect data relating to its employees. These duties survive the duration of the employment relationship.

Article 328 of the Swiss Code of Obligations ("CO") requires that any Swiss employer safeguards the personality rights of his employees. With regard to the processing of personal data of employees in particular, Article 328b CO specifies that the restrictions of the data protection legislation apply:

> *The employer may handle data concerning the employee only to the extent that such data concern the employee's suitability for his job or are necessary for the performance of the employment contract. In all other respects, the provisions of the Federal Act of 19 June 1992 on Data Protection apply.*

Pursuant to the Federal Data Protection Act ("FDPA") the bank is under a duty to protect data involving or relating to employees <u>and</u> third parties.

Article 13 FDPA requires, inter alia, that any processing of personal data be either covered by consent of the person concerned, or justified by a preponderant private or public interest, or by law. It is of note that only national interests of Switzerland may constitute a public interest in the sense of Article 13 FDPA.

If the processing of data includes a cross-border disclosure of personal data (as would be the case if documents were disclosed to the PSI), Article 6 FDPA applies, which imposes even more restrictive rules. Article 6 (1) FDPA reads:

> *1 Personal data may not be disclosed abroad if the privacy of the data subjects would be seriously endangered thereby, in particular due to the absence of legislation that guarantees adequate protection.*
>
> *2 In the absence of legislation that guarantees adequate protection, personal data may be disclosed abroad only if:*
>
> *a. sufficient safeguards, in particular contractual clauses, ensure an adequate level of protection abroad;*
>
> *b. the data subject has consented in the specific case;*

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c. *the processing is directly connected with the conclusion or the performance of a contract and the personal data is that of a contractual party;*

d. *disclosure is essential in the specific case in order either to safeguard an overriding public interest or for the establishment, exercise or enforcement of legal claims before the courts;*

e. *disclosure is required in the specific case in order to protect the life or the physical integrity of the data subject;*

f. *the data subject has made the data generally accessible and has not expressly prohibited its processing;*

g. *disclosure is made within the same legal person or company or between legal persons or companies that are under the same management, provided those involved are subject to data protection rules that ensure an adequate level of protection.*

It follows that, in the absence of consent, a disclosure of unredacted personal data of employees and third parties to a foreign authority is in breach of Article 6 FDPA if (i) a satisfactory level of protection of confidentiality does not exist at the recipient's end, and (ii) the disclosure is not justified by an overriding public interest. Again, only the interests of the Swiss Confederation qualify as valid public interests which could weigh in favor of a cross-border disclosure.

Finally, Article 4 FDPA requires that each processing of data be in line with the principle of proportionality. According to this general principle, the processing of personal data must be appropriate and necessary to achieve the purpose for which the data is being processed. The principle of proportionality also requires that the purpose of the processing be in reasonable proportion to the adverse impact on the person concerned that may result from such processing. In this latter regard, Swiss courts have held that the publication of a large amount of information about a data subject to a potentially unlimited audience (e.g., on a website) constitutes an illegal and disproportionate violation of the personality of the affected person.

3.2 Possible sanctions for breach of civil law duties

All conditions fulfilled, a breach of the employment and data protection law duties may trigger civil liability of the bank, in particular:

- liability for damages; and
- liability for moral restitution.

In addition, an affected person may seek a court injunction against any intended unauthorized disclosure of personal data to a foreign authority.

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4. Balancing of Interests and Application of Rule of Proportionality

We were advised that, as a legislative committee, PSI (unlike the DoJ and the SEC) is not bound by any rules and practices protecting its files from disclosure. To the contrary, PSI's general function involves routinely publicizing information through reports or hearings. PSI is not engaged in building an evidentiary basis to bring an affirmative case in a court of law and is not bound by law, regulation or practice to prevent disclosure until that point; rather it is amassing what it considers to be facts relevant for public disclosure potentially as a basis for legislative action.

We were also advised that as a matter of practice, PSI may publicize information in an amount and at a level of detail far beyond what a U.S. law enforcement agency would do in the context of a negotiated resolution of an investigation.

Taking into account this obvious absence of confidentiality rules protecting data from being disclosed by the PSI, and the high potential for public disclosure, the following two points can be made:

First, the disclosure of personal data to the PSI could only be justified if there were strong overriding (Swiss) public interests in the disclosure (Article 6 (1) (d) FDPA) separate and apart from the interest in cooperating with US law enforcement.

Second, the public disclosure, on the internet or otherwise, of personal data in great detail and volume has the potential of seriously infringing the privacy rights of a potentially large number of employees and third persons. Accordingly, there are strong interests, both private and public, opposing the disclosure of personal data to the PSI, a disclosure that, from a data protection perspective, may have disproportionately harmful effects on the persons affected.

Moreover, certain key facts appear to tip the balancing of the public interest against disclosure to the PSI when considering the following:

- Unlike the DoJ and the SEC, PSI has no enforcement powers. In particular, the PSI has no power to indict. Whereas the enforcement powers of U.S. law enforcement agencies provide the ultimate authority over the bank itself, the PSI process, while important, is of a different nature and effect.
- Credit Suisse has already disclosed the required information to the DoJ and the SEC, i.e., the U.S. law enforcement agencies in charge with the formal investigation into the bank's cross-border business. It can thus not legitimately be claimed that the bank is obstructing legal process. If the U.S. public interest could be served by public disclosure, such an interest can be fully evaluated and satisfied by these two agencies with primary legal jurisdiction over the matter.
- PSI is in a position to obtain the documents directly from either the DoJ or the SEC in the U.S. which is in fact the preferred approach of the Swiss Federal Council. Given that the documents would appear to be otherwise obtainable within the US legal

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5. Conclusion

Based on the above considerations, we conclude that the disclosure of unredacted, Swiss sourced employee and third party information to the PSI is unlikely to be justified by overriding interests.

There is thus a considerable risk of a Swiss court holding that the disclosure of such personal data to the PSI would be unlawful, thereby exposing the bank to claims for damages and moral restitution by the employees and third parties affected.

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Management Committee Meeting PB Americas (MC)
Minutes N° 3/07

April 24, 2007 (8:00am – 4:00pm)
New York, OMA 12, The Broadway Room

Participants:		Presentations by:		CC:
SA	Anthony DeChellis, AD (Lead)	SACG	Paul Julius, PJ	
SAM	Stewart Brenner, SB	XPAP	Joan Caridi, JC	
SACA 8	Matt Gorman, MG	SU	Romeo Lacher, RL	
SHIC 2	Kevin Hornish, KH	ROES	Pritash Mathur, PM	
SEBU	Dale Miller, DM			
SAA	Gary Neuser, GN			
SAE	Paul Simons, PSi	**Guest:**		
SACA 4	Peter Skoglund, PS		Lewis Wishba; LW	
SACA 9	Carey Timbrell, CT	UEB	Andrea Fabi, AF	
RGPU	David Walker, DW	KSG	Antonio Varela, AV	
SAL	Christian Wiesendanger, CW	SFOU	Marco Zollinger, MZ	
SAI	Robert Weissenstein, RW			
SAO	Silvan Wyss, SW			
SAOE	Sandra Buergi, SBu (Minutes)			

Dispatch of the minutes	Signatures
To: Participants CC: CEO Credit Suisse PB	
Enclosures are usually sent with the agenda	Sig. Anthony DeChellis Sig. Sandra Buergi

Overview I Information D Discussion 🗁 earlier dispatch / handouts

N°	Agenda	I	D	🗁
1.	**Introduction and Leadership Information**			
	Minutes of last EC Meeting/Pending Item List	X		X
2.	**Regional Update Americas**	X		X
3.	**Business Performance**			
	- Overall PB Americas	X	X	X
	- Review Business Performance PB USA	X	X	X
	- Review Business Performance LATAM	X	X	X
4.	**HR**	X	X	X
5.	**Information COO**	X		X
6.	**Special Topics**			
	- Project Portfolio	X	X	X
	- Operational Excellence	X	X	X
7.	**Highlights, Issues and Information from each Region/Function**			
	- PB USA East	X		
	- PB USA Central	X		X
	- PB USA Central	X		
	- PB USA West	X		X
	- Latam	X		X
	- ISP Americas	X		X
	- Client Solutions Group	X		
	- COO PB Americas	X		X
	- Market Development	X		
	- CIO	X		
8.	**Legal and Compliance Update**	X		
9.	**Communication**	X		
10.	**Miscellaneous**			
	- Event Calendar	X		X
11.	**Wrap-up and Next Steps**			
12.	**STC US Growth Initiative**	X	X	X

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CS-SEN-00282776

N°	Agenda Item	Responsible / Deadline
1.	**Introduction and Leadership Information**	
	Minutes of last EC Meeting and List of Pending Items: ▪ Minutes approved – no comments. ▪ Pending items that were closed: 01-07 (merged with 16-07), 02-07, 09-07, 17-07, 19-07 ▪ Pending items due – work in progress: 06-06 initial discussion started; 14-07 KH will circulate criteria and process to PBAMC members and give update at next meeting; 15-07 roadshow planned for July 07. Leadership Information: AD informs: ▪ 1st quarter results for PB are expected to be excellent; PB America's contribution in terms of NNA is good, however re revenues and net income, PB Americas falls short. ▪ Our competitors did set the "Q1 results" expectations really high – especially in the IB area. ▪ Chairman's Club event was a great success and was executed at the highest quality level. GN announces the next event will take place in Phoenix. ▪ New PB USA Management meeting is established to allow more US focused discussions. The meeting will always be organized around the PBAMC meetings that are already scheduled. ▪ AD asks for feedback re the new compensation model and the new hiring deals.	
2.	**Regional Update Americas**	
	LW gives update on Americas region: ▪ Regulatory – FRBNY / NYSBD: o 2006 Annual Rollup Meeting: Excellent review; Satisfactory ratings. o 2007 Focus – Redeployment of capital (from Winterthur sale) to existing businesses; Business Continuity, Cost Management initiatives; Risk Management over new businesses / expanding activity; NY, LA and Miami Rep offices. Offices; regional corporate governance (KPMG Report to EBK). o Trilateral Regulatory Meetings – successful meetings in NY with EBK, NY Fed, UK FSA. ▪ USA Location Management: Tier 1 Location Managers appointed and Location Management Committees scheduled in April and May. Sharing "Lessons Learned" – distributed Internal Audit's Key Finding summary for 2006 and 1Q 2007. ▪ Country Management: Mexico One Bank Strategic Plan – Brady Dougan approved Country COOs – Full time COOs appointed in Mexico (Sanchez) and Argentina (Ferrer). ▪ Residential Mortgage Business – Washington DC Fed recent inquiries; acquisition of Lime Financial (wholesale sub-prime residential originator in Oregon); approval of in-house "retail" originations ▪ Policies re Trade Associations are being developed – consolidation of membership fees initiated ▪ "Giving Back" Awards / Mentoring – a good opportunity that should be actively used. ▪ Canada office: will be built out, D. Chitty is interims COO.	
3.	**Business Performance**	
	SW introduces Marco Zollinger to the group. He recently joint Financial Controlling PB Americas in Zurich as the head of the group. PJ presents the final March financials:	

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CS-SFN-00282777

N°	Agenda item	Responsible / Deadline
	Business Performance PB Americas: ▪ Net New Assets: MTD March 07 NNA are up 11% vs prior month. Q1 07 NNA are CHF 3.2bn. FY NNA target is CHF 14.2bn. ▪ Revenues: are flat compared to prior year. Revenue decrease in March in PB USA of CHF -5m is mainly due to less brokerage fees and the positive impact due to a correction of a trade in February. PB Latam revenues increased in March. ▪ Expenses: increased in PB Latam and PB USA. PB USA was hit by a catch up of CHF 3m for PEPII/DPII for 2006 (Private Equity funds for staff). Revenue allocations in 2007 driven by the revised treasury allocation of the credit on equity (true-up booked in march in PB Latam). ▪ Performance relevant income: Q1 07 CHF 76.4m is 17% below prior year and below budget. Furthermore PB Americas got an additional block 2 allocation of CHF 32m due to changed allocation keys. Will be revisited by SW.	SW – 05/23/2007
	Review Business Performance PB USA: ▪ Net New Assets: Q1 07 CHF 3.1bn is above target, whereof 60% is corporate cash. ▪ Revenues: Q1 07 revenues of CHF 76.4m is 7% less than last year and 27% below target. Newly hired RMs are not performing as expected. AD re-iterates that revenue and NNA targets need to be achieved. ▪ Expenses: Q1 07 CHF 73.3m is 11% lower than target but 14% higher than last year. ▪ Performance relevant income: Q1 07 CHF 3.1m is 82% less than prior year and 87% below target. ▪ Margins: 32.4bps are 20% lower than last year, 28% below target. DM is currently performing a profitability analysis by product. He will prepare a presentation for the next PBAMC meeting to specifically focus on Preferred Advisors margins and "Lockwood" negotiations. Going forward, PJ will provide margin numbers on a quarterly basis broken down to Middle Market, corporate cash and rest of products to allow a more educated discussion.	DM – 05/23/2007 PJ – Q2 2007
	Review Business Performance Latam: ▪ Net New Assets: Q1 07 CHF 152m clearly below budget and prior year. ▪ Revenues: Q1 07 CHF 96m flat to prior year and 4% below budget. Mexico/Pacto Andino is up, Brazil is flat and Conosur is down. ▪ Expenses: Q1 07 CHF 21.3m less than prior year and below budget. ▪ Performance relevant income: Q1 07 CHF 74.4m is on target. ▪ Margins: 103.6 bps is on target.	
4.	**HR**	
	Hiring up-date: ▪ PB USA o Joiners: 33 total (4 MDs, 4 Ds, 5 VPs, 6 RMs and 10 SAs) o Leavers: 25 total (1 MD, 1 VP, 8 RMs, 12 SAs) ▪ PB Latam: o Joiners: 19 Total (3 MDs, 15 Ds, 1 VP, 5 RMs, 7 SAs) o Leavers: 2 Total (1 Junior PM, 1 RM) Going forward, KH will provide a list with names of joiners and leavers to the PBAMC members.	KH – 05/23/2007
	HCP: KH informs that data collection is done. He will provide an overview to AD by mid May. AD will discuss with Walter Berchtold by June.	KH- 05/23/2007
	Up-date scorecard and MD title for RMs: KH and SB have compiled the criteria for MD selection for RMs. KH will circulate criteria and process to the group asap and start discussion w/ C. Machate.	KH – 05/23/2007

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CS-SEN-00282778

N°	Agenda item	Responsible / Deadline
5.	**Information from COO**	
	SW informs the group about the following: Herculos: big gaps (see business performance) New Business: need to strictly follow New Business process (e.g. opening of new branches) Recruiting & compensation plan: ▪ Approval for new base-line deal is expected w/i the next 2 weeks. HR already gave general ok, one minor revision needed. AD to discuss with Walter Berchtold. In the meantime one-off deals can be done with appropriate approvals. ▪ New compensation was presented to HR Zurich. Plan needs one minor adjustment and is then ready to go after approval by Walter Berchtold. New grid will be applied by July 1, 2007. ▪ Higher-level deal (replacement of Nutcracker deal) and the retention package for existing high-performing RMs is still in the development phase and needs to be approved by the compensation committee. Audits: Audit points Miami and Dallas – actions are taken and will be tracked by Jim Cox.	
6.	**Special Topics**	
	Project Portfolio Analysis: ▪ SBu ensured with stakeholders that all the projects listed are aligned with the PB's overall strategic priorities as well as with PB Americas key initiatives/thrusts. ▪ The project portfolio got streamlined – from initially 44 projects/ideas to 19 projects and 11 projects in the pipeline. The participants in general agree with the list, however would like to do one more iteration to trim the active portfolio further down. Input to be sent to SBu by May 5, 2007. ▪ The group went through the entire list and concluded the following: o Menlo Park should be added to the list of office openings o Insurance and credit cards should be addressed as projects immediately and not postponed. DM is the sponsor of both projects and will take the lead. o The project client reporting & analytics must include consolidated reporting. SW informs about the engagement of Cap Gemini supporting us in this effort. PBAMC would like to get regular updates re progress. ▪ The project leaders are asked to complete the missing information in the central data base and keep it updated. ▪ First status update to be at next PBAMC meeting Operational Excellence: Romeo Lacher and Pritash Mathur gave a presentation to the PBAMC on what OE is and what the strategy and the status of OE in the Private Bank is. The presentation was well perceived and the group acknowledges that OE ties nicely into the project portfolio management PB USA is about to establish. SBu informs the group that over the last 4 months OE PB Americas has on-boarded 1 Master Black Belt and 5 Black Belts who are already successfully working on projects. Projected benefits are on target with AD's scorecard.	All – 05/05/2007 DM – Q2 2007
7.	**Highlights, Issues and Information from each Region/Function**	
	PB USA East: MG ▪ Q1 07 revenues for Region are flat to prior year and below budget. ▪ Q1 07 NNA of $ 900m – 1bn ▪ Hiring: Rich Jaffe (Philadelphia) and Jack Rubin (Greenwich) joined the team as office	

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CS-SEN-00282779

N°	Agenda item	Responsible / Deadline
	managers. New RMs: 2 in Baltimore, 2 in Boston and 1 in New York. ▪ Training efforts: NABOB (New Associate Building on Business Successes) program launched, networking session conducted and a HOLT University session planned. ▪ Need to accelerate hiring! PB USA Central: PS ▪ Dallas: need to get traction. Before opening a Houston office we need to find the right office manager. ▪ Miami: Carve-out of international business is the main activity at the moment. That will leave the domestic business with 5 RMs (w/o Palm Beach). Potential new office manager is in the pipeline. ▪ Atlanta: main effort – besides hiring – is to immediately align office activities with PB USA rules (T&E etc.). ▪ Chicago: PS will take over office space from Column Financial. Todd Buchner will partially work with Client Solution Group/PSI's team. PS is also exploring office space in Northbrook. Bruce Lee and Chris Baldwin were part of Barron's Top 100 list. PS emphasizes that Bruce really can add value in the hiring process. Chris Baldwin made it also into the Barron's Top 100 List. PB USA West: CT ▪ Besides major deals that were done in SF and LA, CT highlights the successfully conducted innovation forum which had 50 firms as participants. This event will be repeated on a regular basis. ▪ Issues: Confusion with Boston VC distribution team leads to a PB USA uniform VC policy. Furthermore, there is a need for cross-selling agreement with CSAM Zurich and a revenue sharing agreement with APAC- PB USA (intra-PB). SW informs that financial controlling, Marco Zollinger, will present a solution by June. PB Latam: CW ▪ Highlights: lift-out of UBS Mexico Team, approval of Mexico onshore thrust by PBMC and the communication of the PB Latam US carve-out are major highlights. Furthermore, the business performance is on budget and the Cross Border+ project has a first set of guidelines and a training program finalized (Mexico, Brazil and Venezuela). ▪ Stephan Storchenegger resigned. Roland Eble will focus on client relations; Andreas Stauffer is appointed as his successor. ISP: DM ▪ Highlights: o Overview: The Flash Report for PB USA's Investment Services & Products Team highlights developments in our product offering and the overall business. Managed Asset NNA will be provided and discussed in depth at the PB USA Quarterly Managers Meeting on April 25th. o Equities: The Equities team has been organizing meetings directly and indirectly with clients – they will be traveling to all regional offices in Q2 and Q3. Personnel Update: Alain Berger retired. o Fixed Income: Middle Market Initiative approved and signed off by Anthony DeChellis and Jim Healy – RMs hired: 3 Irvine, 2 Atlanta. Municipal Trading revenue is up 20.6% Q1 '07 vs. Q1 '06 o Alternative Investments: Horizon Hedge Fund: USD 207 million committed. Private Equity feeder funds, USD 88.75 million realized. o Structured Products: Gross Revenue is up 56% in Q1 '07 vs. Q1 '06. Notional value outstanding is USD 1.465 billion o Preferred Advisors: Total AUM is up 23.1% in Q1 '07 vs. Q1 '06. Personnel Update: Peter Aliprantis resigned, John Lloyd will be successor. o Lending: The approved Loan Book is now over USD 535 million ▪ Issues: ECM gross production is down 14.6% Q1 07 vs. prior year. Consolidated client	SW – 06/15/2007

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CS-SEN-00282780

N°	Agenda Item	Responsible / Deadline
	reporting and Sales & Marketing coordination need to be improved (feedback from Chairman's Club). ▪ Next steps: Finalize Alternative Investments University, define Sales & Marketing mandate and discretionary mandate (together with PJ and RW).. Client Solutions Group: PSi ▪ Agreement re cash management business separation vis-à-vis Asset Management is underway. ▪ Todd Buchner will join CSG team. ▪ Chris Murphy and Catherine McManmon joined the group as well. CIO: RW ▪ RW informs the group about client events and meetings he conducted over the last couple of weeks. ▪ RW is mandated to solve the issue around the RM managed discretionary mandate. Initial meeting re the project discretionary mandates for RMs has taken place with RW, DM and PJ. Joan Caridi can help with benchmarking data. Market Development: SB ▪ SB updates that he is involved in defining office opening process jointly with Damian Zech and a Black Belt, he supports the Region heads with their business review, meets potential candidates and will conduct the recruiting training with all the office managers this week. COO PB Americas: SW ▪ Highlights: o US Growth strategy well perceived by ExB – although NC didn't get approval o Finalized implementation options for "banking products" as part of the US Growth Strategy (use existing licences from NY branch) o Financial Controlling team head Marco Zollinger started on April 1 o HCP/PEP process kicked-off o Delivery of Feb 07 scorecards to Tony's direct reports and office managers o New Comp. Plan and Hiring Deal presented to HR Zurich, general ok, revision of some minor points o Business Risk Management Road Map defined, to be presented to AD in May. o PB USA Manger meeting and recruiting workshop this week o Monthly financial reporting package delivered for PBA, Latam and USA ▪ Issues: Revenue problem pertains; additional block 2 allocations of CHF 35m have impact on break even; Hercules – still big gap to SBP 07 targets. ▪ Next steps: Get final approvals of compensation plan, revised base-line deal and develop new deal for high-performer. Organization of CEO PB Americas tour to offices in June.	RW – 07/19/2007
8.	**Legal and Compliance Update**	
	Joan Caridi focuses on 2 topics today: Hiring: PB USA accelerates hiring efforts as part of its strategy with some new office managers. At the same time regulations are changing. The NASD proposes new rules (Broker Protocol) which allow brokers to take names and phone numbers from one firm to another without ramifications; on the other hand, if the firm were to join the Broker's Protocol, the firm can't enforce gardening leaves anymore. However, there is a need to train people on new rules and regulations. Geroge Whipple will coordinate with SB and KH and plan training sessions. Marketing Materials:	

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CS-SEN-00282781

N°	Agenda item	Responsible / Deadline
	JC emphasizes that there is a policy in place re client facing marketing material: everything needs to be vetted by LCD. She also points out that she enforces the policy and that she sees material with a wide range of quality. RFP: Based on a question that PS brought up earlier on - JC will explore the status of the current RFP capabilities in the firm and coordinate with DM.	JC – 05/23/2007
9.	**Communication**	
	▪ Highlights: o Chairman's Club was a successful event; as a feedback from the Chairman's Club we should have a more active and coordinated communication to recognize all sorts of accomplishments throughout the firm. DW and SBu will make a proposal how to implement. o Carve-out Latam Business PB USA was announced. ▪ Issues: Brazil story is in the press again. ▪ Next steps: Organization of CEO tour to the PB USA offices; AD will present strategy at Region Americas event and the Quarterly Managers meeting; fixed income middle market announcement is in the pipeline.	DW/SBu – Q2 2007
10.	**Miscellaneous**	
	na	
11.	**Wrap-up and Next Steps**	
	AD points out that May 31 the regional business reviews will take place in Chicago.	
12.	**STC US Growth Initiative**	
	Damian Zech (DZ) joined for the presentation. Part 1: SW walks the audience through part 1 – Status Update except the 3 focus topics.. Comment on work stream 6: Antonio Varela will name a project leader from the IT side by May. Comment on work stream 8: Northbrook and Philadelphia should be pilots to develop new office design. The group agrees to use the firms existing expertise. DZ to coordinate. DM will also forward branch opening checklists to DZ. Part 2: ▪ SB outlines the guiding principals and the proposed concept of the top RM deal and retention package. MG suggests instead of the sophisticated proposal to just adjust the existing I-Swap program. The group agreed with MG suggestion, SB, SW and MG will further explore. ▪ DM presents priorities and next steps re lending. The group supports proposed solution (option B – New York Branch). Andrea Fabi raises concern that operations/IT IB don't have the necessary capacity/resources to support our intentions accordingly. DM and AD will address this issue with LW and IB. ▪ PS expresses his disappointment about the process and the timeframe re G-Cap implementation. DZ and Antonio Varela inform that there will be a meeting to solve the problem. They have a suggestion which will allow a solution that is adapted to the US market and that could be launch by Feb. 2008. DZ and AV will communicate outcome of tomorrow's meeting. Part 3:	DZ – Q2 2007 SW, SB, MG – 05/23/2007 DM – Q2 2007

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CS-SEN-00282782

N°	Agenda item	Responsible / Deadline
	SW walks through the timelines.	
	Next Meeting	
	Wednesday, May 23, 2007 7:00am – 12:00pm EST, 1:00pm – 6:00pm Zurich time New York, EMA 27, Board Room Zurich / Paradeplatz, 2nd floor, Multimedia Room 2.107	

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APPENDIX: List of Pending Items

Item	Meeting	Description	Resp.	Deadline
04-06	12/05	Market Review USA per region	M. Gorman, P. Skoglund, C. Timbrell	05/30/2007
05-06	12/05	Optimize recruiting process – Start project	K. Hornish, S. Brenner	Q2 2007
06-06	12/05	Handling of discretionary managed assets at PB USA	R. Weissenstein, D. Miller, P. Julius	07/19/2007
06-07	02/08	Develop concept for attractive branch design for clients (Northbrook and Philli as pilots)	S. Wyss, D. Zech	Q2 2007
07-07	02/08	Distribute research produce by RW in Latam region and solicit feedback	Ch. Wiesendanger, R. Weissenstein	Q2 2007
11-07	02/08	Present refined NC recruiting process to PBAMC	S. Brenner, S. Buergi	05/20/2007
12-07	02/08	Generate T&E Reports on RM Level - present first list at next PBAMC	P. Julius	Q2 2007
13-07	02/08	Re-assess sponsoring allocations	A. DeChellis	Q2 2007
14-07	03/23	MD title: develop criteria & process and circulate w/ the group	K. Hornish	05/23/2007
15-07	03/23	CSPA – develop RSA and organize road shows	Ch. Wiesendanger, R. Isarin, S. Wyss	Q2 2007
16-07	03/23	Improve current lending parameters and discuss allocation of capital to PB USA	D. Miller, L. Wirshba	Q2 2007
18-07	03/23	AD to visit offices	D. Walker, S. Wyss	Q2 2007
19-07	03/23	Develop checklist and revised agenda for AD and SW for Latam US Offshore project	Ch. Wiesendanger, P. Arango	4/24/2007
20-07	04/24	Assess Block 2 allocations and impact on break even w/ financial controllong	S. Wyss	05/23/2007
21-07		Present product profitability with special focus on Preferred Advisors	D. Miller	05/23/2007
22-07		Provide more detailed margin analysis as per Q2	P. Julius	07/15/2007
23-07		Provide list of joiners and leavers w/ names to PBAMC	K. Hornish	05/23/2007
24-07		Provide HCP overview to AD	K. Hornish	05/23/2007
25-07		Final feedback re project portfolio	All	05/05/2007
26-07		Initiate insurance project	D. Miller	Q2 2007
27-07		Initiate credit card / AMEX project	D. Miller	Q2 2007
28-07		Present solution for RSA	S. Wyss, M. Zollinger	07/19/2007
29-07		Communications concept for recognition	D. Walker, S. Buergi	Q2 2007
30-07		Finalize new hiring deal	S. Brenner, S. Wyss, M. Gorman	05/23/2007

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CS-SEN-00282784

CONFIDENTIAL

Private Banking Americas
Latin America, Bahamas and North America Offshore
Management Meeting – Day 1

Date: September 25th
Produced by: SWL

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Produced by: SWL
Date: 24/09/2006, Slide 1

AGENDA

- Introduction
- Modus Operandi
- The way forward

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CS-SEN-00282873

INTRODUCTORY REMARKS

- Why Berne?
  - See the Capital
- Departure of Alex
- Arrival of myself
  - Andreas Arni/Ruth Unternährer
- Who am I?
  - Background -> Intro
- How do I view our people
  - I am NOT a centralist viewing frontline people as puppets guideable from HQ
  - I believe in self-directed, competent and value-guided people with clear responsibilities and competencies

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CS-SEN-00282874

WHAT IS THIS ABOUT?

- It is finally all about results
- Results from running the franchise
  - Net Revenues and Profits/NNA/Client Satisfaction
  - To support these additional focus on sales results such as Share of Discretionary Assets/Share of Managed Assets; SIP Sales/Secured Assets
  - To support these additional focus on initiatives/processes such as One Bank/OE, and specifically Advisory Process
- Results from building/changing the franchise
  - Evolve the existing offshore businesses with focus on business model/Client Centricity
  - Build new onshore businesses

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CS-SEN-00282875

HOW DO I "TICK"?

- I think in three categories
  - Business – People – Administration
  - Around those there are points I strictly delegate and others I try to contribute personally at maximum level -> Wheel
- I think in waves
  - Priorities depend on where a business is
  - **We set priorities together**
- I think integratively <-> functional organization
  - "We have a mandate and we dispose of the means to implement it"
- I have fun in getting ahead, in producing results, in having exchanges on how to get better, in learning and viewing things form the outside and in smoking cigars
- I have no fun in doing politics, in dealing with bureaucrats

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CS-SEN-00282876

"FREELANCER": MY VISION

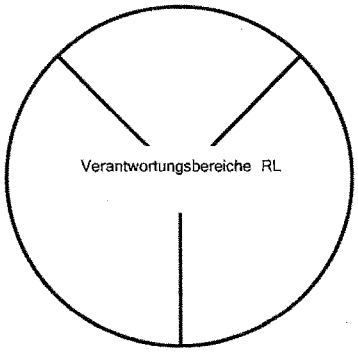
Eigener Beitrag
Gemeinsamer Beitrag
Delegation

People

- Kultur/Inspiration/Top-Performer/Nachwuchs -> "The place to be and to grow"

Business

- Verkaufsführung
- Positionierung im Markt
- Wachstum Assets und Hypotheken
- Resourcen/Kosten
- Eigene Kunden



Administration

- BRM
- FüKo
- SOKO

Stärken?

Schwächen?

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Date: 24/09/2006, Slide 6

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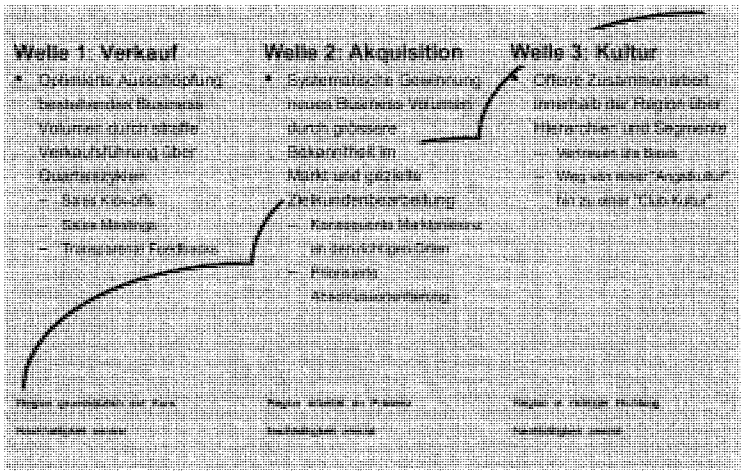
WO STEHEN WIR? WO GEHT ES HIN?



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Date: 24/09/2006, Slide 7

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WHAT I HAVE HEARD SO FAR

- This is a great, but somewhat unsettled organization
  - How does top management view this business?
  - How do you work together (communication, decision-making)
- We can't afford another "Brasil"
- We haven't settled internally with the One Bank structure yet
- We have certain overlaps in our market activities with the America Onshore organization
- This business is at a cross-road
  - Market evolution
  - Legal and compliance issues

    -> "Evolve the offshore business model sustainably and less risky and supplement it with selected onshore thrusts"
- OJG

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CS-SEN-00282979

PERSONAL EXPECTATIONS

- My style is
  - frank, honest -> no politics, no illoyalities
  - I may forget/not know many things -> tell me
- I want to be involved in
  - Everything related to the whole business (strategy, compliance etc.)
  - Important things related to individual regions (numbers, new people, large (new) clients etc.)
- I do not accept
  - Illoyality, working behind my back <- also when it comes to personal aspirations: be direct and frank, I will address your points
- I support in
  - Getting business done -> HPA, DAB, BUV, WAB etc.
  - Meeting clients, acquiring clients/people etc.

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CS-SEN-00282880

AGENDA

- Introduction
- Modus Operandi
- The way forward

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CS-SEN-00282881

MODUS OPPERANDI

- Team
  - Do together what is related to business as a whole
  - Bi-monthly meetings
  - Form, storm and perform
- Bilaterally
  - Do bilaterally what is related to individual markets
  - Regular meetings
- With larger organization
  - Face-to-face meetings
- Informal activities
  - DU
  - Larger organization

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CS-SEN-00282882

AGENDA

- Introduction
- Modus Operandi
- The way forward
  - Department SWL
  - Brazil Offshore SWLB, Brazil Onshore
  - Conosur SWLC
  - Pacto Andino/Mexico SWLD
  - Amercia Offshore SWLN
  - Bahamas SWLG
  - CS Advisory Partners SALP
  - Project map
  - Our priorities

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CS-SEN-00282883

- The Americas have played Champions League

- The Americas will play Champions League

AGENDA

- Introduction
- Modus Operandi
- The way forward
  - Department SWL
  - Brazil Offshore SWLB, Brazil Onshore
  - Conosur SWLC
  - Pacto Andino/Mexico SWLD
  - Amercia Offshore SWLN
  - Bahamas SWLG
  - CS Advisory Partners SALP
  - Project map
  - Our priorities

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CS-SEN-00282886

Figures Aug 2006: SWL

NNA	608'237'451
Revenues	246'158'176
Expenses	63'113'045
Net income	183'045'131
AuM	36'947'077'909
Business Volume	37'850'180'459
Disc. Assets %	14.2
Gross Margin	100
Cost/ Income ratio	25.6
FTE	295
RM	144

Americas Offshore
C. Wiesendanger
SWL

	Brazil onshore A. Costa / R. Tarra SALA	Brazil offshore M. Güttinger SWLB	Conosur R. Eble SWLC	Pacto And Mexico M. Suter SWLD	N.A. Offshore M. Wieder SWLN	Bahamas M. Sutter SWLG	CSPA R. Isaro SALP	Business Support M. Zbinden SWLO
NNA	0	-62'661'767	263'113'973	383'260'855	143'371'808	1'417'721	42'685'291	-162'950'430
Revenues	0	34'711'539	67'665'170	65'965'977	41'049'721	34'162'626	3'155'951	-552'608
Expenses	141'366	7'643'216	12'681'561	12'034'248	3'689'064	15'155'428	4'957'916	6'810'247
Net income	-141'366	27'068'324	54'983'609	53'931'729	37'360'657	19'007'198	-1'801'965	-7'363'055
AuM	0	6'328'709'782	9'638'719'092	9'174'233'069	4'746'047'507	5'317'876'607	498'536'734	1'242'955'117
Business Volume	0	6'401'629'038	9'714'620'008	9'483'193'651	5'002'569'965	5'483'203'488	516'861'586	1'248'102'723
Disc. Assets %	0	10.6	11.4	15.0	25.2	3.3	46.9	39.4
Gross Margin	n/a	80	105	110	87	97	99	n/a
Cost/ Income ratio	n/a	22.0	18.7	18.2	9.0	44.4	157.1	n/a
FTE	1	45	66	60	25	67	21	9
RM	1	25	38	40	17	15	7	1

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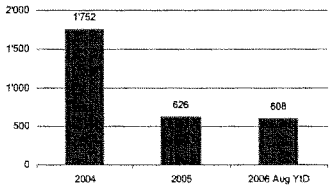
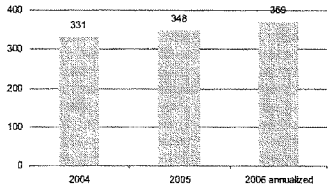
Development SWL

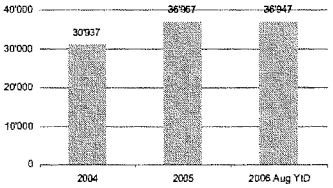
NNA (CHF mio)



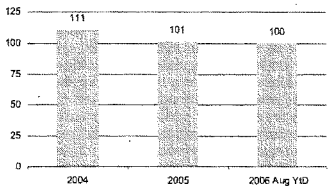
Revenues (CHF mio)



AuM (CHF mio)



Gross Margin (bp)



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Date: 24/09/2006, Slide 17

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AGENDA

- Introduction
- Modus Operandi
- The way forward
  - Department SWL
  - Brazil Offshore SWLB, Brazil Onshore
  - Conosur SWLC
  - Pacto Andino/Mexico SWLD
  - Amercia Offshore SWLN
  - Bahamas SWLG
  - CS Advisory Partners SALP
  - Project map
  - Our priorities

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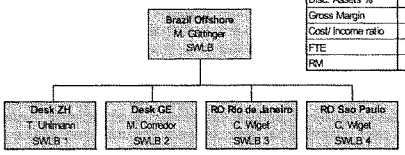
CS-SEN-00282889

Figures Aug 2006: SWLB

NNA	-62'661'767
Revenues	34'711'539
Expenses	7'643'216
Net income	27'068'324
AuM	6'328'709'782
Business Volume	6'401'629'038
Disc. Assets %	10.6
Gross Margin	80
Cost/ Income ratio	22.0
FTE	45
RM	25



NNA	26'092'254	-78'683'855	0	0
Revenues	25'360'772	9'352'275	0	0
Expenses	1'867'032	1'048'323	1'919'473	2'808'389
Net income	23'493'741	8'303'953	-1'919'473	-2'808'389
AuM	5'160'428'499	1'168'281'283	0	0
Business Volume	5'223'925'764	1'177'703'274	0	0
Disc. Assets %	10.7	10.5	0	0
Gross Margin	72	115	0	0
Cost/ Income ratio	7.4	11.2	n/a	n/a
FTE	17	10	9	10
RM	8	5	5	7

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Date: 24/09/2006, Slide 19

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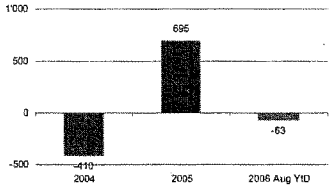
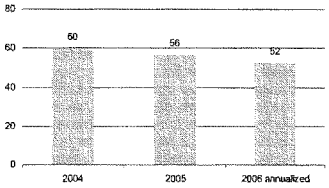
Development SWLB

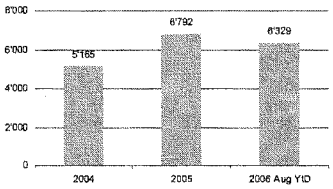
NNA (CHF mio)



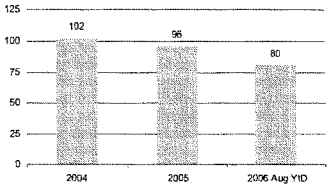
Revenues (CHF mio)



AuM (CHF mio)



Gross Margin (bp)



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Date: 24/09/2006, Slide 20

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CONFIDENTIAL

Core Opportunities and Issues
Market: Brazil SWLB

Produced by: SWLB

Input to Management Conference
September 25th/26th in Berne

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Produced by: SWL
Date: 24/09/2006, Slide 21

Content

- Core Opportunities and Issues
  - Communication within SWL
  - Transition our business to adapt to the new challenges and to manage the expectations towards our MbO goals
  - Upgrade our Human Capital
  - Data Security
  - Streamline processes across other divisions (Global Single Currency, SLA with other PB businesses)
  - Core Standards among SWL
  - New compensation models

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CS-SEN-00262893

Core Opportunities/Issues (1/2)

TOPICS/PRIORITIES

Topic	Opportunity/Issue	Prio
▪ Communication within SWL	▪ More efficient business sharing experience ▪ Be regarded as a team and not individual fighters ▪ Set communication standards	1
▪ Transition our business to the future	▪ Active communication on possible outcomes and its consequences	2
▪ Upgrade our Human Capital	▪ Match our expectation with our capabilities	2
▪ Data Security	▪ Serious discussion and decisions how we handle our data (Training, awareness, strict rules and solutions)	1

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CS-SEN-00282894

Core Opportunities/Issues (2/2)

TOPICS/PRIORITIES

Topic	Opportunity/Issue	Prio
▪ Streamline processes	▪ Enabling effective cross border deals	2
▪ Core Standards within SWL	▪ Common understanding of values, rules and procedures ▪ Clear reporting lines ▪ Sign Offs, clear outline of expectations authorities etc.	2
▪ Compensation Models	▪ New ways to compensate performance (R.O. model)	2

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CS-SEN-00282895

CONFIDENTIAL

Market: Brazil Onshore

Ricardo Taira / Antonio Costa

Input to Management Conference
September 25th/26th in Berne

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Produced by: SWI,
Date: 24/09/2006, Slide 25

Core Opportunities/Issues

Topic	Issue	Prio
▪ People	▪ The Brazilian Private Bank environment is very "hot" and the competition for strong professionals is very high. (many new entrants and heavy investments from current players)	1
▪ Franchise	▪ The rep office situation albeit quiet, could change	2
▪ Marketing	▪ As a new entrant in the local Brazilian market, heavier investments will be necessary to create "brand" awareness	3

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CS-SEN-00282897

Core Opportunities/Issues

Topic	Opportunity	Prio
▪ Market	▪ The Brazilian onshore market is growing at 15%-20% p.a. Most projections look for a sustained growth path in the coming years. ▪ The politic, economic, regulatory and legal indicators are on a positive path for the onshore growth	NA
▪ Clients	▪ There are huge opportunities for cross-selling with the IB and AM. We are already working well with them and expect to collaborate further	1

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CS-SEN-00282898

Core Opportunities/Issues

Topic	Opportunity	Prio
▪ Referrals	▪ There are immediate opportunities to work with our colleagues to introduce existing clients for a onshore offering. This initiative done with the right incentives can have immediate impact in the bottom line. On the other hand we can help refer onshore clients that have offshore needs (this need should grow overtime given the current environment)	1

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AGENDA

- Introduction
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  - Pacto Andino/Mexico SWLD
  - Amercia Offshore SWLN
  - Bahamas SWLG
  - CS Advisory Partners SALP
  - Project map
  - Our priorities

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CS-SEN-00282900

Figures Aug 2006: SWLC

NNA	263'113'973
Revenues	67'665'170
Expenses	12'681'561
Net income	54'983'609
AuM	9'638'719'092
Business Volume	9'714'620'008
Disc. Assets %	11.4
Gross Margin	105
Cost/ Income ratio	18.7
FTE	66
RM	38

Conseur
Roland Ehle
SWLC

	Desk ZH A. Stauffer SWLC 1	Desk GE F. Fuchs SWLC 2	Desk Lugano P. Malinconico SWLC 3	RO Argentina N. Trasky SWLC 4	RO Uruguay N. Trasky SWLC 5	RO Chile R. Christen SWLC 6
NNA	26'773'902	27'979'696	208'360'374	0	0	0
Revenues	37'330'119	8'702'531	21'652'417	-19'898	0	0
Expenses	3'010'222	649'584	1'424'938	3'590'357	2'986'413	1'020'046
Net income	34'319'898	8'052'947	20'227'479	-3'610'255	-2'986'413	-1'020'046
AuM	5'706'917'997	1'129'995'746	2'801'805'439	0	0	0
Business Volume	5'732'767'540	1'154'316'613	2'827'535'555	0	0	0
Disc. Assets %	10.0	13.1	13.5	0	0	0
Gross Margin	97	117	117	0	0	0
Cost/ Income ratio	8.1	7.5	6.6	n/a	n/a	n/a
FTE	23	4	10	14	11	5
RM	10	3	6	7	8	4

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Date: 24/09/2006, Slide 30

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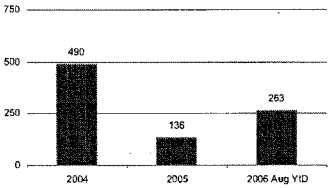
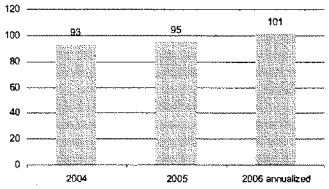
Development SWLC

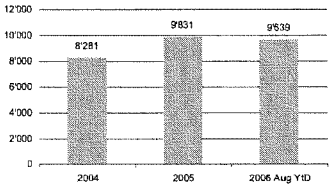
NNA (CHF mio)



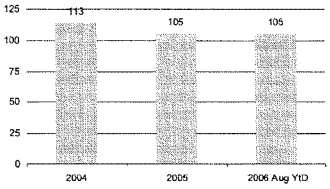
Revenues (CHF mio)



AuM (CHF mio)



Gross Margin (bp)



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Date: 24/09/2006, Slide 31

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Core Opportunities and Issues Market: Conosur

Produced by: SWLC

Input to Management Conference
September 25th/26th in Berne

CREDIT SUISSE

Produced by: SWL
Date: 24/09/2006, Slide 32

Core Opportunities/Issues (1/9)

Topic	Issue
▪ Clients/Markets	▪ Argentina: CS Big Brand with well staffed RO compared to main competitors (many moved part of their staff to Uruguay) ▪ Argentina: Unique market approach of all CS units (Clariden, Leu...) regarding compliance / market presence --> reputation risk for main CS office ▪ Argentina: A lot of EAM and family offices as a consecuence of the bank crisis a couple of years ago ▪ Clients get increasingly more sophisticated (younger generation) ▪ Chile: Overbanked and no offshore tradition. No middle class. Small top class, which partly is related / owner of local banks. Growth: declared funds

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Core Opportunities/Issues (2/9)

Topic	Opportunities
▪ Clients/Markets	▪ People may want to have more funds off-shore due to the left wing governments ▪ Argentina: Clients have off-shore mentality ▪ Tendency to move assets from the US to Europe (i.e. ML)

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Core Opportunities/Issues (3/9)

Topic	Issues
▪ People / Structure	▪ Retain and Educate staff (RO & BC) ▪ RO size in Argentina / Chile ok. No increase in staff foreseen. Montevideo: on going strategic hires ▪ Stability of Top Management missing ▪ Trust of staff in top managment (i.e. change of A. Widmer; new function of A. Vayloyan) --> CS employee survey ▪ Continuity of bank strategy missing (short term vs long term view, compliance vs profitability) ▪ different compensation models in the US and CH --> impression that CH PB is funding US PB

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Core Opportunities/Issues (4/9)

Topic	Opportunities
▪ People / Structure	▪ Coordinate better market appearance between ex-PCS (PB America) and CS in Latam. Different approaches in same market. Avoid reputation risk (ex-DLJ people had total losses in mandates, where CS had to step in) ▪ Adapt profile of future Reps ▪ Argentina: New staff very motivated

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Core Opportunities/Issues (5/9)

Topic	Issues
▪ Professionality of Advice	▪ Business vs administration (audit; pledge of hedge funds; working with other CS branches) ▪ Quality of advice vs short-term income target ▪ Training of Reps should be related to the One Bank Concept **Opportunities** ▪ CS Product and service range and market coverage compared to other competitors (CST; IB; Solution Partners;Product specialists) ▪ Quality of staff (although we have already lost tremendous brain) ▪ Introduce cash card as an additional service

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CS-SEN-00282908

Core Opportunities/Issues (6/9)

Topic	Issues
▪ Profitability / Sales	▪ No Blockbuster (PMSN, BIG, PIN....) ▪ No objectives for RO ▪ Effect of being fully compliant on profitabiity ▪ Short term results vs long term results or targets vs client needs ▪ Asset growth vs profitability (margin) **Opportunities** ▪ Increase penetration in managed assets ▪ One Bank deals with solution partners and IB ▪ Increase penetration of CST assets ▪ CLO and other sophisticated products with high return

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CS-SEN-00282909

Core Opportunities/Issues (7/9)

Topic	Issues
▪ Asset Growth	▪ limitation of staff in different RO ▪ low profile vs growth at any cost ▪ compliance issue (CdC) **Opportunities** ▪ IB ▪ Pension funds (offshore) ▪ Pension funds (onshore - custodian / brokerage) ▪ EAM / intermediaries ▪ Improve service to top client ▪ tax solution for declared funds in Argentina ▪ Banks leaving the local market and RMs leaving banks

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CS-SEN-00282910

Core Opportunities/Issues (8/9)

Topic	Issues
▪ Going onshore	▪ Argentina: no --> reputation risk (next corralito) and legal risk ▪ Chile: small market; how can we compete against the local banks (banking industry very developed) service ? ▪ Uruguay: with the left wing government less legal security; who wants to book in Uruguay ? Local market almost inexistent. DGI Argentina may interfere. CS history in Uruguay with Banco Comercial.

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Core Opportunities/Issues (9/9)

Topic	Issues
▪ Competition	▪ Retention of key people ▪ Are we employer of choice ? ▪ Price dumping (UBS and other prime banks) ▪ EAMs in Switzerland and Onshore
	Opportunities
	▪ Argentina: presence of 40 years in the market. Still strong brand ▪ CS commitment to the market: Advantage to second tier banks ▪ We must have the better people than our competitors ▪ Have a proper booking in the US (not only brokerage dealing)

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AGENDA

- Introduction
- Modus Operandi
- The way forward
  - Department SWL
  - Brazil Offshore SWLB, Brazil Onshore
  - Conosur SWLC
  - Pacto Andino/Mexico SWLD
  - Amercia Offshore SWLN
  - Bahamas SWLG
  - CS Advisory Partners SALP
  - Project map
  - Our priorities

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CS-SEN-00282913

Figures Aug 2006: SWLD

NNA	383'260'855
Revenues	65'965'977
Expenses	12'034'248
Net income	53'931'729
AuM	9'174'233'069
Business Volume	9'483'193'651
Disc. Assets %	15.0
Gross Margin	110
Cost/ Income ratio	18.2
FTE	60
RM	40

Mexico/ Pacto Andino
Marc Suiser
SWLD

	Mexico P. Wieser SWLD 1	Venezuela R. Rosales SWLD 2	Colom/ Peru/ Ecu J. Arredondo SWLD 3	CA / Caribbean A. Losada SWLD 4	Special Desk M. Suiser SWLD 5
NNA	-41'821'643	129'168'871	33'324'800	14'431'979	248'156'848
Revenues	32'081'827	11'738'224	5'488'476	3'212'196	13'445'255
Expenses	3'914'339	2'380'655	4'088'956	216'727	1'433'571
Net income	28'167'488	9'357'570	1'399'520	2'995'469	12'011'683
AuM	4'220'608'609	1'542'095'909	668'344'750	405'901'352	2'237'062'448
Business Volume	4'322'753'688	1'683'532'363	690'712'581	439'580'365	2'346'614'654
Disc. Assets %	18.3	16.9	3.8	9.5	11.7
Gross Margin	110	116	128	116	100
Cost/ Income ratio	12.2	20.3	74.5	n/a	n/a
FTE	17	14	17	2	10
RM	12	9	13	1	5

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Date: 24/09/2006, Slide 43

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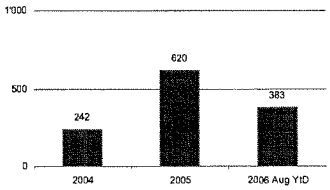
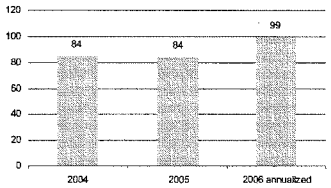
Development SWLD

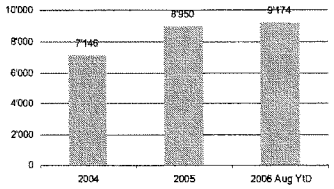
NNA (CHF mio)



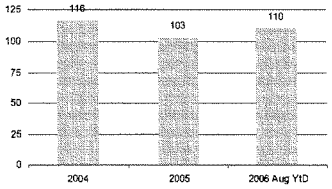
Revenues (CHF mio)



AuM (CHF mio)



Gross Margin (bp)



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Date: 24/09/2006, Slide 44

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CONFIDENTIAL

Core Opportunities and Issues
Market: Pacto Andino / Mexico

Produced by: SWLD

Input to Management Conference
September 25th/26th in Berne

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Produced by: SWL
Date: 24/09/2006, Slide 45

Core Opportunities/Issues (1/2)

TOPICS/PRIORITIES

Topic	Opportunity/Issue	Prio
▪ People	▪ SWL must recover the same "Stellenwert" as we had two years ago vs top managment; staff is afraid that top managment is not anymore behind SWL, specially the Latam team, clear statements towards Rep Office	1
▪ People/Structure	▪ Reassess the current Rep Office situation and analyze opportunities to probably change the rep structure into an advisory company (specially for Mexico and Venezuela) probably analyze possible joint venture with existing advisory companies in the respective countries.	1

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CS-SEN-00282917

Core Opportunities/Issues (2/2)

TOPICS/PRIORITIES

Topic	Opportunity/Issue	Prio
▪ Structure	▪ The Region Head should be responsible for his region throughout the different locations or Bookingcentres; e.g. PCS Miami, CS Bahamas, CSPA, CS London, EAM	1
▪ Growth/Onshore	▪ Onshore strategies should be analyzed in Mexico (prio 1) and Colombia (prio 2). Additionally the advisory structure (as above mentioned) should be analyzed as well based on growth, as scope of activity will be increased and new business opportunity will arrive (Panama)	1/2

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CS-SEN-00282918

AGENDA

- Introduction
- Modus Operandi
- The way forward
  - Department SWL
  - Brazil Offshore SWLB, Brazil Onshore
  - Conosur SWLC
  - Pacto Andino/Mexico SWLD
  - Amercia Offshore SWLN
  - Bahamas SWLG
  - CS Advisory Partners SALP
  - Project map
  - Our priorities

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Figures Aug 2006: SWLN

NNA	143'371'808
Revenues	41'049'721
Expenses	3'689'064
Net income	37'360'657
AuM	4'746'047'507
Business Volume	5'002'569'965
Disc. Assets %	25.2
Gross Margin	130
Cost/ Income ratio	9.0
FTE	25
RM	17

North Am. Offshore
Markus Walder
SWLN

	Desk ZH S. Rüegg SWLN 1	Desk GE M. Parenti SWLN 2	RO New York R. Schaerrer SWLN 3	CSPA Admin Desk L. Santi SWLN 4	Latam Desk SWLN 5
NNA	124'832'029	18'539'779	0	0	
Revenues	28'083'492	11'923'640	0	1'032'589	
Expenses	1'858'863	1'432'244	329'868	68'089	
Net income	26'234'629	10'491'396	-329'868	964'500	
AuM	3'334'659'246	1'411'388'261	0	0	
Business Volume	3'512'040'865	1'472'204'248	0	18'324'852	
Disc. Assets %	28.2	18.1	0	0	
Gross Margin	129	122	0	0	
Cost/ Income ratio	6.6	12.0	n/a	n/a	
FTE	15	9	1	1	
RM	10	6	1	0	

Note:
NNA (CHF 15 mio) booked with CS Luxembourg not included

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Date: 24/09/2006, Slide 49

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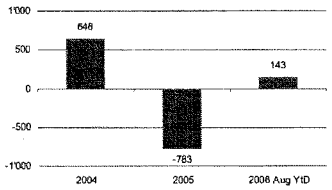
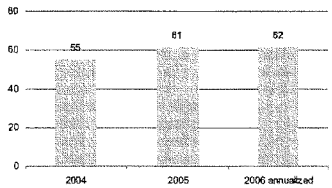
Development SWLN

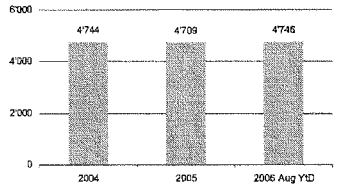
NNA (CHF mio)



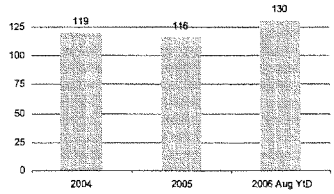
Revenues (CHF mio)



AuM (CHF mio)



Gross Margin (bp)



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Date: 24/09/2006, Slide 50

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Core Opportunities and Issues Market: Amercia Offshore SWLN

Produced by: SWLN

Input to Management Conference
September 25th/26th in Berne

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Produced by: SWL
Date: 24/09/2006, Slide 51

Core Opportunities/Issues (1/5)

Professionality of Advice

- Strong retention management and opportunistic business focus
- close to our clients – privacy for our clients
- in a very regulated environment – aware of the risks and very sensitized
- Continuity – people, service, results; low fluctuation rate
- Employees from different cultures
- Languages (German, French, Italian, English, Spanish, Polish, Arabic, Turkish)
- lean structured – short ways
- open communication
- openess to work with others for the best for the client and the company

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CS-SEN-00282923

Core Opportunities/Issues (2/5)

CAS activities

- no onshore activities planned
- W9-Excercise

  -> concentration of W9 clients within CSPA with adequate compensation

  and/or

  -> Intros to CSPA and PB USA based on referral agreements

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CS-SEN-00282924

Core Opportunities/Issues (3/5)

Key Issues / Regulatory Issues / Competition

K
- Modest growth is expected for offshore assets - focus on client retention management within CSPB and referral business to be seen as key elements
- Regulatory constraints
- Compliant servicing / retention of US clients is highly important
- Generating new business via referrals from existing clients; supporting generation transfe
- Concentration on standardized services + managed products; concentration on DIP
- Strict adherence to D-0025 – no advice or solicitation in the US / strict risk management

R
- Close co-operation with CS Divisions – this will aid our overall retention strategy
- Patriot Act -> NY Rep Office is required to have a Patriot Act US AML program SOX
- Privacy and diversification is key
- OFAC rules -> OFAC screenings are performed by the NY Rep Office
- Pasquantino Issue -> relevant for the NY Rep Office -> addressed in the US AML Manual

C
- Offshore Business: UBS (external competitor); CS operations in Asia (internal competitor)

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CS-SEN-00282925

One Bank – In General (4/5)

- **Close co-operation with CS Divisions and CSPA / PB USA onshore**
  - Requests from PB N.Y., Chicago, Baltimore, Dallas, L.A., S.F.
  - Requests from IB Toronto
  - Initiative with IB Toronto
  - Intros from CSPA / PB USA to Switzerland (still to be approved)
  - Intros from Switzerland to CSPA and PB USA
- **Focus on Key DIPs**
  - see following pages

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CS-SEN-00282926

Outlook June – Q4 2006 (5/5)

- Chances
  - to continue using the strong momentum of One Bank
  - to explore new business opportunities – generating leads for IB and or other Devisions
  - to use our clients – the existing client base - as ambassadors for us
  - strong referral potential form SWLN to CSPA / PB USA and vice-versa (limited at the moment)
    - PB USA is currently not allowed to refer US clients to us, although we do have a referral agreement in place permitting them to refer non-US clients to us and PB USA may in future, if the SEC grants our request for a no-action letter, be permitted to refer their US clients to us for custody puroses only (but not execution)
  - to maintain already established working relationships between SWLN + CSPA / PB USA

- Challenges
  - strict adherence to all rules – to be fully compliant
  - to live One Bank – close collaboration with other CS Divisions – creating trust
  - to adapt to a new bank-business-model -> Matrix
  - to comply with the bank's policy relating to sensitive countries
  - to achieve a common sense: what services / products are the clients looking for? what are the reasons for the clients to go offshore? what does **PRIVACY** mean for our clients?
  - to achieve very ambitious targets within a market with major restrictions

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CS-SEN-00282927

AGENDA

- Introduction
- Modus Operandi
- The way forward
  - Department SWL
  - Brazil Offshore SWLB, Brazil Onshore
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  - Pacto Andino/Mexico SWLD
  - Amercia Offshore SWLN
  - Bahamas SWLG
  - CS Advisory Partners SALP
  - Project map
  - Our priorities

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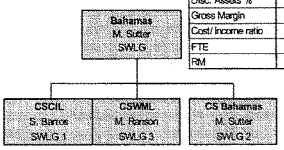
CS-SEN-00282928

Figures Aug 2006: SWLG

NNA	1'417'721
Revenues	34'162'626
Expenses	15'155'428
Net income	19'007'198
AuM	5'317'876'607
Business Volume	5'483'203'488
Disc. Assets %	3.3
Gross Margin	97
Cost/ Income ratio	44.4
FTE	67
RM	15



NNA	13'106'250	-11'688'529
Revenues	21'753'129	12'281'545
Expenses	11'320'242	3'835'186
Net income	10'432'887	8'446'459
AuM	3'287'360'666	2'030'515'942
Business Volume	3'327'925'711	2'155'277'776
Disc. Assets %	0	8.6
Gross Margin	100	92
Cost/ Income ratio	52.0	31.2
FTE	35	32
RM	9	6

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Date: 24/09/2006, Slide 58

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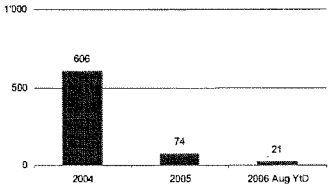
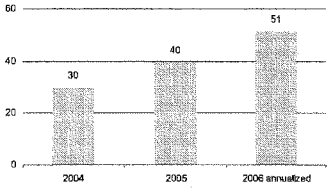
Development SWLG

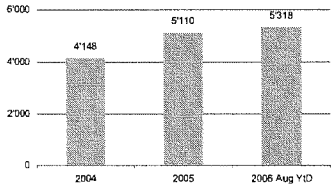
NNA (CHF mio)



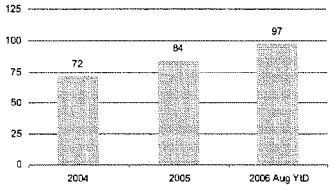
Revenues (CHF mio)



AuM (CHF mio)



Gross Margin (bp)



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Date: 24/09/2006, Slide 59

CONFIDENTIAL

Core Opportunities and Issues Market: Bahamas

Produced by: Martin Sutter

Input to Management Conference
September 25th/26th in Berne

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Produced by: SWL
Date: 24/09/2006, Slide 60

Core Opportunities Bahamas

TOPICS/PRIORITIES

Markets/Clients	Opportunity: Enhance growth model with stronger collaboration	Prio
▪ Brazil (ca 65 % of our AUM)	▪ Leverage advisory competence and unique set up of CSCIL/CSWM for defined client segment	1
▪ SWL/Rep offices	▪ Leverage rep office set up and offer Bahamas as a standard option	1
▪ Other CS offices	▪ Increase visibility/support of/from the Bahamas with representation in Zurich	1
	▪ Introduction of shared relationship	1
	▪ Strengthen collaboration with PB USA/Miami	1

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Core Opportunities Bahamas

TOPICS/PRIORITIES

People/structure	Opportunity	Prio
▪ Talent	▪ Retention of key people, in 07 expatriate assignments are maturing	2
▪ New talent	▪ Expand client relationships with new RM's and continue to improve risk profile of CSCIL by relocating/hiring permanent RM's to/for Nassau	2
▪ Legal entity review	▪ Ensure optimal set up for PB client servicing (OE Project – 0774)	2
Professionalism of advice		
▪ Advisory process	▪ Impact on product penetration, bottom line	2

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CS-SEN-00282933

Core Issues Bahamas

TOPICS/PRIORITIES

Profitability/Quality	Issues	Prio
▪ Replace PM	▪ low penetration of PM mandates	2
Platform		
▪ IT tools (only Credba)	▪ Client output, data and service quality, support of RM's	2
▪ Risks	▪ Hire additional compliance/risk officer to strengthen control environment (KYC, Legal, Credit)	2

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Core Issues Bahamas

TOPICS/PRIORITIES

Competition	Issues	Prio
▪ Internal with IB	▪ Brazilian IPO's – clients get better allocations if they open account with IB, New York – lost 60 Mio USD AuM's	2
▪ UBS	▪ After the acquisition of Pactual, UBS Bahamas is directly competing with our business model Brazil/Bahamas	

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  - CS Advisory Partners SALP
  - Project map
  - Our priorities

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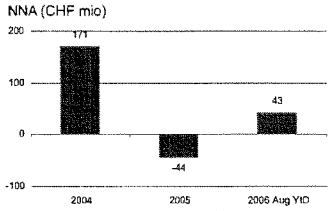
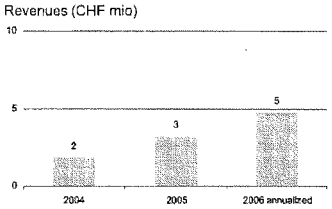
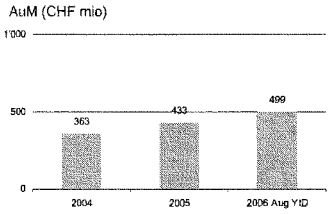
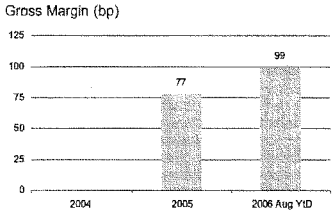
Development CSPA









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Date: 24/09/2006, Slide 65

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Core Opportunities and Issues CSPA

Produced by: Richard Isarin

Input to Management Conference
September 25th/26th in Berne

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Produced by: SWL
Date: 24/09/2006, Slide 67

Core Opportunities/Issues (1)

TOPICS/PRIORITIES

Topic	Opportunity/Issue
▪ Centre of expertise W9	▪ Monopoly position for booking of declared, active advisory- or managed- US business - Critical mass to support product range - US penetration subject to PB-USA fit
▪ Profitability/sales	▪ Swiss PB model financially outperforms US Brokerage
▪ Asset growth	▪ Organic growth limited to $1 bio NNA/pa

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CS-SEN-00282939

Core Opportunities/Issues (2)

TOPICS/PRIORITIES

Topic	Opportunity/Issue
▪ PB onshore US platform	▪ Use licenses and platform to build onshore PB presence in the US - Offer UHNW US and International HNW clients international money management and diversification from the US at PB economic returns - Need to "duplicate" PB-USA brokerage-based presence etc. ▪ Organic growth by hiring individual RM's limited to $1 to $2 bio pa

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AGENDA

- Introduction
- Modus Operandi
- The way forward
  - Department SWL
  - Brazil Offshore SWLB, Brazil Onshore
  - Conosur SWLC
  - Pacto Andino/Mexico SWLD
  - Amercia Offshore SWLN
  - Bahamas SWLG
  - CS Advisory Partners SALP
  - Project map
  - Our priorities

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CS-SEN-00282941

AGENDA

- Introduction
- Modus Operandi
- The way forward
  - Department SWL
  - Brazil Offshore SWLB, Brazil Onshore
  - Conosur SWLC
  - Pacto Andino/Mexico SWLD
  - Amercia Offshore SWLN
  - Bahamas SWLG
  - CS Advisory Partners SALP
  - Project map
  - Our priorities

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CS-SEN-00282942

- The Americas will play Champions League

DRAFT

CREDIT SUISSE
CSPA Position Paper

September 19th, 2005

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EXB Decision 2000: Form CSPA for W-9 clients

- Create a Swiss-based, SEC-registered vehicle (project name Newco)
  - Fully comply with US regulations
  - Concentrate approx. 300 CSPB W9 US-person relationships in Newco
  - Starting balance approximately CHF [*amount*] million with TOI [*amount*] million
  - Aggressive growth strategy (CHF 1.5 to 2.5 billion NNA pa)
  - Booking platform for CS referrals
  - Proactively acquire and service US-domiciled clients
  - Unrestricted access (phone, fax, email)
- Concentrate non-W-9 US-person relationships in off-shore US desk (Oldco)
- Proceed with US-person directive (current D-0025)

✓ Key drivers were the need to comply with US regulations and aggressive new-economy UHNW growth assumptions

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CS-SEN-00283098

Three possible pillars for CSPA in the future

1. W-9 Clients	2. AM Services	3. Latin American Clients
Providing a solution for serving the regulatory critical group of US persons with US securities custodied in Switzerland (original rationale for CSPA)	Hosting US-focused activities by AM Division Zurich in CSPA (under the existing CSPA	Serving those Latin American clients out of the US that prefer to custody their assets in Switzerland.

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Agenda

- W-9 Clients
- AM Services
- Latin American Clients

Conclusion

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Business Situation:

Only small fraction of W-9 clients with CSPA

	CS Total (Confidential)
AuM	xxx
# CIF	xxx
TOI	xxx

[redacted]

* excl. custodian revenues

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Slide 5

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Legal Situation:
Severe sanctions and reputation risks for non-compliance

Strict US Regulations

CS may not provide advice, related to securities including discretionary mandates, to US-persons in the US.

No communication, related to securities, into the US (held mail)

No internet access to safekeeping accounts

Complex product restrictions apply for US-persons

CS directive D-0025 provides a comprehensive guideline for compliance, but it is complex and hard to enforce given the wide distribution of US-person relationships across CS

Since the 1976 "Consent Case" CS has expressly consented to adhere with US regulatory restrictions on providing advice to US-persons

Risk assessment

100 % adherence to D-0025 is not possible given its complexity and the broad distribution of US-person relationships across CS

- Any single US-person client complaint or action against CS can trigger public criminal, civil and/or regulatory sanctions
- US-persons with a W9 are more likely to file a complaint with US authorities, or to initiate criminal or civil proceedings

CS is now vulnerable

- Prior to May 13th 2005 CS Bank had no significant direct US presence with a low risk of successful indirect US domestic enforcement against e.g. CSFB or SASI
- Post May 13th 2005 CS has significant US assets which are directly exposed to domestic US enforcement actions

Sanctions for non-compliance

US sanctions range from

- Incarceration for officers and directors (up to 25 years)
- Billion dollar fines
- Revocation of licenses (e.g. CSFB LLC).

Civil exposure in state and federal court

- Rescission of all unprofitable transactions
- Retroactive award of payable interest
- Punitive damages

Regulatory exposure to prosecution by every federal and state regulator including SEC, NYSE and NASD for unlicensed conduct of business

- Penalties include negative impact on other US-regulated entities including barring CSFB LLC from acting as a broker-dealer

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Options for W-9 clients

	Option A	Option B	Option C	Option D
Description	Keep status quo * CSPA will keep it's existing business with W-9 clients * All other W-9 clients stay where they are	Transfer all W-9 relationships to a separate US-regulated entity Use CSPA for this purpose * CSPA provides advisory * CS provides custody in CH (or third party provides custody)	Transfer all W-9 relationships to a separate US-regulated entity Use PCS for this purpose * PCS provides advisory * CS provides custody in CH (or third party provides custody)	Notify all W-9 clients that they should make alternative non-CS arrangements for their assets
Assessment – Pro's	* Simple implementation with no client migration * If we choose this solution the existing CSPA W-9 clients may transfer to PCS (implement proposed UNO solution) * Major risk for CS Group as whole	* Minimization of risk for CS Group * Comprehensive solution for clients	* Minimization of risk for CS Group * No danger of look-through to Swiss banks * Comprehensive solution for clients	* No risk and danger for look-through anymore
– Con's		* Originally planned transfer of all W-9 clients has to be conducted – RM concerns – Client concerns	* Massive objections by clients and significant loss of assets * Exiting profitable business	* Significant loss of assets * Exiting profitable business
		UBS has chosen similar solution (Advisory by US licensed Zurich subsidiary "Swiss Financial Advisors", custody by Wegelin)	Julius Baer has chosen similar option with mixed results (transfer clients to BJB USA)	ZKB has chosen this option

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Slide 7

Backup: Originally planned transfer of W-9 clients to CSPA did not take place

- The original business plan was not implemented
  - Approximately 50 W-9 client relationships with CHF 120 million in AuM and TOI of CHF 350k p.a. were transferred by CSPB
  - New economy generated, UHNW inflows did not materialize
  - Few referrals by Credit Suisse
  - No critical mass to support a stand-alone US-compliant product offering

- W-9 concentration did not take place
  - Some Market Group Heads signed up to 90% exemptions especially for W-9 members of "client groups"
  - Relationship Managers were reluctant to "give up" clients

- CSPA refused to take on small accounts

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Agenda

- W-9 Clients
- AM Services
- Latam Clients

Conclusion

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Asset management division

- A stand-alone AM division could be established within CSPA
- **Redacted**
- Management controls and MIS could be set up to accommodate maximum independence although supervisory structure and regulatory responsibility would inevitably roll up to CSPA CEO.
- Due diligence and project implementation would take till mid 2006.
- CSPA's private client activities could greatly benefit from an expanded in-house product and portfolio mangement offering.

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Agenda

- W-9 Clients
- AM Services
- Latin American Clients
- Conclusion

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Business Situation:

Latin American clients served out of three organizations

	SWL	[redacted]	PCS
AuM	USD 30bn	[redacted]	USD 2.0bn
# CIF	xxx	[redacted]	xxx
TOI	xxx	[redacted]	xxx
Locations	Various	[redacted]	
Offer	Swiss custody	[redacted]	US custody

[redacted]

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Slide 12

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Legal Situation:

Redacted

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Slide 13

Confidential Treatment Requested by Credit Suisse

Options for Latam clients

	Option I	Option II	Option III
Description	Consolidate the offshore Latin American business from the US in PCS • Transfer all RM's doing such business from CSPA to PCS • PCS newly offers not only US custody and advice but also Swiss custody	Pursue offshore Latin American business from the US out of two entities • PCS with US custody with Pershing • CSPA with Swiss custody with CS	To be discussed (e.g. all to CSPA)
Assessment			
– Pro's	• One organization in the US (infrastructural economies of scale) • Mix of remuneration systems	• Less potential for price erosion for Swiss-custodied relationships • Competition for Latin teams in the US • PCS growth strategy for Latam affected	
– Con's	• Price competition (erosion of CS revenues) between PCS and PB Latin America for Swiss custody services • Stronger restrictions for PCS than for CSPA (e.g. increased disclosure requirements for Swiss products even with Swiss Custody, but no additional effort if we want to offer for US clients anyhow)		The issue which remains unresolved under both first options is local Latin American market ownership and coordination of marketing and acquisition activities in Latin America between PCS and PB Latin America.

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CSPA growth strategy can be implemented fast

- Credit Suisse' largest source of off-shore Latin American NNA is the US.
- A "US advice for Swiss custodied assets" growth strategy can be implemented quickly and aggressively building on the former rep-offices platform.
- Additional teams could be quickly hired onto the CSPA US platform.

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Agenda

- W-9 Clients
- AM Services
- Latam Clients
- Conclusion

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Conclusions and recommendations

- After May 13th the exposure, presented by W-9 relationships, to Credit Suisse is no longer acceptable and such relationships should be transferred to CSPA
- Even following an only partial transfer, of W-9 relationships from Credit Suisse, CSPA will be profitable in 2006
- CSPA should aggressively pursue offshore Latin relationships, with assets that are custodied in Switzerland, from the US.
- A clear division between Swiss custody for CSPA and US domestic custody for PB USA avoids conflicts with PB USA and prevents internal price competition for Swiss custodied assets
- An AM Division unit should be pursued.
- Given its Swiss booking platform, and to align itself with Credit Suisse strategy in Latin America, CSPA should be part of the Latin American unit within PB Americas.

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DRAFT

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W9 Position Paper

Confidential Treatment Requested by Credit Suisse

CS-SEN-00283628

Legal Situation:
Severe sanctions and reputation risks for non-compliance

Strict US Regulations

CS may not provide advice related to securities, including discretionary mandates, in the US (held mail).

No solicitation of any securities transaction in of from the US (no quotes).

No internet access to safekeeping accounts

Complex product restrictions apply for US Persons

CS directive D-0025 provides a comprehensive guideline for compliance, but it is complex and hard to monitor given the wide distribution of US Person relationships across CS

Since the 1976 "Consent Decree" CS has expressly consented to comply with US securities laws, which includes adherence to US regulatory restrictions on providing advice to US Persons

Risk assessment

Full compliance with D-0025 is challenging given its complexity and the broad distribution of US Person relationships across CS

- Any single US Person client complaint or action against CS can trigger public criminal, civil and/or regulatory sanctions
- US Persons with a W-9 are more likely to file a complaint with US authorities, or to initiate civil proceedings

CS is now vulnerable

- Prior to May 13th 2005 CS Bank had no branches or significant direct US presence, resulting in low risk of direct exposure to US domestic lawsuits or enforcement actions
- Post May 13th 2005 CS has branch and CSFB LLC as subsidiary, raising such exposure

Sanctions for non-compliance

US sanctions range from

- Incarceration for officers and directors. Fines that can exceed hundreds of millions of dollars
- Revocation of licenses (e.g. CSFB LLC)

Civil exposure in state and federal court

- Rescission of all unprofitable transactions
- Retroactive award of payable interest
- Punitive damages

Regulatory exposure to prosecution for unlicensed conduct of business by the SEC, NASD and/or state securities regulators

- Penalties include negative impact on other US-regulated entities including barring CSFB LLC from acting as a broker-dealer

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Business Situation US person non-W9:

	CS Total (Confidential)	[redacted]
AuM	CHF ..... billion	[redacted]
# CIF	.....	[redacted]
TOI	CHF ..... million	[redacted]

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CS-SEN-00283630

Business Situation US person W9:

	CS Total (Confidential)	[redacted]
AuM	CHF 2.9bn	[redacted]
# CIF	n/a	[redacted]
TOI	CHF 11.9m	[redacted]

Key drivers

- Risks must be mitigated further
- Current status quo relies on full compliance by a large number of relationship managers, many with only a few US Person clients, with D-0025
- US Persons with a W9 in place present more risk then those without a W9
- Non-W9 US Persons should be concentrated in the CS center of competence SWLN
- W9 US persons should be concentrated in CSPA

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EXB Decision 2000: Form CSPA for W-9 clients

- Create a Swiss-based, SEC-registered vehicle (project name Newco)
  - Fully comply with US regulations
  - Concentrate approx. 300 CSPB W9 US-person relationships in Newco
  - Starting balance approximately CHF 2'700 million with TOI 11.5 million
  - Aggressive growth strategy (CHF 1.5 to 2.5 billion NNA pa)
  - Booking platform for CS referrals
  - Proactively acquire and service US-domiciled clients
  - Unrestricted access (phone, fax, email)
- Concentrate non-W-9 US-person relationships in off-shore US desk (Oldco)
- Proceed with US-person directive (current D-0025)

✓ Key drivers were the need to comply with US regulations and aggressive new-economy UHNW growth assumptions

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Options for W-9 clients

	Option A	Option B	Option C	Option D
Description	Keep status quo ▪ CSPA will keep its existing business with W-9 clients ▪ All other W-9 clients stay where they are ▪ Existing bank W-9 clients retain depot split	Transfer of W-9 relationships to a separate US-regulated entity Use CSPA for this purpose ▪ CSPA provides advisory ▪ CS provides custody in CH (or third party provides custody)	Transfer all W-9 relationships to a separate US-regulated entity Use PCS for this purpose ▪ PCS provides advisory ▪ CS provides custody in CH (or third party provides custody)	Notify all W-9 clients that they should make alternative non-CS arrangements for their assets
Assessment – Pro's	▪ Simple implementation with no client migration ▪ If we choose this solution the existing CSPA W-9 clients could transfer to PCS (implement proposed UNO solution) ▪ Regulatory risks associated with such clients remain	▪ Minimization of risk for CS Group ▪ Comprehensive solution for clients	▪ Minimization of risk for CS Group ▪ No danger of look-through to Swiss bank ▪ Comprehensive solution for clients	▪ No risk and danger for look-through anymore
– Con's		▪ Originally planned transfer of W-9 clients has to be conducted – RM concerns – Client concerns (e.g. depot split)	▪ Massive objections by clients and significant loss of assets ▪ Exiting profitable business	▪ Significant loss of assets ▪ Exiting profitable business
		UBS has chosen similar solution (Advisory by US licensed Zurich subsidiary "Swiss Financial Advisors", custody by Wegelin)	Julius Baer has chosen similar option with mixed results (transfer clients to BJB USA)	ZKB has chosen this option

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Next steps

- Metrics: AuM, #CIF's, dispersion across units and RM's, Earnings, Discretionary vs non-Discretionary
- Assess risk factors (frontnet?): client contact frequency (visit, travel, telephone, email), account activity (avg number of trades)
- Decide scope (IPB's yes / no)
- .....

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CS-SEN-00283635

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CREDIT SUISSE

PROJECT W9

Roadshow Presentation

November 22, 2006

(v1)

Date: November 22, 2006
Produced by: SCAM

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PROJECT W9

Recent and current strategic initiatives (One Bank, PB USA...) increase the exposure of Credit Suisse to US regulations. And, our US clients can only be provided a very limited service level. Both issues need to be addressed to ensure a further sustainable growth.

Redacted

The project W9 has two main objectives:

- Further enhancing compliance with US regulations
- Improving client service level for US clients

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Slide 2

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PROJECT W9

The objectives will be achieved in two phases:

Phase 1: Migration of Swiss booked US resident W9 clients to CSPA (current focus)

Phase 2: Offshore Country Certification Program for RMs (will be started next year)

REDACTED

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Slide 3

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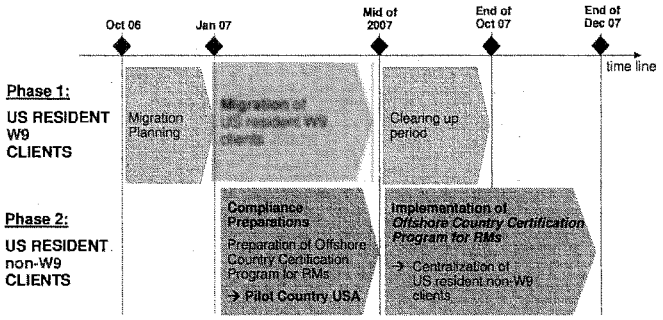
PROJECT W9

Roadmap for Phase 1 and 2



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Slide 4

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PROJECT W9

Overview of Contact Points

Your Contact Points for Questions regarding Project W9

For further information please contact your respective stream head:

Instrumentation SRP 044 334 [illegible]	Gion Cavelti, SRCC 2,	Tel.
Instrumentation SWL* / SH* Instrumentation SP 044 332 [illegible]	Markus Walker, SWLN, Daniel R. Wenger, SIAR,	Tel. 044 334 [illegible] Tel.
Instrumentation SWZ*/SH* Instrumentation SIP 044 333 [illegible]	Thomas K. Gasser, SWDA, Pascal Meier, SIDU,	Tel. 044 333 [illegible] Tel.

For further information regarding US Mandrew for W9 clients:

Asset Management 044 333 [illegible]	Hans-Peter Lüssler	Tel.
Contact at CSPA: 044 334 [illegible]	Hans-Jörg Welsch	Tel.

For more information on CSPA: http://www.credit-suisse.com/[illegible]

For general questions on the project you can send an email to our group mailbox:
GG My Questions (questions.my@credit-suisse.com)

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Slide 5

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CREDIT SUISSE

Info Package Project III.

Date: 23rd April 2009

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Key Message

Based on a variety of strategic market, business and regulatory considerations and anticipated changes to the Qualified Intermediary Agreement and audit guidance proposed by the U.S. Internal Revenue Service, Credit Suisse has decided that, going forward, the Bank will only provide services to U.S. domiciled clients through CSPA, one of its U.S. regulated units.

Against this background, Credit Suisse has decided to invite existing HNWI clients domiciled in the United States to transfer to a US-regulated CS affiliate, in particular Credit Suisse Private Advisors (CSPA).

All clients who do not qualify for CSPA need to close their existing relationship with CS.

TABLE OF CONTENTS

- Overviews Info Packages for BA BRMs and RMs
- Project Scope
- Process and Options Overview for RM
- Check List 'In scope' for RM : Analysis
- Check List 'In scope' for RM : Transfer to CSPA
- Check List 'In scope' for RM : Closure & Escalation Process
- Monitoring by BA BRM : Categories & Explanations
- Contacts
- Attachments to Info Package

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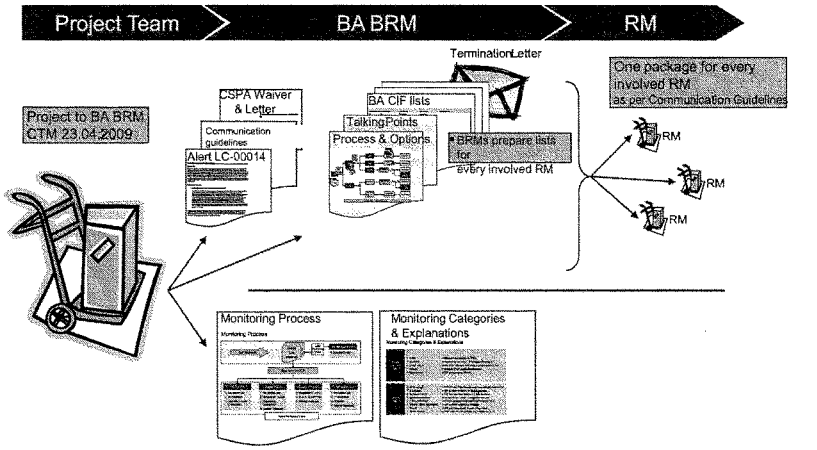
Overview Info Package for BA BRMs



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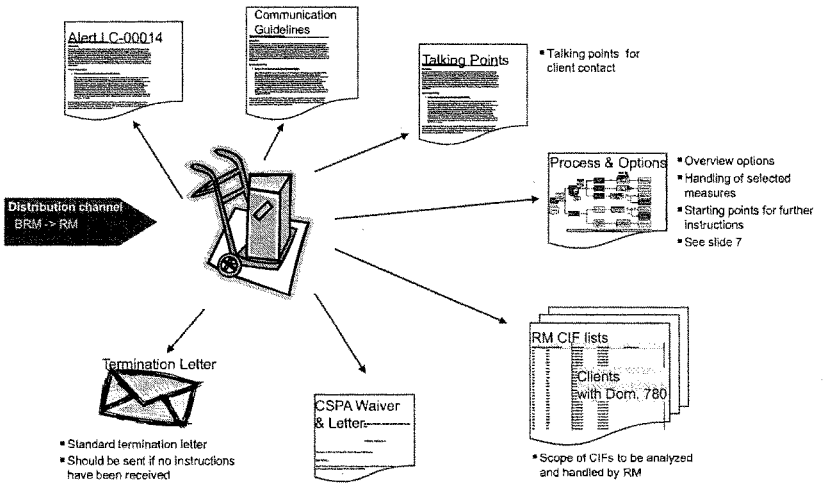
Overview Info Package for RMs



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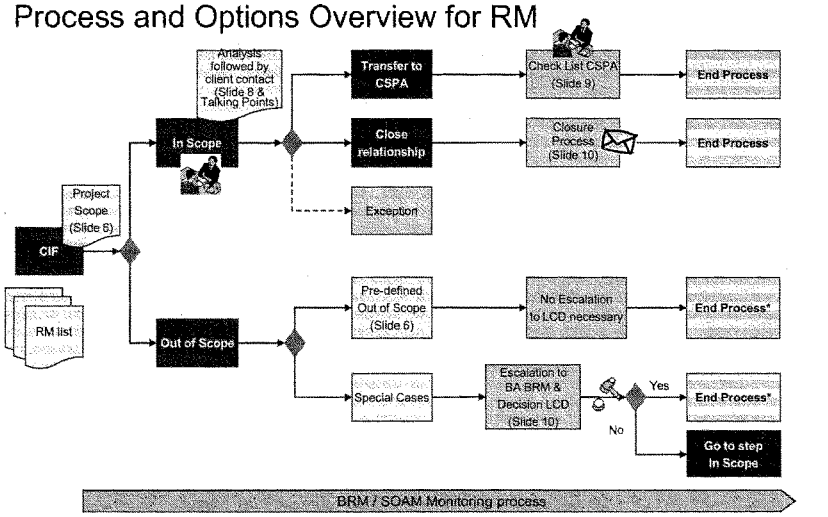
Project Scope

Tenero – Rules
Impact to be communicated by Tenero project team

Scope	• SBIP: • Clients with Dom. 780 (acc. holder) – incl. Individuals & Corporates – incl. Cash Accounts and Deposits – incl. Cash Accounts only – incl. Discretionary Mandates – incl. EAM Clients – incl. CS employees* – Clients with existing W9 form will be addressed in a later phase
Out of Scope	Out of Scope (current and new relationships): • Operating Corporates and Institutional Clients • US LLC with one single BO who is not a US person or taxpayer and qualifies as 'disregarded entity' under US tax law (details see LC-00014)

* Process tbd / Info asap by Project Team / no need to contact at the moment

Process and Options Overview for RM



* to be documented by RM / BA BRM; documentation form will be provided by project team

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Slide 7

Check List 'In scope' for RM: Analysis

Analysis

Responsible: CS RM

1. Preconditions for a potential transfer to CSPA (see slide 9)
   - Client agrees to provide the compliance documents acc. to CSPA rules
   - Asset turn
     - With Deed
       - AuM > CHF m 1, or
       - AuM > CHF m 0.6 with potential of reaching > CHF m 1
     - With cash only
       - AuM > CHF m 10 cash or in gold
     - With mortgage
       - AuM > CHF m 1
2. First contact to CSPA
   - Inform CSPA about the possibility of transfer (on anonymous basis)
   - Questions about connected CIFs and CIFs with potential have to be clarified with CSPA first
3. Next steps
   - If CSPA is positive, go further to step 1 CSPA process, slide 9
   - All remaining cases: Go to slide 10

* Contact CSPA: Hans-Jörg Vetsch (SALN 6)

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CS-SEN-00387053

Check List 'In scope' for RM : Transfer to CSPA

CSPA Transfer Process

[illegible]

* Contact CSPA: Hans-Jörg Velsch (SALN 6)

Check List 'In scope' for RM : Closure & Escalation Process

Closure Process	**Responsible: CS RM** **Basis: Client instructions** • Inform client and ask for instructions. • Termination letter should be sent if no client instructions have been received within four weeks of the date of the phone call or client visit to the bank. • Option 1: Transfer to another bank. Execute portfolio adjustment in advance. Order to PM for closing discretionary mandate and to liquidate specific other non-transferable securities (P-00202 (Link), VV/IC / US Sales Restrictions (Link)). CS RM is responsible for US sales restrictions. • Option 2: Liquidation of portfolio and transfer of cash to another bank. • Option 3: Liquidation of portfolio and cash payment (potential check handling fee by Legal) • Option 4: Contact with client is not possible. Report to BA BRM (e.g. resources acc. to P-00110).
Escalation Process	Escalation process for 'Special Cases (Out of Scope)' and 'Exception cases (In Scope)' • RM: Inform BA BRM • BA BRM: Escalate to Legal / Tax, case by case basis.
RET Process	• RET clients should be contacted by phone (which is in line with P-00800) • Termination letter: To be placed in the RET file unless the client instructs otherwise.

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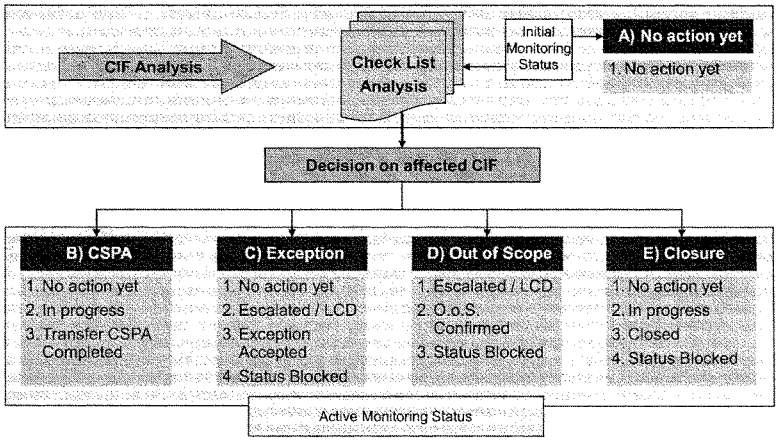
CS-SEN-00387055

Monitoring by BA BRM: Process



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Monitoring by BA BRM: Categories & Explanations

Initial status	• No action yet (A)	→ CF is in analysis
Target Solution (Level 1)	• CSPA (B) • Execution (C) • Out of Scope (D) • Closure (E)	→ Candidate for transfer to CSPA → Request for execution, must be approved by LCD → CF is out of scope according to project scope & alert → Closure of CF & end of relationship
Status (Level 2)	• No action yet • In progress • Escalated / LCD • Execution Requested • O.o.S. Confirmed • Transfer CSPA Completed • Closed • Status Blocked	→ CF has been allocated (Target Solution), but no action to date → CF is either in transfer or closure process → CF has been escalated to LCD for decision → Execution for CF has been granted by LCD → CF has been confirmed as out of scope by RM/BRM or LCD → CF transfer to CSPA is complete → CF has been closed & relationship ended → RM/Client can not process e.g. blocked by LCD

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CS-SEN-00387057

Contacts

- **Central Project Team**
  - Christoph Häner (SOAM 3)
  - Hanspeter Strub (SOAM 2)
  - François Deiss (SOAM 1)
- **CSPA**
  - Hans-Jürg Vetsch (SALN 6)
- **LCD**
  - Rebecca Brunner (YPEF
  - Jörg Witmer (YPPC)
- **Tax**
  - Christina Grob (TTSB)

- **BA Contacts**
  - SR / René Käch (SROC)
  - SI / Erich Stäldi (SIAR 3)
  - SW / Markus Streule (SWZO)
  - SG / Marcel Brogle (SGUR 2)
  - SL / Bernhard Bürgi (SLUI 3)
  - SE / Hans Wulkop (SEMB 1)
  - SA / Markus Walder (SALN)
  - Flughafen-Team / Jürg Segmüller (SALN 8)

Attachments to Info Package

- Alert
- Talking Points
- CSPA Waiver & Letter
- Termination Letter
- Reminder Letter
- Communication Guidelines

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CS-SEN-00387059

Attachments

Client Documentation Package for CSPA

Action	Responsible: CS RM
	1. Print special mailing instructions 2. Print Special Terms and Tariffs 3. Print FrontNet KYC 4. Print current statement of investment (AIS) 5. List open pendencies/cases with Formalities (Client ID) 6. Add all documents and hand over to CSPA*

* Contact CSPA: Hans-Jörg Velsch (SALN 6)

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Internal and Confidential

Core Team Meeting
Project Titan Wave I

SOAM 1

17 February 2012

V1.0

Confidential Treatment Requested by Credit Suisse

Agenda

- Introduction
- Scope Wave I
- Process Overview
- Project Team Activities
- BA BRM Instructions
- Next Steps
- Appendices

Confidential Treatment Requested by Credit Suisse
CS-SEN-00388499

Introduction

Core Team Meeting 12 Jan 2012

- Update on Project TIM
- Overview of forced closure process and role of YCCA8
- Outlook and changes in Policy P-00025 v.3
- New measures for US natural person clients/tax certification forms

Core Team Meeting 31 Jan 2012

- Project Titan
  - Wave I: US national clients with AuM of CHF 250,000[1] or more
  - Wave II: US national clients with AuM of CHF100,000[1] to CHF 250,000[1], part of SSO clients [≥ $10,000]
  - CSPA is out of scope as it will be part of the migration project
- Approach to handling clients in Wave I
- Information Package for the Front
- Instructions for BA BRMs

Core Team Meeting 17 Feb 2012

- Update on Project Titan
- New scope definition for Wave I and Wave II to facilitate process
  - Wave I: US national clients with AuM of CHF 100,000[1] and more (until 31.12.2011)
  - Wave II: SSO clients with AuM of USD 10,000[1] or more (until 31.12.2011)

[1] Pillar 2/3 accounts are excluded for the calculation of the AuM threshold

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CS-SEN-00388500

Confidential Treatment Requested by Credit Suisse

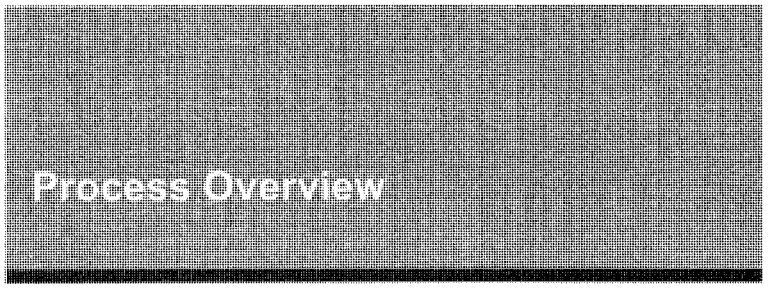
Scope Wave I

- Project Titan Wave I will focus on US national clients with AuM of CHF 100,000[1] or more, until 31.12.2011
- US national clients include natural person clients who are domiciled outside the US and have:
  - A US citizenship (incl. double citizenship), or
  - A US green card
- Clients will need to submit the relevant tax forms according to the given deadlines
- The relationship opening date will determine which certification form(s) is/are to be submitted by the client
- Submission of tax certification forms will be tracked by KUHATs
- Out of scope: US nationals who are CS staff clients or US nationals with AuM < CHF 100,000[1]

Ref.	Form Name	Form Description	Form No.	KUHAT	KUHAT Text
Client relationships prior 2011					
1	US Tax Compliance Certification and Paid Return Preparer US Tax Certification for 2010 ("Prio 2011 Certification")	This is ONE form which covers Relationships opened prior to 2011	105498	314579	US Tax Compliance Certification / Clients opened prior to 2011
Client relationships in 2011					
2	US Tax Compliance Certification ("In 2011 Certification")	This form covers relationships opened as of 01.01.2011 until 31.12.2011 This is form 1 of 2 Forms under ref. 2 and 3 are related	105478	314580	US Tax Compliance Certification / Clients opened in 2011
3	US Tax Return Preparer Notification and Certification ("In 2011 Preparer")	This form covers relationships opened as of 01.01.2011 until 31.12.2011 This is form 2 of 2 The forms under ref. 2 and 3 are related	105483	314581	US Tax Return Preparer Notification and Certification / Clients opened in 2011

[1] Pillar 2/3 accounts are excluded for the calculation of the AuM threshold

Confidential Treatment Requested by Credit Suisse CS-SEN-0038850:



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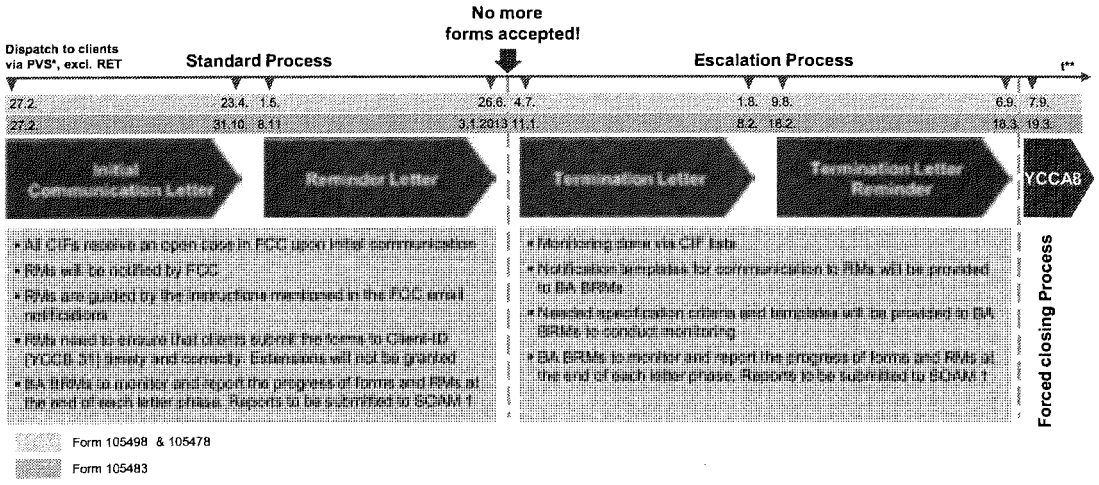
Process Overview

- During the entire process, RMs will be guided by FCC email notifications and by their BA BRM
- The below process applies to all forms
  - All forms start on 27 Feb 2012
  - Reminder phase for form No. 105483 starts on 8 Nov 2012
- Initial communication: All clients are contacted by Postversandstrasse
  - Exception: RMs are requested to contact RET clients
- **Strict deadlines** apply to all clients



CREDIT SUISSE SOAM 1/11-006955

*PVS = Postversandstrasse
** Dates are subject to change

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CS-SEN-00388504

Exceptions for clients prior 2011

- Clients with relationship opening date prior 2011, who do not have a tax preparer, may be granted an exception
- The handling of exceptions is a **time intensive and rigorous process**. Thus, exceptions can only be granted under certain circumstances and sufficient proof
- In order to grant an exception, RMs will need to **contact the RM Helpline for guidance**
- Upon sufficient approval, such clients may be provided with forms **No. 105478 and No. 105483.** However, **the same strict deadlines will apply from 27 February 2012**
- Late, incomplete and/or wrong forms can lead to termination of the relationship

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CS-SEN-00388505

Project Team Activities

Confidential Treatment Requested by Credit Suisse

Project Team Activities

- Initiate first communication to clients through Postversandstrasse. A return-addressed envelope will be provided to clients
- Activate an open case in FCC portal for the CIFs. The RMs will receive a notification email from FCC portal
- Distribute translations (DE/FR/IT) to BA BRMs of Q&A and Talking Points
- No exception granting can be made by Project Team

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CS-SEN-00388507

BA BRM Instructions

Confidential Treatment Requested by Credit Suisse

Confidential Treatment Requested by Credit Suisse

CS-SFN-003885509

BA BRM Instructions

- **Preparation Phase**
  - Ensure RMs are familiar with the content of the information package
  - Instruct RMs to communicate the initial letter and relevant form(s) to RET clients on **27 February 2012**
  - Inform RMs that information for RET clients can be found on eRET
  - Instruct RMs to use the RM Support Helpline to manage client questions. At no point should clients contact the RM Support Helpline

- **Standard Process**
  - Be contact point for RMs in addition to Q&A and RM Support Helpline
  - At end of Initial Communication phase for form 105483, BA BRMs need to provide a clean and reconciled CIF list to FCC for the handling of clients with an exception

- **Escalation Process**
  - Be contact point for RMs in addition to Q&A and RM Support Helpline Use templates provided for communication to RMs
  - Notify RM to communicate Termination Letter and, if applicable, Termination Letter Reminder
  - Notify RM to upload "no service"-code. If necessary, transfer to YCCA8

- **Reporting Concept***
  - Provide reconciled reporting of CIFs and RM progress to SOAM 1 by the end of each phase (further guidelines to be communicated)
  - Report reconciled CIF list to SOAM 1 and transfer remaining CIFs to YCCA8

*Agreed by Ms A. Reicke, to be developed and implemented

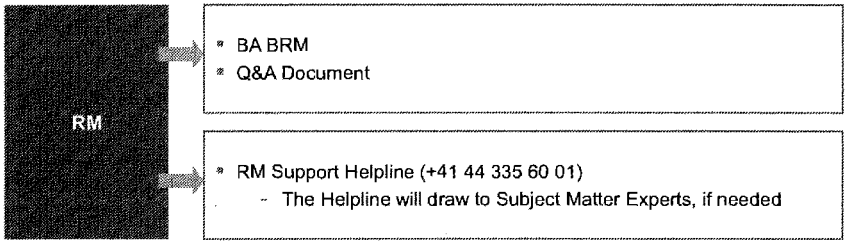
Support for RMs

- During the entire process, RMs have access to multiple sources of support

RM

- BA BRM
- Q&A Document

- RM Support Helpline (+41 44 335 60 01)
  - The Helpline will draw to Subject Matter Experts, if needed



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CS-SEN-00388510

Next Steps

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Next Steps

- Dispatch letters and forms to clients on 27 February 2012
- Provide guidance to BA BRMs for the escalation process and the monitoring concept
- Communicate client scope of new openings in 2012
- Communicate scope and information package for Wave II

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CS_SEC_00388512

Appendix I
Process activities per stakeholder

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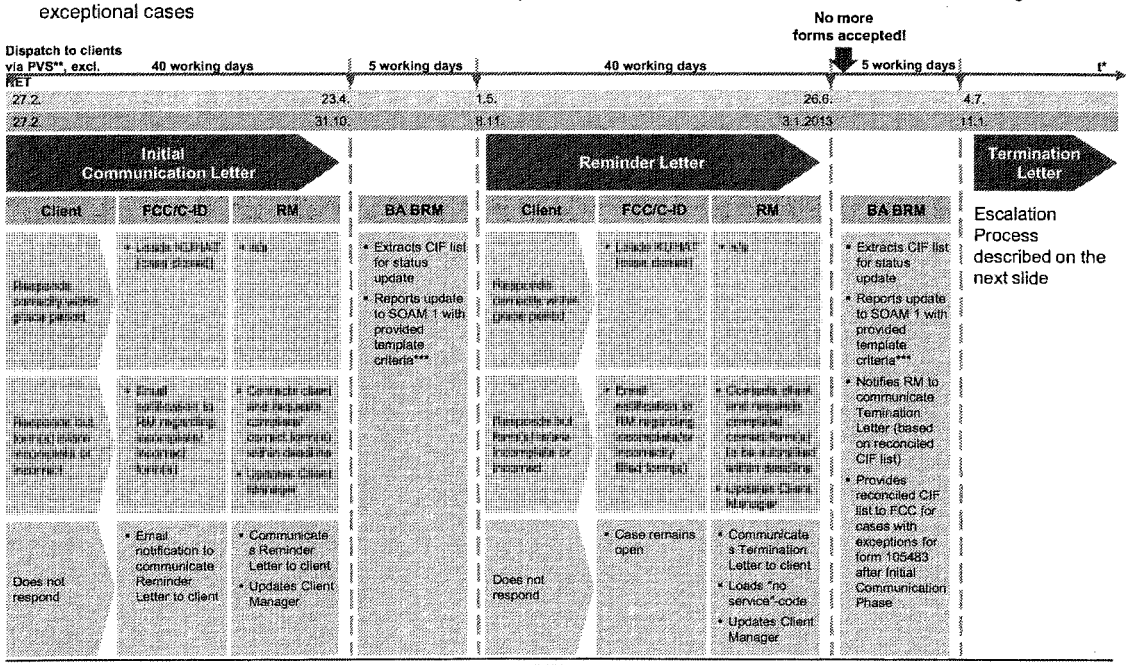
Standard Process

- End of Initial Communication Phase, BA BRMs need to provide a clean, reconciled CIF list to FCC for the handling of exceptional cases



Form 105498 & 105478
Form 105483

* Dates are subject to change **PVS = Postverstandstrasse
***To be communicated

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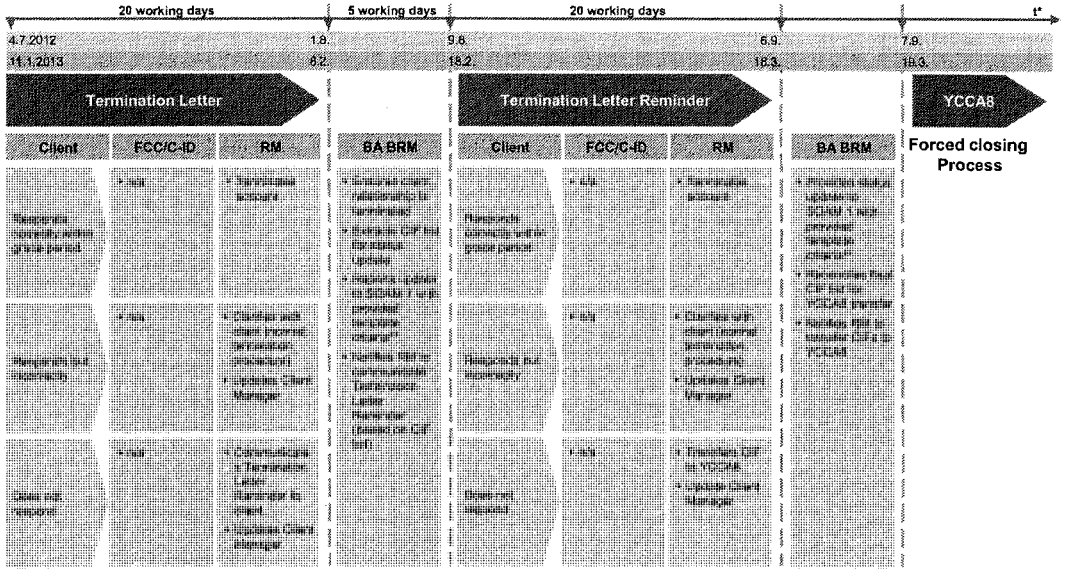
CS_SEC_0038814

Escalation Process



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CS-SEN-00388515

Appendix II
Notification Templates for BA BRMS

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Escalation process: Template - Termination Letter

BA BRM notification - Text to RM

Email subject:
Project Titan Wave I: Outstanding documents - Provide Termination Letter to CIF [XXXX]

Email text:
You have already received a reminder notification for the above relationship. Our records show that the above relationship has still not provided the form(s):

- 105498 or
- 105478 and 105483

within the instructed grace period.

Please communicate the Termination Letter and upload the "no service"-code (RC 03506) for the relationship. All CS products (e.g. debit/credit cards etc) must be cancelled.

[BA BRM to attach Termination Letter]

You are required to update Client Manager within FrontNet as follows:
Project Titan Wave I: Outstanding documents - Termination Letter communicated to the client on [DATE] and "no service"-code (RC 03506) loaded.

Thank you very much,
[NAME BA BRM]

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CS-SEN-00388517

Escalation process: Template - Termination Letter Reminder

BA BRM notification - Text to RM
Email subject: Project Titan Wave I: Outstanding instructions from client - Provide Termination Letter Reminder to CIF [XXXX] **Email text:** Our records show that you were notified to communicate the Termination Letter to the above relationship. This is to notify you that we have not received any information for the above CIF. Please communicate the relevant Termination Letter Reminder. [BA BRM to attach Termination Letter Reminder] You are required to update Client Manager within FrontNet as follows: Project Titan Wave I: No client response to Termination Letter. Termination Letter Reminder communicated to client on [DATE]. Thank you very much, [NAME BA BRM]

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Escalation process: Template - Transfer to YCCA8

BA BRM notification - Text to RM

Email subject:
Project Titan Wave I: Outstanding instructions from client - Send CIF [XXXX] to YCCA8

Email text:
Our records show that you were notified to communicate the Termination Letter Reminder for the above relationship.

We have not received any update regarding the client. Please transfer the relationship to YCCA8. The relationship is to be terminated and closed.

You are required to update Client Manager within FrontNet as follows:
Project Titan Wave I: No response from client. CIF transferred to YCCA8 on [DATE].

Thank you very much,
[NAME BA BRM]

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CS-SEN-00388519

To: Vetsch, Hans.J (CSPA) <hans.j.vetsch@credit-suisse.com>
From: Chairman, CSG </O=CREDIT-SUISSE/OU=GL/CN=RECIPIENTS/CN=CSG.CHAIRMAN>
Cc:
Bcc:
Received Date: 2011-11-15 01:27:39 EST
Subject: Credit Suisse to integrate Clariden Leu

HYPERLINK "http://csintra.net" \n
Broadcast
11/15/2011 07:27 MEZ
HYPERLINK "https://bulkmail5.csintra.net/inxmail0/html_mail.jsp?params=194128+hans.j.vetsch%40credit-suisse.com+0+72b000f000000sev" \nPrint

Credit Suisse to integrate Clariden Leu

Private Banking is crucial to the success of Credit Suisse. At the start of November, we announced our third-quarter results and, at the same time, outlined measures to further evolve Credit Suisse Group's strategy. We want to take decisive actions to leverage client revenues and cost synergies across our three divisions and to reinforce the bank's integrated client-oriented, capital-efficient strategy. In our Private Banking business, we are committed to ensuring industry-leading profitability and are in the process of determining which areas of our onshore and offshore offering should be prioritized for investment. We are also implementing measures to enhance efficiency.

As part of this process, we have analyzed the development potential of our private banking subsidiary, Clariden Leu. Following an in-depth review of various options, we have decided to fully integrate Clariden Leu into Credit Suisse. This move is driven, in particular, by the fact that the operating environment has become much tougher for the entire banking industry in recent months. We believe the pressure on individual institutions – particularly medium-sized internationally active private banks such as Clariden Leu – will increase significantly. Against this backdrop, the integration of Clariden Leu into Credit Suisse represents the best long-term option for clients, employees and shareholders.

The integration is intended to further strengthen Credit Suisse's leadership position in global private banking and to enable us to exploit our growth and earnings potential even more effectively. The anticipated annually recurring cost savings of around CHF 200 million are part of the previously announced measures to increase Private Banking's contribution to the Group's pre-tax income by CHF 800 million by 2014. The decrease in the number of positions as a result of this measure forms part of the 3% headcount reduction over the next two years that we announced on November 1, 2011.

Hans-Ulrich Meister, the new Chairman of the Board of Directors of Clariden Leu, and Hanspeter Kurzmeyer, the newly appointed CEO of Clariden Leu Group, will oversee the legal and operational integration. A seasoned banker and manager, Hanspeter Kurzmeyer has held various important positions at Credit Suisse for over 30 years and was, until recently, Head of Private Clients Switzerland. He possesses the wealth of experience needed to lead the integration of Clariden Leu into Credit Suisse and to ensure that the process is conducted fairly and transparently – particularly for the employees concerned.

We wish to thank Peter Eckert and Olivier Jaquet for their commitment and the work they have done for Clariden Leu in a very difficult period.

At Credit Suisse, we are focused on taking the necessary measures to allow us to act from a position of strength in this evolving landscape and to earn the trust of our clients, employees and shareholders on a long-term basis. Clariden Leu has always delivered exceptional client service and this tradition of excellence will live on within Credit Suisse.

We are convinced that the integration will enable us to sustainably strengthen our leadership position in global private banking.

Urs Rohner

Brady Dougan
Hans-Ulrich Meister

Questions & Contact

HYPERLINK "mailto:corporate.communications@credit-suisse.com"Corporate Communications

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https://bulkmail5.csintra.net/inxmail0/d/d.gif?vr2r000cq6yb0b4bo3a160

Attachments:

ATT737349.gif
ATT737351.gif
ATT737353.jpg
ATT737355.gif

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Internal

FATCA International Transparency Phase Overview

March 2011, Zurich
Produced by: Andrea Kuttner, PBA COO Office Zurich / FATCA Project Team

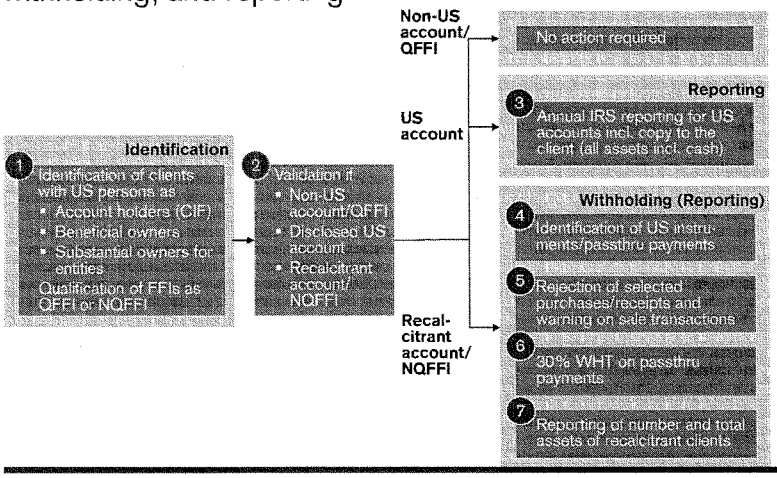
Table of Contents

- FATCA in a nutshell
- Project approach
- FATCA CID requirements

Confidential Treatment Requested by Credit Suisse

CS-SEN-00408838

FATCA evolves around 3 key topics: Identification, withholding, and reporting



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Who is a FFI?

Very broad definition, including

- Banks
- Brokers
- Investment Funds
- Private Equity Funds
- Hedge Funds

} FFIs

- Structured Products and SPVs
- Certain Pension Schemes
- Trusts
- Life insurance companies

} "Small FFIs"

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QFFI vs. NQFFI?

NQFFI (non-participating foreign financial institution):

- Do not enter contract with IRS
- Exit business with US securities to avoid 30% withholding tax on US sourced income and gross proceeds from sale of US securities
- Face risk of losing clients that prefer investing in US securities

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SADA / FATCA Project
Slide 5

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Obligations of a participating FFI

- Identify US accounts
- Comply with due diligence procedures

} Opt-out locations

- Report annually details of US accounts
- Provide further information upon request (e.g., number of recalcitrant accounts)
- Withhold on any withholdable payments (incl. passthru payments) to recalcitrant account holders or FFIs without agreement

} Opt-in locations

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IRS reporting example

Potential reporting example

IRS report

	Personal details				Balances		Transactions				
	TIN-Nr.	Type	Name	Address	Account	Value in USD	ISIN / CUSIP	Date	QTY	TRX in USD	Type
Client 1	123	Client	Client 1	Street, ZIP, Place	CASH-1	67'117.33					
	123	Client	Client 1	Street, ZIP, Place	DEPOT-1	30'381.98					
	123	Client	Client 1	Street, ZIP, Place	DEPOT-2	2'001.00					
	123	Client	Client 1	Street, ZIP, Place	CASH-1	-		01.05.2013		4'794.10	Receipt
	123	Client	Client 1	Street, ZIP, Place	CASH-1	-		01.10.2013		-7'670.55	Withdrawal
	123	Client	Client 1	Street, ZIP, Place	DEPOT-1	-	CH0012138530	01.06.2013	50	2'118.99	Purchase
	123	Client	Client 1	Street, ZIP, Place	DEPOT-2	-	CH0024899483	01.03.2013	80	3'201.60	Purchase
	123	Client	Client 1	Street, ZIP, Place	DEPOT-2	-	CH0024899483	01.08.2013	-30	-1'200.60	Sale
BO 1	456	BO	BO 1	Street, ZIP, Place	CASH-1	67'117.33					
	456	BO	BO 1	Street, ZIP, Place	DEPOT-1	30'381.98					
	456	BO	BO 1	Street, ZIP, Place	DEPOT-2	2'001.00					
	456	BO	BO 1	Street, ZIP, Place	CASH-1	-		01.05.2013		4'794.10	Receipt
	456	BO	BO 1	Street, ZIP, Place	CASH-1	-		01.10.2013		-7'670.55	Withdrawal
	456	BO	BO 1	Street, ZIP, Place	DEPOT-1	-	CH0012138530	01.06.2013	50	2'118.99	Purchase
	456	BO	BO 1	Street, ZIP, Place	DEPOT-2	-	CH0024899483	01.03.2013	80	3'201.60	Purchase
	456	BO	BO 1	Street, ZIP, Place	DEPOT-2	-	CH0024899483	01.08.2013	-30	-1'200.60	Sale

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CS-SEN-00408843

Future FATCA account classifications overview

Client identification	Classification	Handling (working assumption)
▪ Identification of US account holders, beneficial owners, substantial owners (existing + new accounts) ▪ Collection of name, address, and TIN of US person and required waiver ▪ Identification FFI whether QFFI vs. NQFFI	1. US account	▪ Reporting to IRS
	2a. Recalcitrant US account	▪ Freezing (no service) ▪ Due termination[1] ▪ 30% WHT on passthru payments
	2b. Recalcitrant non-US account	▪ Existing account: Blocking for US accounts – 30% withholding ▪ New account: Freezing – due termination[1]
	3. Identified Non-US account	▪ No special treatment
	4. QFFI	
	5. NQFFI	▪ 30% WHT on passthru payments

1) Extent to which full termination required if legal impediments exist under local law to be defined by IRS
Note: This slide presents working assumptions which will be defined in more detail when additional FATCA guidance/regulations are published.

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Confidential Treatment Requested by Credit Suisse

Table of Contents

- FATCA in a nutshell
- Project approach
- FATCA CID requirements

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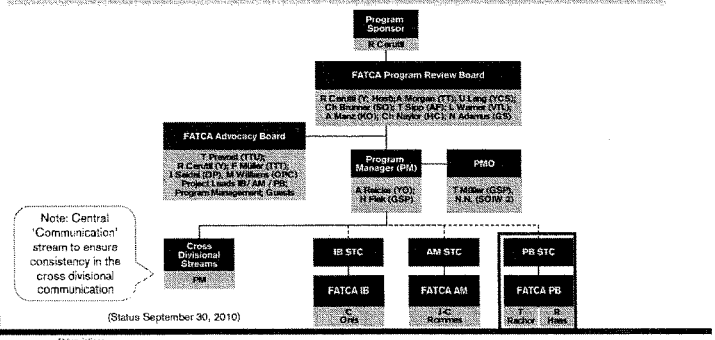
FATCA Program governance

Objective

FATCA is a global and cross-divisional initiative. Its objective is to
- Gain transparency on new FATCA bill and its implication for the bank
- Lobby with IRS including exchange with SBVg/EBF/others
- Conduct a business and application impact assessment in each Division to evaluate cost and complexity of required operating models
- Develop recommendations for each Division how to participate in the new FATCA system
- Prepare CS for an aligned implementation of new FATCA requirements to ensure operational readiness by 31.12.2012

Governance and PB's involvement



(Status September 30, 2010)

Abbreviations:
EBF = European Banking Federation
SBVg = Schweizerische Bankenvereinigung

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SAOA / FATCA Project
Slide 10

PB FATCA project overview

STC: W. Berchtold, H.-U. Meister, A. Bättig, Ch. Brunner, A. DeChellis, M. Kreis, R. Lacher, D. Locher, D. Ott, H.-J. Turtschi, A. Vayloyan, F. Müller, E. Grob, R. Herrmann

Sponsors: W. Berchtold, Ch. Brunner

Report to bank program

Project lead: Tax Switzerland: R. Haas
Regulatory & Business Risk Mgmt: T. Rachor

- Overall coordination and project management
- STC preparation

Core Team:

Tax	LCD	Reg. & BRM	Operations	IT	Products	Americas / APAC / EMEA	Clariden Leu
▪ Interpretation of bill ▪ Description of alternatives ▪ SBV coordination	REDACTED	▪ Business impact on clients/client segments and on CS ▪ Competitive analysis	▪ Process impact (excl. CID processes) ▪ High-level cost & complexity estimate on impacted processes	▪ IT system impact & requirements ▪ High-level cost & complexity estimate	▪ Analysis of impact on certain products ▪ Analysis of new business potential	▪ Steering of international projects ▪ Information exchange and know-how transfer	▪ Know-how exchange with project streams ▪ Separate implementation of independent functions
R. Haas	R. Brunner K. Heim	T. Rachor *Ch. Schmitt*[1]	Th. Neuenschwander[1] Th. Gietz[2]	M. Käppeli	U. Walder	A. Kutlner R. Yeo-Lesslar J. Rosskopf	A. Bosshard

1) External advisor to the project management
2) Certifies of January 10, 2011

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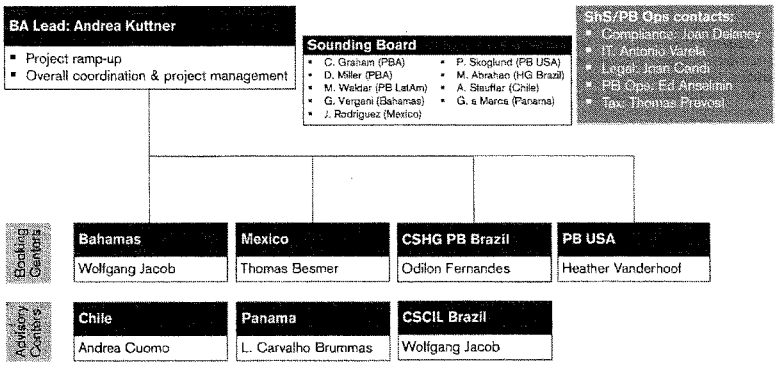
SAOA / FATCA Project
Slide 11

Project org chart for PB Americas



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SAOA / FATCA Project
Slide 12

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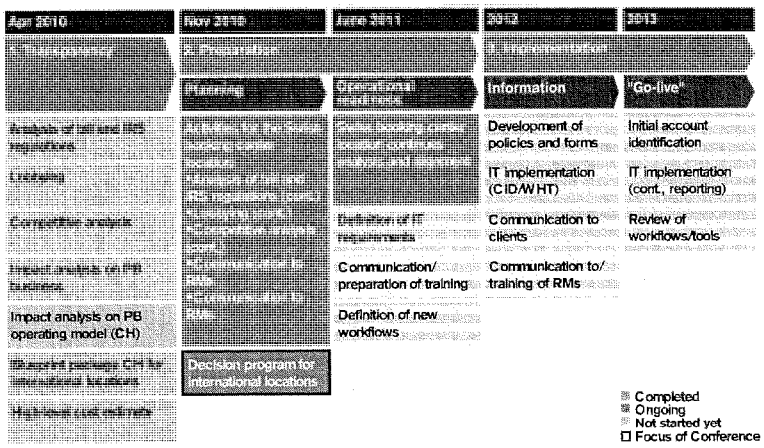
FATCA program 2010-2013: Focus international rollout



1) External advisor to the project management
2) Updates of January 10, 2011

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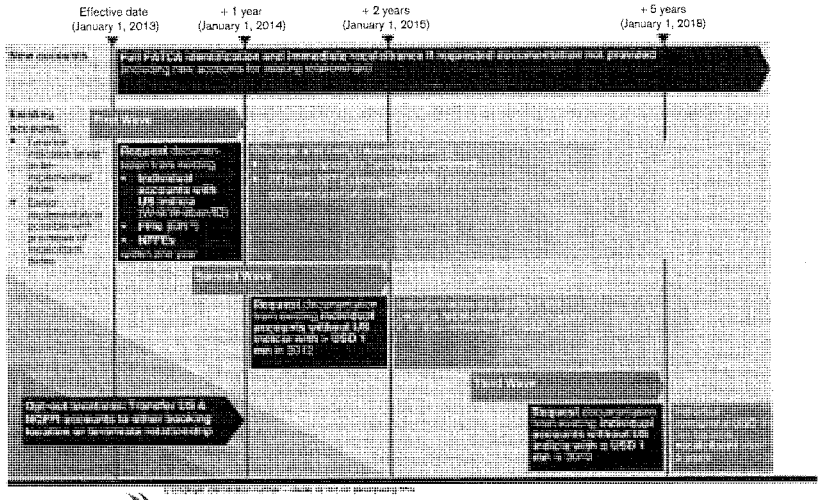
First Draft Notice: Client Identification timeline



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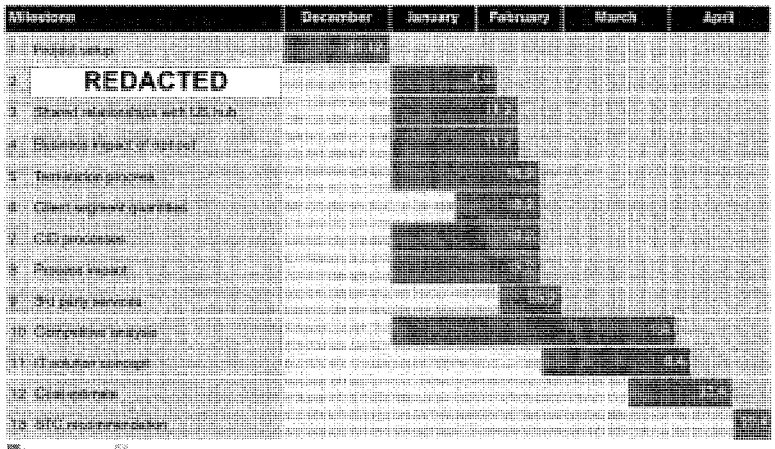
Milestones and timeline of international transparency phase



Note: Advisory centers only to perform milestones 1, 6, 7, 9-13

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SAQA / FATCA Project
Slide 15

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Final deliverable of International Transparency Phase: STC decision template per booking center

Legal entity/branch:
Project Lead: **Mixed location:** ☐ **Yes** ☐ **No**
Opt: ☐ **In** ☐ **Out** **Decision aligned with IB/AM:** ☐ **Yes** ☐ **No**

Expected business impact from opt-out:
- Number of US accounts[1] (2010):
- AuM on US accounts[1] (2010; CHF):
- AuM at risk[2] (CHF):
- Revenues at risk[3] (CHF):
- Number of expected NQFFI accounts[4]:
- Client assets on NQFFI accounts (CHF):
- Client assets at risk[2] (CHF):
- Revenues at risk[3] (CHF):

Expected costs from opt-in[5] (CHF):
- CID implementation costs (incl. advisory centers):
- CID running costs (incl. advisory centers):

- Reporting implementation costs:
- Withholding implementation costs:

- Reporting running costs:
- Withholding running costs:

In case of opt-out:
- Shared relationships with other legal entity/platform: ☐ Yes ☐ No
- If yes, which legal entity(ies)/platform(s): .....
- Shared relationships compliance checked: ☐ Yes
- If no shared relationships, US/NQFFI accounts are: ☐ Terminated or ☐ Transferred to legal entity(ies): .....

Comments:
- ...

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1) Accounts of clients or with beneficial owners that are known as US persons (US domicile or nationality) or accounts that are assumed to have a US client or beneficial owner but which are not identified as such, yet (e.g., green-card, double citizenship, substantial presence)
2) At risk: Potential loss of AuM/client assets in case of opt-out and booking US clients/NQFFIs on another platform or cancelling relationship
3) AuM/client assets at risk multiplied with average gross margin
4) Accounts of FFIs (e.g., banks, brokers, investment funds, SPVs) potentially not participating in FATCA
5) Incl. IT, FTE...

SAOA / FATCA Project
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Table of Contents

- FATCA in a nutshell
- Project approach
- FATCA CID requirements

Confidential Treatment Requested by Credit Suisse

FATCA CID requirements – Understand CID data gaps
Working assumptions of the International Transparency Phase

Natural Persons / Individuals

- The following information **must** be collected for all accounts belonging to natural persons/individuals in order to meet the client identification requirements of FATCA:
  - Place of domicile
  - Citizenship (e.g., passport)
  - Dual-citizenship
  - U.S. Green card
  - Substantial presence test
- The following information **might** help to identify current US accounts booked in the respective location but is not required for FATCA under current working assumptions:
  - Place of birth (if information available in an electronically searchable format)
  - Power of attorney or signatory authority granted to a person with U.S. address (if info available)
  - Standing instructions to transfer funds to an account maintained in the U.S., or directions received from a U.S. address (if information available)

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FATCA CID requirements – Understand CID data gaps
Working assumptions of the International Transparency Phase

Beneficial (Substantial) Owners

- The following information **must** be collected for Beneficial Owners of all accounts belonging to natural persons/individuals in order to meet the client identification requirements of FATCA:
  - Place of domicile
  - Citizenship (e.g., passport)
  - Dual-citizenship
  - U.S. Green card
  - Substantial presence test
- The following information **might** help to identify current US accounts booked in the respective location:
  - Place of birth of beneficial owner (if information available in an electronically searchable format)

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FATCA CID requirements – Understand CID data gaps
Working assumptions of the International Transparency Phase

Legal entities

- The following information **must** be collected for all accounts belonging to legal entities in order to meet the client identification requirements of FATCA:
  1. FFI or not? If FFI, clarify if it is participating in FATCA (QFFI) or not (NQFFI)
  2. Country of incorporation
  3. Determine ownership structure to identify beneficial (substantial US) owners of the legal entity
  4. Identify all beneficial (substantial US) owners according to FATCA sec.1473 (2) (A)
  5. Who hold more than 10% of the legal entity
  6. Who hold more than 0% for investment vehicles
  7. Collect the following information for all beneficial owners or shareholders and/or partners who hold more than 10% of the legal entity / 0% of investment vehicles:
     - Place of domicile
     - Citizenship (e.g., passport)
     - Dual-citizenship
     - U.S. Green card
     - Substantial presence test

- The following information **might** help to identify current US accounts booked in the respective location:
  - Place of birth of the BO or shareholder of a legal entity (if available)

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CS-SEN-00408856

Definition of withholdable and passthru payments

- **Withholdable payments**
  - Any amount of interest, dividends, rents, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, and other fixed or determinable annual or periodical gains, profits, and income, if such payment is from sources within the United States
  - Any gross proceeds from the sale or other disposition of any property of
    a type which can produce interest or dividends from sources within the United States

- **Passthru payments**
  - Any withholdable payment or other payment to the extent attributable to a withholdable payment (details still to be defined)

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Glossary (1/2)

Term	Explanation
BO	Beneficial owner
CID	Client identification
CIF	Client identification file
EIN	Employer identification number – issued by IRS for participating FFIs
FFI	▪ Financial institution: Entity accepting deposits or engaged in business of holding financial assets or in investing or trading securities, commodities, or partnership interests ▪ Foreign financial institution: Banks, brokers, traders, custodians, investment funds, possibly certain insurance companies (at least for certain products) and other FIs not created or organized under US law
IRS	Internal Revenue Service (Tax department of Treasury)
LE	Legal entity
(N)QFFI	(Non-) Qualified Foreign Financial Institution: FFI with(out) FATCA agreement with IRS
NFFE	Non-Financial Foreign Entity: Foreign entity but not a FFI
NRA tax	Withholding tax under QI for non-US persons (non-resident aliens)
QI	Qualified intermediary

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Glossary (2/2)

Term	Explanation
Recalcitrant account holder	▪ Account holder in general not providing sufficient information be identified as US/non-US (e.g., a foreign entity not providing a confirmation that it is not US owned) ▪ US account holder not providing – Name, address, TIN or, in case of a US owned foreign entity, name, address, and TIN of substantial US owner(s) – A waiver in case local law prevents reporting (e.g., bank client secrecy)
Specified US person	▪ US person: – US citizens incl. dual citizenship (e.g., individual born in the US) or permanent US residents (individuals fulfilling the substantial presence/green card test) – Corporations, partnerships, estates and trusts created or organized under US law (= domiciled in US) ▪ Specified US person: US persons except US publicly traded corporations and affiliates, US government or agencies, tax exempt organizations and retirement plans, US regulated FIs (e.g., banks)
TIN	Tax identification number for US tax payers
US account	▪ Financial account: Depository or custodial account maintained by FFI or equity or debt interest in FFI ▪ US account: Financial account held by – Specified US persons (in case of aggregated accounts ≥ USD 50k on a group-wide basis) – US owned foreign entities
US owned foreign entity	▪ Foreign entity: Entity not a US person ▪ US owned: Entity with "substantial US owner" – – Legal entity with ≥ 10% directly or indirectly owned by a specified US person (or 10% beneficial interest in case of a trust) – Foreign investment vehicle with > 0% owned by a specified US person (e.g., mutual fund, SPV) ▪ Exception: Foreign governments, agencies, international organizations, central banks, ...
WHT	Withholding tax

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CSG Internal Audit

IT Private Banking Switzerland / Clariden Leu

Clariden Leu Data Migration Project

Executive Summary

Report CS-2007-175
September 14, 2007

Materiality

	A	B	C	D
4				
3		X		
2				
1				

Rating

Significant Reputational Risk Issues

None

Significant Repeat Issues Not Adequately Addressed

Yes ☐ No ☒

SOX Relevant Matters

N/A

Relevant Divisions/Regions

PB
Switzerland
CIO

Audit Contacts

Jürg Ili	+41 44 333 4665
Beat Wiedemeier	+41 44 333 6935

Background Information

The CSG board of directors decided in spring 2006 to merge its independent private banks Bank Leu, Bank Hofmann, Banca di Gestione Patrimoniale (BGP), Clariden Bank and Credit Suisse Fides into Clariden Leu. During the decision making process it was concluded to have the Swiss Banking IT Platform (SBIP) as core banking IT platform for the new bank. Whereas Bank Leu, Bank Hofmann and BGP have already used SBIP as their core banking system prior to the merger, banking systems Avaloq (Clariden Bank) and Olympic (Fides) are still in use. It is the goal of the Clariden Leu Data Migration project to migrate Avaloq and Olympic data to SBIP at the end of September 2007. The migration includes approx. 21,600 clients (Cifs), 83,500 accounts and 24,600 safe deposit accounts.

Audit Results and Main Recommendations

Project management have initiated adequate measures to prepare the system migration of Avaloq and Olympic to SBIP. However, at the time of our pre-implementation audit we identified areas which require further enhancements. In particular, user acceptance testing for data migrated with specifically developed migration tools should be extended to compensate the lack of testing of these migration tools. Further, testing of master data migration is not appropriately documented and testing guidelines and supporting checklists should be provided. Finally, archiving procedures for all migration documentation and relevant software as well as a phase-out concept for Fides' Olympic system need to be established.

Comments by Senior Management

Daniel Ott, MDR, Core Banking Solutions & Services, KSD – I agree with the contents of this report concerning the PB IT Application Development organization and refer to Appendix 1 for detailed comments and implementation dates.

Chief Auditor

for Sector Head

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Appendix 1

Detailed Audit Findings

Contents **Page**

Repeat Issues *1*

New Issues *1*

1. Migration Software Tools *1*

2. Migration Workstreams *2*

3. Archiving of Migration Documentation *3*

4. Fides Olympic System Phase-Out *3*

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Repeat Issues

First audit in this area

N/A

New Issues

1. Migration Software Tools

Data migration from the current systems Avaloq (Clariden) and Olympic (Fides) to the Swiss Banking IT Platform (SBIP) require extensive data re-formatting and transformation. Re-formatting is usually performed by the so called "Migration Tool" and data upload onto SBIP is supported by so called "PC Automats", both internally developed migration tools. A PC Automat simulates SBIP user transactions to input data based on pre-formatted input files. We noted the following:

a) Data format transformation within the Migration Tool requires detailed mapping rules, describing the old and new data format and respective transfer rules. Mapping rules for Clariden Leu migration have been defined in collaboration with IT and business representatives. However, IT was in charge of designing the Migration Tool and capturing the mapping rules. It is not planned to have Business representatives formally sign-off tool functionality and mapping rules. We understand that a Business sign-off for tool functionality and/ or mapping rules is not deemed feasible due to missing knowledge. However a sign-off based on tests performed is not planned either. There is a risk that mapping rules are incorrect either due to faulty design or incorrect implementation and such mistakes might be undetected until acceptance tests are performed.

b) Development of the Migration Tool and PC Automats was ongoing during the audit. Software development and versions management is supported by the application "Source Save". However, software installation in the production environment is performed manually and hence a complete audit trail for software promoted to production may not be ensured.

c) At the time of the audit adequate documentation for software, procedures, etc. of Migration Tool, PC Automat and mapping rules were not available yet. There is a risk that traceability of data transformation is not possible.

Recommendations

a) Proper functioning of Migration Tool and correct application of mapping rules should be reviewed and confirmed by Business users based on detailed testing of SBIP data. Where useful, such data controls should be supported with customized checklists to support business users' test approach.

b) Traceability of software installation should be ensured.

c) Adequate documentation of Migration Tool, PC Automat and mapping rules should be developed.

Comments by Management and Implementation Date of Recommendations

Daniel Ott, MDR, Core Banking Solutions & Services, KSD – Agreed.

a) Control of coded, technical mapping rules by business individuals responsible for the workstreams is not considered feasible due to the technical know-how required. However, the quality assurance-approach pursued by the project team is to compare raw data of source systems with migrated data on the SBIP and subsequent approval from workstreams. In particular, initial controls of customer holdings data have been performed during the test day (Betriebstag) on August 25, 2007. In addition,

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Relationship managers are in charge to formally approve migrated master data in the period from September 17, to September 21, 2007. Additional controls will be performed by Business on a sample basis during the test day at the migration weekend on September 30, 2007. Additional controls will be performed on a case by case basis, if required. Responsible for implementation: Rolf Maechler, Special Projects, KSD 964. Implementation date: October 31, 2007.

b) An adequate audit trail for software migrated to production environment will be ensured. Responsible for implementation: Rolf Maechler, Special Projects, KSD 964. Implementation date: September 30, 2007.

c) A comprehensive documentation of the migration tool will be provided until November 30, 2007. Responsible for implementation: Rolf Maechler, Special Projects, KSD 964.

2. *Migration Workstreams*

IT & Ops Migration Switzerland project management have defined several workstreams, each responsible for migration of a specific area e.g. migration of master data, single accounts, payments, etc. IT & Ops Migration Switzerland supervise status of all workstreams to ensure a timely and smooth migration. In addition, the Project Management Office monitors the project status regarding budget, progress and quality. With regard to workstreams "Master Data" (X3) and "Single Account" (B5/B6) we noted the following:

a) Customer Information File (CIF) and account warning flags from the two source systems Avaloq and Olympic have been analyzed and whenever possible corresponding mapping rules have been defined in the Migration Tool. However, no analysis has been performed whether CIF and/or account warning flags need to be activated according to target system requirements (SBIP). This increases the risk that required process steps or controls are not performed correctly due to inappropriately set or missing warnings.

b) Master and single account data will be migrated in a four step approach. At the time of the audit the first step was already completed. The last step will be performed approximately ten days before the live data migration end of September. However, completed test work has not been formally documented yet and for planned tests no testing guidance is available. These matters increase the risks that test work performed cannot be adequately evidenced and important test steps/cases are not performed resulting in undetected errors being migrated to production environment.

c) Each workstream prepared a Realization Offer (RO) document outlining details for the planned migration. An essential part of each realization offer is the section "in- and out of scope", where each workstream specifies its specific coverage. In case of "out of scope"- areas, references to other workstreams are provided. For such cases, however, neither the workstream responsibles nor the Project Management Office checked whether "out of scope" topics by one workstream are appropriately assigned to another workstream. This matter increases the risk of certain areas being uncovered potentially resulting in incomplete data migration.

Recommendations

a) It should be investigated whether additional CIF and/or account warn-flags (e.g. sensitive countries flag) need to be set in SBIP. If required, respective measures should be initialized.

b) A test concept for workstreams X3 master data and B5/B6 single account should be implemented and test work performed should be adequately documented. Testing guidelines and checklists should be developed to support business users in testing.

c) Migration Realization Offer documents should be reviewed for specific out of scope areas and appropriate coverage verified with receiving workstream owners.

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Comments by Management and Implementation Date of Recommendations

Alex Stoeferle, DIR, Special Projects, UFSP – Agreed.

a) Implemented measures will be reassessed and if required additional measures will be taken. Implementation date: September 30, 2007.

b) Test concepts, including test guidelines and checklists for workstreams X3 master data and B5/B6 single account will be established and tests will be documented appropriately. Implementation date: September 30, 2007.

c) "Out of scope" items outlined in various migration documents will be reviewed and appropriate measures will be taken if required. Implementation date: September 30, 2007.

3. *Archiving of Migration Documentation*

Roughly 200 employees are involved in the Clariden Leu migration project, creating a large number of migration documents such as data migration concepts, training documents, software specifically used for migration, etc. The majority of this documentation needs to be archived to ensure an appropriate audit trail for all data migrated to the new platform. However, at the time of our audit archiving standards and procedures for these migration documents were not defined yet.

Recommendation

An archiving concept for all migration data and documentation should be defined and implemented.

Comments by Management and Implementation Date of Recommendation

Daniel Ott, MDR, Core Banking Solutions & Services, KSD – Agreed. An adequate archiving concept will be implemented until November 30, 2007. Responsible for implementation: Rolf Maechler, Special Projects, KSD 964.

4. *Fides Olympic System Phase-Out*

Olympic data will be migrated to the SBIP at the end of September. However, at the time of our audit no phase-out and archiving concepts for Olympic were established yet. There is the risk that changes of Olympic data performed after migration may impair integrity of data to be archived.

Recommendation

A phase-out concept for Olympic should be implemented.

Comments by Management and Implementation Date of Recommendation

Thomas Bauer, DIR, CL COO Office, XOAZ – Agreed. The current Clariden Bank archiving concept will be amended with specific exCS Fides topics (System Olympic). Impementation date: September 30, 2007.

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Appendix 2

Audit Scope and Background Information

Audit Scope

The scope of our pre-implementation audit included an examination of the following workstreams of Clariden Leu Data Migration project:

- X3 Master Data
- X4 Testing
- X2 Training
- A5 Securities Operations
- B5 Customer
- B6 Single Accounting
- G1 Accounting

Specific areas included in the scope of our pre-implementation audit were as follows:

- Adequacy and completeness of test procedures, operational and automatic controls and reconciliations
- Data migration audit trail
- Documentation
- Archiving of data and migration documents
- Planning of migration weekend
- Fallback-Scenario
- Training

Audit Period

May 2007 – July 2007 (85 Audit Days)

Audit Team

Auditor	Philipp Müller
Audit Manager	Hanspeter Beglinger
Area Head	Beat Wiedemeier

Systems Overview

System Name	System Description
Swiss Banking IT Platform	Swiss IT Banking Platform (SBIP) consists of all banking applications, technical IT systems and management procedures which are required to run banking business in Switzerland.
Avaloq	Core banking system of the former Clariden Bank.

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System Name	System Description
Olympic	Core system of the former Fides.

Overview of Reviewed SOX 404 Processes

N/A; there are no SOX 404 processes relevant to this project.

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Appendix 3

Distribution List

A) Clariden Leu Management

Chairman *:	Mr. Walter Berchtold
Audit Committee:	Mr. Peter R. Isler (via Ms. Stefanie Schneider Shalom) Mr. Romeo Cerutti Mr. Sergio Zoppi
CEO:	Mr. Bernard Stalder
CFO:	Mr. Roman Kurmann
COO and Responsible Executive Board Member:	Mr. Roland Herrmann
Responsible Management:	Mr. Thomas Bauer
Legal and Compliance:	Mr. Rudolf Hugentobler
CRO:	Mr. Jean-Pierre Colombara

B) Shared Services Management

Heads Shared Services Areas *:	Mr. Wilson Ervin Mr. Thomas J. Sanzone
Responsible Management:	Ms. Lisa Humbert Mr. Karl Landert Mr. Rolf Maechler Mr. Daniel Ott
Legal:	Mr. Martin Taufer Mr. Romeo Cerutti Ms. Agnes F. Reicke
Compliance:	Mr. Allen Meyer Mr. Stephane Marc Tourette Mr. Martin Eichmann
Risk Management:	Mr. Mark A. Holmes
ATS Coordinator:	Mr. Marco Valenti

C) CS Functions

Regional CEO *:	Mr. Ulrich Koemer
PB COO:	Mr. Christoph Brunner
PB Operations:	Mr. Marco Bazzani Mr. Romeo Lacher Mr. Alex Stoeferle
PB Business Risk Management:	Ms. Manuela Balma

D) CSG Functions

Group CFO *:	Mr. Renato Fassbind
Group COO and General Counsel *:	Mr. Urs Rohner
Senior Legal Counsel GxB *:	Mr. Felix P. Graber
Group CRO *:	Mr. Tobias Guldimann
Corporate Governance Portal:	Mr. Pierre Schreiber Ms. Beatrice Fischer

* Executive Summary only

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Appendix 4

Rating and Materiality Definitions

1. Principles

The Audit Report Ratings ('the rating') provide a mechanism to quickly convey to the reader the Internal Audit's assessment of the overall control environment at the start of the audit fieldwork and the significance of the issues raised in relation to the Audit Unit (see scope) under review. The rating is solely assigned by Internal Audit based on its independent and professional judgment.

A separate materiality ranking is displayed with the rating on the audit report to provide the reader with Internal Audit's assessment regarding the materiality of the Audit Unit reviewed in relation to the overall portfolio of businesses of the Bank.

2. Rating Definitions

Rating A

The Audit Unit's overall control environment was found to be operating effectively. In particular:

- There were no internal control issues, or only minor issues which pose no undue risk; and
- No reputational or compliance risks were identified; and
- No instances of non-adherence to laws and regulations were identified; and
- No high-risk issues were identified.

Rating B

The Audit Unit's overall control environment was generally found to be operating adequately;

- Minor internal control issues were identified, which if not addressed, could pose undue risk to the Bank; and/or
- Deficiencies were identified in application of internal directives, policies or best practices; however:
- No significant reputational or compliance risks were identified; and
- No instances of non-adherence to laws and regulations were noted.

Rating C

The Audit Report identified issues that could expose the Audit Unit to a heightened level of operational, financial or reputational risks. These issues include:

- Internal control issues, which if unresolved could pose undue risk to the Bank; or
- Reputational or compliance risks; or
- Non-compliance with or lack of appropriate internal directives or policies; or
- Issues from prior audits that have not been adequately remedied; or
- Non-adherence to laws and regulations.

Senior Management (one level below Management Committee, or higher) must ensure that these issues are addressed in a timely manner.

Rating D

The Audit Report identified issues that could expose the Audit Unit to a significant level of operational, financial or reputational risks. These issues could include:

- One or more significant internal control issues, which if unresolved could pose significant risk to the Bank; or
- Issues with high potential for exposure to significant reputational risks; or
- Significant non-compliance with existing directives and policies or significant lack of appropriate internal directives or policies; or
- Inadequate remediation of significant issues from prior audits, and/or management focus on such; or
- Numerous findings that, while individually less significant, in the aggregate represent significant unmitigated risks for the unit's internal control environment; or
- Significant non-adherence to laws and regulations; or
- Substantial work outstanding to mitigate significant risks identified and/or implement strategic control initiatives.

Senior Management and the Responsible Management Committee Member must ensure that these issues are addressed in a timely manner.

It is Internal Audit's policy to commence a follow-up review generally within one year of the issuance of all D-rated reports.

3. Materiality Criteria Methodology

The individual risk score and the materiality ranking are the two key dimensions in the Risk Assessment Methodology (RAM) used by the Internal Audit to determine the audit rotation/frequency. As part of the audit report rating, this materiality ranking will be disclosed/ published and will provide management with valuable information about the size/significance of the Audit Unit under review in relation to the entire population of Audit Units within the Bank.

Internal Audit determines the materiality ranking for each Audit Unit, typically as part of the annual planning process. The factors are primarily determined by the Audit Unit type and are assessed at four levels (with 4 being the highest level). These levels are based on specific criteria relevant to the various business activities conducted by the Bank. Not every consideration will apply to a particular Audit Unit within the defined business activity and the criteria include – inter alia – trading revenues, number of transactions and deal volume, assets under management, outstanding loans, number of clients, etc. for business area; more qualitative criteria for functional and topical units.

The individual criteria are periodically reviewed by Internal Audit and discussed with and validated through business management. The applicable materiality ranking for the report rating is reassessed by Internal Audit during the planning phase of an audit and is generally communicated to the responsible line management as part of the opening meeting of an audit.

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CREDIT SUISSE

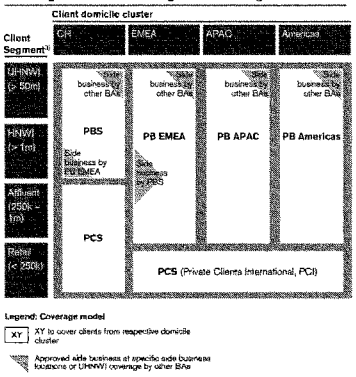
Coverage Rules for Swiss Banking Platform

Date: March 31, 2010

Confidential Treatment Requested by Credit Suisse

Coverage Model of SBIP[1)] booked individual clients[2)]

Coverage model and strategic focus of segments



Key elements of market coverage

Retail clients

- Clients to be covered by PCS
- International retail clients to be covered in specific set-up (PCI)

Affluent/HNWI clients

- Clients to be covered by respective BA responsible for domicile; CH Affluent clients by PCS, CH HNWI clients by PBS
- Exception
  - Selected PBS and PB EMEA locations ("side business locations") allowed to do side business for specific domiciles
- All portfolios of RMs to have at least 10 CIFs per domicile (cluster)

UHNWI clients

- Clients to be covered by respective BA responsible for domicile
- Side business by other BAs allowed

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1) Swiss Banking IT Platform
2) Clients booked in and managed out of Switzerland, excluding clients of EAM
3) Client potential to be considered, i.e. clients with upgrade potential to be allocated to higher segment

March 31, 2010 / Slide 2

SBIP Coverage Rules: Summary

Rule	Cornerstones of rule	Details
New relationships	▪ New relationships directly to be allocated/referred to BA responsible for domicile[1]. Certain exceptions at side business locations, for UHNWI clients, family members and for RMs with business case apply	p. 5-6
Client transfers	▪ Whenever there is any change of client-RM-relationship (e.g. due to RM resignation or portfolio clean-up): Client relationships to be allocated/ transferred to BA responsible for domicile	p. 7
Side business travel	▪ Market Leader's decision to allow side business travel – At side business locations and Premium/UHNWI desks: Case-by-case or travel licenses – At other locations: Case-by-case only	p. 8
Exception approval	▪ Case-by-case exceptions of any rule can be granted by dual approval of RM's line manager and Market Leader at top management level[2]	p. 9
Monitoring	▪ Quarterly open book reviews	p. 9

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1) International Retail clients to PCI; CH: Retail/Affluent clients to PCS; HNWI clients to PBS; DAs might define more specific rules where exactly within the BA the client has to be allocated (e.g. market desks or BA-internal side business desks)
2) PBS: Regional Head; PB EMEA: Market Area Head; PB Americas: BAL; PB APAC: SWZ

March 31, 2010 / Slide 3

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Coverage Rules for Swiss Banking Platform – Details

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SBIP Coverage Rules: New relationships (1/2)

Rule

- Allocate/refer new relationships directly to BA responsible for domicile[1)]
- In case of referral
  - No right of refusal (exception: Reputational risk, PEP)
  - RM to be compensated for referral (CRCT)
- Allowed exceptions
  - At side business locations: New clients can be opened directly according to location's domicile allowance
  - UHWNI clients can be opened with full side business allowance by all BAs and for all domiciles; however each BA to focus on their markets, no proactive acquisition outside BA's core coverage
  - Direct family members (children, parents, spouse, husband) of existing clients can be opened by current RM

1) International Retail clients to PCI; CH: Retail/Affluent clients to PCS; HNWI clients to PES. BAs might define more specific rules where exactly within the BA the client has to be allocated (e.g. market desks or BA-internal side business desks)

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CS-SEN-00419956

SBIP Coverage Rules: New relationships (2/2)

Rule (continued)

- Allowed exceptions (continued)
  - RM with Business Case[1] allowed to open new clients beyond BA's/location's domicile allowance during BC duration[2], however
    - Existing book and/or growth potential of any new RM with Business Case to have clear focus on one market (cluster)
    - Grant exception allowance only for new RMs fulfilling a CHF 100m AuM Business Case over 3 years
    - Clearly designate affected RMs and review portfolio and reallocate clients after Business Case expiry[3] [4]

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1) Ongoing business case and new RM, for UHNWI business sale business allowance is granted – therefore UHNWI RM with business case can open new UHNWI relationships with full sale business allowance
2) This rule has been applied accordingly when granting exceptions during Tenem-related focused clean-ups
3) Max. 36 months
4) Tracking and review as part of quarterly Open Book Review

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SBIP Coverage Rules: Client transfers (RM change, other transfers)

Rule

- Whenever there is any change of client-RM-relationship, whether
  - Client needs to be transferred due to RM resignation or RM job change or
  - Client is intended to be transferred to another RM as part of a portfolio clean-up (e.g. to increase focus),

  allocate/transfer client relationship to BA responsible for domicile[1)]
  (For UHNWI: Allocate/transfer to dedicated UHNWI RM[2)])
- No right of refusal provided fair-play rules have been fulfilled (e.g. no transfer of clients already in closing process, pending items to be cleaned up prior to transfer)[3)]

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1) International Retail clients to PCI; CH: Retail/Affluent clients to PCS, HNWI clients to PBS; BAs might define more specific rules where exactly within the BA the client has to be allocated (e.g. market desks or BA-internal side business depts)
2) In principle, to BA responsible for domicile; however, all BAs have full sale business allowance
3) Fair play rules as agreed between BAs on an operational level

March 31, 2010 / Slide 7

SBIP Coverage Rules: Side business travel

Rule

- Market Leader to approve any travel into respective domicile
- It is fully upon Market Leader's decision to allow side business[1] travel within the following frame
  - At side business locations (excl. Tourist Spots) and Premium/UHNWI desks:
    ML can allow/approve travel upon case-by-case request or travel licenses[2]
  - At any other location (incl. Tourist Spots):
    ML can approve travel upon case-by-case request only
- RM's manager (and not the Market Leader) is responsible to
  - Make sure that travelling RMs fulfill any requirements defined by CB+/Market Leader in any case (trainings, certificates)
  - As a principle, limit number of travelling destination domiciles per RM to 3 (core coverage country plus max. 2 other countries)

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1) Definition "Side business": Clients of a BA from domiciles that the RA is not country responsible for
2) A travel upon case-by-case request has to be approved by the CPE's Line Manager and by the Market Leader of the destination. The entire approval process is carried out electronically in the Global Travel Management Tool. A travel license exempts the CPE from requesting single approvals prior to each trip to the country covered by the travel licence. It is valid until revoked by the issuer or until the underlying traveller certificate expires. Please also refer to policy P-00225

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SBIP Coverage Rules: Exception approval/monitoring

Exception approval

- In case of reasonable business rationale, case-by-case exceptions of the defined coverage rules can be granted by dual approval of
  - Line Manager of the concerned RM on respective level[1] or above **and**
  - Market Leader of the respective domicile (if on respective level[1] or above) or Line Manager of Market Leader on respective level[1] or above
- Responsibility to get approvals: RM[2]

Monitoring

- Representatives of all front BAs to quarterly conduct Open Book Review to monitor and review compliance with coverage rules

1) PB6: Regional Head, PB EMEA: Market Area Head, PB Americas: SAL, PB APAC: SWZ
2) Process according to risk country approval process; specific application form to be developed

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CS-SEN-00419960

CREDIT SUISSE

Cases for Coverage Rules Swiss Banking Platform

April 2010

Confidential Treatment Requested by Credit Suisse

New Relationships (1/2)

Case	Action
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]

CREDIT SUISSE

Date: April 2010, Slide 2

Confidential Treatment Requested by Credit Suisse

New Relationships (2/2)

Case	Action
[redacted]	[redacted]
[redacted]	[redacted]

Confidential Treatment Requested by Credit Suisse

Client Transfers

Case	Action
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]

CREDIT SUISSE

Date: April 2010, Slide 4

Side Business Travel

Case	Action
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]

CREDIT SUISSE

Date: April 2010, Slide 5

Exception Approval

Case	Action
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]

Confidential Treatment Requested by Credit Suisse

CS-SEN-00419966

General information

Information

1. Line Manager to ensure that his RM fulfils any requirements defined by CS= and ML (trainings/ certificates) when RM is servicing clients outside his original market coverage

Confidential Treatment Requested by Credit Suisse

CS-SEN-00419967

CREDIT SUISSE

CREDIT SUISSE AG
Postfach 315
CH-3780 Gstaad

Phone 033 748 97 97
Fax 033 744 62 21
www.credit-suisse.com
BIC CRESCHZZ80A

Client number
In the name of

Mr

Contact Center
Phone 0848 880 840

Simulation

1.6.2011
Page 1/1

Reminder regarding United States reporting obligations

Dear Sir/Madam

Our records indicate that you are either a citizen of the United States or otherwise a "U.S. person" for United States tax purposes. We would therefore like to take this opportunity to remind you of your responsibility to determine your tax status and to satisfy all your filing and payment obligations, as applicable, under U.S. state and federal law.

In particular, if any "U.S. person" has a financial interest in or signature authority over at least one financial account located outside the United States, and the aggregate value of all such foreign financial accounts exceeded $10,000 at any time during the calendar year to be reported, that person is required to file with the U.S. Department of the Treasury a Report of Foreign Bank and Financial Accounts ("FBAR") on Form TD F 90-22.1 by no later than June 30th of the following year. Additional information is available on the IRS website at: www.irs.gov/businesses/small/article/0,,id=148845,00.html

We kindly ask you to consult your U.S. tax adviser in case of questions regarding your U.S. tax and filing obligations as CREDIT SUISSE AG and its employees cannot provide any advice to its clients on these issues.

Yours sincerely

CREDIT SUISSE AG

Disclaimer:

This letter is for informational purposes only and shall not be viewed as an offer or solicitation for the acquisition or sale of products or other specific services. The information and opinions provided in this document stem from sources which we regard as reliable and trustworthy. We cannot, however, accept any responsibility or liability, neither implicitly or explicitly, for its accuracy or completeness. CREDIT SUISSE AG cannot provide any legal or tax advice, and this letter does not represent any such advice. This material is not intended or written to be used, and cannot be used or relied upon, by any taxpayer for the purposes of (i) avoiding penalties under the Internal Revenue Code of the United States, or (ii) promoting, marketing or recommending to another party any transaction or tax-related matter(s).

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[address]

us.helpline-cs@credit-suisse.com

February 2, 2012

U.S. Government Tax Investigation and Voluntary Disclosure Opportunity

Dear former Client,

As publicly reported, the U.S. Department of Justice and the Internal Revenue Service have an ongoing investigation of U.S. taxpayers using offshore (that is, non-U.S.) accounts to evade U.S. taxes. U.S. taxpayers with offshore accounts should ensure that they are compliant with applicable U.S. tax responsibilities.

In this regard, Credit Suisse would like to bring to your attention that the U.S. Internal Revenue Service (IRS) has announced the reopening of its offshore voluntary disclosure program. This program enables taxpayers to get current with their outstanding U.S. tax responsibilities. The IRS website (www.irs.gov) contains further information regarding the newly-reopened voluntary disclosure program. Within the next month, the IRS will be updating its website with additional details about the program.

Credit Suisse cannot provide you with any legal or tax advice. Please consult with your own U.S. tax professional to determine whether you have any additional U.S. tax obligations and whether you may benefit from participating in the newly-reopened IRS voluntary disclosure program.

Yours sincerely
CREDIT SUISSE AG

Unsigned document

CREDIT SUISSE AG
Private Banking
P.O. Box
Paradeplatz 8
CH-8070 Zurich
www.credit-suisse.com

Private Banking
<KVVONA>
Relationship Manager
<KVTEL>

<BETR1>
<BETR2>
<BETR3>

<VADR2>
<VADR3>
<VADR4>
<VADR5>

February [xx], 2012

US Tax Compliance Certification / Client No. [xxxxxxxx]

Dear Sir/Madam

Our records indicate that you are a resident of the United States, a US citizen or otherwise a "US person" for United States tax purposes.

Credit Suisse is fully committed to conducting its business with US residents and US persons in accordance with all applicable laws and regulations. We therefore kindly ask you to:

- fill in your name and your above-listed Client No. at the top of the form and then review, complete and sign the first part of the enclosed form (section entitled "Client Confirmation of US Tax Compliance and Reporting");
- have your US tax return preparer review, complete and sign the second part of the form (section entitled "Paid Return Preparer US Tax Certification for 2010"); and
- return to us the fully completed, signed form by means of the enclosed self-addressed envelope by no later than xxxxx, 2012 [date that is 40 working days from date of letter].

We would like to thank you for the trust you have placed in us and look forward to continuing our business relationship with you, which we highly value. While Credit Suisse and its employees cannot provide you with any legal or tax advice, please do not hesitate to contact your relationship manager if you have any other types of questions concerning the attached form.

Yours sincerely
CREDIT SUISSE AG

Unsigned document

Enclosures

CREDIT SUISSE
[Name] Phone +41 44 xxxxxxxxxx
CREDIT SUISSE Fax +41 44 xxxxxxxxxx
[Organisationseinheit, Instr.] www.credit-suisse.com
[Adresse]

Division/Departement
Organisationseinheit, Instradierung

Vorname, Name
Titel/Funktion
+41 (0)44 xxx xx xx
vorname.name@credit-suisse.com

Address
Address
Address
Address
Address
Address
Address

[Date]

Termination of Business Relationship No. [xxxxxxxxxxxx]

Dear [Mr./Mrs./Miss XXXXXXXXXX]

[As discussed], this is to [inform you / confirm to you] that, as of [Date XXXXXX (date that is 20 working days equivalent to 30 calendar days from date of letter)], we are terminating business relationship no. [XXXXXX] in application of Article 12 of the General Conditions. Please note that the decision of Credit Suisse AG to terminate the client relationship with you is based on business strategy and regulatory considerations. The resulting measures are applied consistently. We thank you for your understanding in this matter.

Allow us to highlight Article 12:
"The Bank or the client may terminate the business relationship at any time, either with immediate effect or with effect at a later date. The Bank may in particular cancel credit facilities at any time and declare its balance payable immediately, subject to special agreements and product-specific conditions on termination. If the client fails to inform the Bank as to whether the assets and funds he holds in custody with the Bank are to be transferred, including after a grace period set by the Bank, the Bank may deliver these assets in physical form or liquidate them and send the proceeds and any remaining balances of the client to the client's last known address for correspondence in the form of a check made out in a currency defined by the Bank, with the effect of releasing the Bank from liability."

We therefore request that written instructions, signed by you as authorized signatory on the above-referenced relationship, be provided to us by no later than [Date XXXXXX (date that is 20 working days equivalent to 30 calendar days from date of letter)], instructing us to transfer the assets currently maintained in the above-referenced relationship (or to liquidate the positions currently held in such relationship and transfer any resulting proceeds) to an account at another bank designated by you (together with the relevant bank's name, the account number, the name of the accountholder and IBAN no.).

We would like to take this opportunity to bring to your attention that the U.S. Internal Revenue Service (IRS) has announced the reopening of its Offshore Voluntary Disclosure Program. Taxpayers who are not current with their outstanding U.S. tax obligations may avoid substantial civil penalties, and generally may eliminate the risk of criminal prosecution, by participating in the program. The IRS website (www.irs.gov) contains further information regarding the newly-reopened voluntary disclosure program. While Credit

Suisse cannot provide you with any legal or tax advice, we strongly encourage you to consult, as appropriate, your own tax advisor as to the application of the program to your circumstances.

Yours sincerely

CREDIT SUISSE AG

Name Surname
Title/function

Name Surname
Title/function

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CH-8070 Zurich
Tel. +41 58 205 21 11
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VADR1
VADR2
VADR3
VADR4
VADR5

Zurich, June 20, 2011
Your contact: KVANR KVVONA
Direct line: KVTEL

CIFNRE
BETR1
BETR2
BETR3

Re: United States reporting obligations

DMANRE

Our records indicate that you are either a citizen of the United States or otherwise a "U.S. person" for United States tax purposes.

We would therefore like to take this opportunity to remind you of your responsibility to determine your tax status and to satisfy all your filing and payment obligations, as applicable, under U.S. state and federal law.

In particular, if any "U.S. person" has a financial interest in or signature authority over at least one financial account located outside the United States, and the aggregate value of all such foreign financial accounts exceeded $10,000 at any time during the calendar year to be reported, that person is required to file with the U.S. Department of the Treasury a Report of Foreign Bank and Financial Accounts ("FBAR") on Form TD F 90-22.1 by no later than June 30th of the following year. Additional information is available on the IRS website at: www.irs.gov/businesses/small/article/0,,id=148845,00.html

We kindly ask you to consult your U.S. tax adviser in case of questions regarding your U.S. tax and filing obligations as Clariden Leu and its employees cannot provide any advice to its clients on these issues.

Yours sincerely

Clariden Leu Ltd.

Marcel Schmocker
Head Legal and Compliance

Roland Herrmann
Chief Operating Officer

a CREDIT SUISSE GROUP company

Disclaimer

This letter is for informational purposes only and shall not be viewed as an offer or solicitation for the acquisition or sale of products or other specific services. The information and opinions provided in this document stem from sources which we regard as reliable and trustworthy. We cannot, however, accept any responsibility or liability, neither implicitly or explicitly, for its accuracy or completeness. Clariden Leu Ltd. cannot provide any legal or tax advice, and this letter does not represent any such advice. This material is not intended or written to be used, and cannot be used or relied upon, by any taxpayer for the purposes of (i) avoiding penalties under the Internal Revenue Code of the United States, or (ii) promoting, marketing or recommending to another party any transaction or tax-related matter(s).

Confidential Treatment Requested by Credit Suisse CS-SEN-00421317

From: Friedman, Cary <cary.friedman@credit-suisse.com>
Sent: Thursday, December 20, 2012 1:50 PM
To: Frost, Jennifer <jennifer.frost@credit-suisse.com>
Subject: STR Dec 12 Notes for Jen Frost.cf.docx
Attach: STR Dec 12 Notes for Jen Frost.cf.docx

Hello Jen,

Hope you are doing well. Attached you will find my notes from last week's STR with the CS Board of Directors. I am happy to answer any questions you may have. I am only sending this to you as you are better positioned to decide who else you would like share this sensitive information with as I would imagine you would want to send pieces of it to Ketty, Siobhan, Pat, etc.

Wishing you Happy Holidays and a Merry first Christmas to Anna!

Happy New Year.

Cary

EE

Redacted by the Permanent Subcommittee on Investigations

[redacted]

- [redacted]
- Tough for HUM to assess him as he has not been able to travel to the US
- [redacted]
- [redacted]
- [redacted]

Confidential Treatment Requested by Credit Suisse

From: Bögli, Rolf <rolf.boegli@credit-suisse.com>
Sent: Wednesday, January 9, 2013 4:06 AM
To: DeChellis, Anthony <anthony.dechellis@credit-suisse.com>
Cc: Meister, Hans-Ulrich <hans-ulrich.meister@credit-suisse.com>; Shafir, Robert <robert.shafir@credit-suisse.com>
Subject: RE: Americas [redacted]

Thank you, Tony.

We will include the amount in the NNA numbers. I have checked accounting guidelines and have given sign-off for this case.

Best regards,
Rolf Bögli

[redacted] = Redacted by the Permanent Subcommittee on Investigations

From: DeChellis Anthony (CS)
Sent: Dienstag, 8. Januar 2013 23:33
To: Bögli Rolf (SR)
Cc: Meister Hans-Ulrich (I); Shafir Robert (CS)
Subject: RE: Americas / [redacted]
Sensitivity: Private

Dear Rolf,

Sorry for the late reply, in client meetings and client discussions until now. The meeting I just had was with Jim Garrity to review [redacted] and specifically how we can broaden our current relationship with all the entities that are connected to the family.
You can count on my support for whatever it in my power and ability. The request regarding [redacted] seems more of an accounting and governance question, changing or making exceptions to these sorts of policies clearly fall outside my scope of authority. If what you propose falls within the firms guidelines and policies, then I leave the decision to you and the CFO's office. Again, if we can constructively assist, you have my support. It does put downward pressure on our gross margin as this client is slow to put money to work, the return is essentially T-Bills at the moment, but I will deal with margin issue as long as we all understand the underlying reasons for a decreasing gross margin.
Just as an update, of the 108, only 250MM has been put to work [redacted] (at 40bps), the rest (many proposals and pending investments) is still on hold..... the [redacted] for example still has 28 in cash, pending final instruction to begin investment. Roughly 1.5B is [redacted] stock and we hold 7B in treasury securities.
I hope this helps.

Best,

Tony

Anthony DeChellis
Private Banking Americas
+1 212 538 7078 (*106 7078)

From: Bögli, Rolf
Sent: Tuesday, January 08, 2013 11:02 AM
To: DeChellis, Anthony
Cc: Miller, Dale; Meister, Hans-Ulrich
Subject: RE: Americas [redacted]
Sensitivity: Private

Dear Tony

Currently - for Q4 reporting - WMC runs for NNA substantially below expectations. In terms of your region, latest indication from your regional [redacted] team estimates approx. 2.8bn NNA compared to a predicted Forecast of 3.0bn which is an excellent result in stormy times. However, in order to support the PB division, a further [redacted] portion of 0.9bn CHF – fully reported internally and externally in the Americas region – would be a great favour for our division. Hans-Ueli would be extremely happy if you could support this. I therefore would like to ask you to review this position for Q4 classification once again. A guarantee for performance neutralization in case of future outflows for this portion can be taken for granted. For questions please feel free to contact either directly Hans-Ueli or myself.

Thank you for your cooperation and prompt feedback!

Best regards

Rolf

From: Bögli Rolf (SR)
Sent: Montag, 7. Januar 2013 18:27
To: DeChellis Anthony (CS)
Cc: Miller Dale (CS)
Subject: RE: Americas [redacted]
Sensitivity: Private

Will get back with the numbers you are asking for.

Best,
Rolf

From: DeChellis Anthony (CS)
Sent: Montag, 7. Januar 2013 18:22
To: Bögli Rolf (SR)
Cc: Miller Dale (CS)
Subject: RE: Americas [redacted]
Sensitivity: Private

Rolf

I'm not sure I understand. I have not approved any restatement of AUM from PB Americas. What will be reported externally for PB Americas Q4? Please advise.

Thanks

Tony

Anthony DeChellis
Private Banking Americas
+1 212 538 7078 (*106 7078)

From: Bögli, Rolf
Sent: Monday, January 07, 2013 12:05 PM
To: DeChellis, Anthony
Subject: FW: Americas [redacted]
Sensitivity: Private

Redacted by the Permanent Subcommittee on Investigations

Toni,

To start with: Happy New Year and all the best for 2013!!

I'm following up on the e-mail below and would like to confirm that we have a restatement posting fo[redacted] in the magnitude of roughly 1bn. This seems to be already part of the forecasted 3bn for Amerikas. There will be no regional shifts from this case. Please don't hesitate to contact me should there be any questions.

Best regards,
Rolf Bögli

From: Bögli Rolf (SO)
Sent: Samstag, 22. Dezember 2012 15:28
To: Dechellis Anthony (CS)
Subject: RE: Confidential : Global Client Segments metrics

Toni,

Let me check on this. I understand your position. To my knowledge, we are only looking into positive potential R-cases without regional shift impacts. I will get back to you.

Best,
Rolf

From: Dechellis Anthony (CS)
Sent: Samstag, 22. Dezember 2012 01:31
To: Bögli Rolf (SO)
Subject: FW: Confidential : Global Client Segments metrics

Rolf

Below you will read that we have an indication that our NNA may be restated/reduced again. I can not have a repeat of the third quarter. As I mentioned last time, besides my other concerns , we need to show the accurate growth figures for the Americas as it has an impact on employee moral and our ability to recruit. If you would like to discuss please let me know. Of course, I would also have to advise Rob who has been informed we will post NNA of $3 Billion this quarter.

Thanks

T

-----Original Message-----
From: Parekh, Minesh
Sent: Friday, December 21, 2012 12:16 PM Eastern Standard Time
To: DeChellis, Anthony
Cc: Miller, Dale; Studer, Adrian
Subject: FW: Confidential : Global Client Segments metrics

Hi Tony, see below for the answers to your questions.

On a separate not, Zurich is looking for more potential NNA positions to support the global 2012 year-end disclosure. As a consequence they are looking to transfer more of [redacted] into AUM. Currently the custody balance is USD 2bn of which up to USD 800m will leave the firm for tax payments in April 2013.

Best Regards and Happy Holidays.
Minesh

From: DeChellis, Anthony
Sent: Thursday, December 20, 2012 6:44 PM
To: Parekh, Minesh; Miller, Dale
Cc: Studer, Adrian
Subject: RE: Confidential : Global Client Segments metrics

What are we supposed to learn from this? MP - This is how the region is seen in Zurich, analysis was meant as a feeder into Padman's analysis

We have 14% of RM's and 15% of CIF's over 5MM? MP - In total, APAC has the greatest concentration on U/HNWI clients compared to total AUM and total number of CIFs.

APAC has the greatest concentration of U/HNW accounts per RM? MP – not available

Which region has the highest median CIF size? Household? MP - APAC has on average CHF 4.1MM per CIF versus Americas which is ranked third with 1.4MM.

Anthony DeChellis
Private Banking Americas
+1 212 538 7078 (*108 7078)

From: Parekh, Minesh
Sent: Donnerstag, 20. Dezember 2012 21:58
To: DeChellis, Anthony; Miller, Dale
Cc: Studer, Adrian
Subject: Confidential : : Global Client Segments metrics

Hi Tony/Dale, please find below how PB America's AUM client segments compare to other Business Area's globally. This is based Aseets at the bank as opposed to other views that pertain to Net Worth. The analysis was requested by Pardman Perumal. Best Regards Minesh

Global Private Banking Client Segment > CHF 5m AUM Overview - October 2012

Business Area[1]	PB Americas		Private Clients Switzerland		PBS		PB APAC		PB EMEA		PB Western Europe		Total	
AUM (chf) Client Segment	CIF	% Total	CIF	% Total	CIF	% Total	CIF	% Total	CIF	% Total	CIF	% Total	CIF	% Total
>= 5m < 10m	2,334	8.1%	77	0.3%	3,490	12.2%	3,148	11.0%	1,349	4.7%	2,646	9.2%	13,044	45.4%
>= 10m < 25m	1,336	4.7%	17	0.1%	2,142	7.5%	2,888	10.1%	928	3.2%	1,618	5.6%	8,907	31.0%
>= 25m < 50m	352	1.2%	5	0.0%	642	2.2%	1,293	4.5%	357	1.2%	568	2.0%	3,215	11.2%
>= 50m < 75m	98	0.3%	[illegible]	0.0%	266	0.9%	502	1.7%	122	0.4%	117	0.4%	1,108	3.9%
>= 75m < 100m	74	0.3%	[illegible]	0.0%	101	0.4%	357	1.2%	79	0.3%	51	0.2%	663	2.3%
>= 100m < 250m	96	0.3%	0	0.0%	242	0.8%	626	2.2%	100	0.3%	83	0.3%	1,146	4.0%
>= 250m < 1b	36	0.1%	0	0.0%	71	0.2%	346	1.2%	56	0.2%	32	0.1%	541	1.9%
>= 1b	6	0.0%	0	0.0%	4	0.0%	50	0.2%	9	0.0%	[illegible]	0.0%	80	0.3%
Total	4,332	15.1%	101	0.4%	6,958	24.2%	9,207	32.1%	2,960	10.4%	5,124	17.9%	26,702	100.0%

[1]. Excludes Swiss Corporate Client and Pension Fund Business

Minesh Parekh
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Phone +1 212 538 8706 | Fax +1 212 325 6536 | Mobile +1 201 233 5467
minesh.parekh@credit-suisse.com | www.credit-suisse.com

From: Onis, Carlos <carlos.onis@credit-suisse.com>
Sent: Tuesday, January 15, 2013 6:18 AM
To: Mathers, David <david.mathers@credit-suisse.com>
Subject: Re: Flash 2 / December 2012

The reason the original 1bil was not included is that if you remember there was uncertainty as to what would actually be left behind in the Firm and what the tax requirement would be when we moved the original amount upon the [redacted]
As a matter of policy we do not have a minimum threshold for returns. This was done historically since there is an expectation that we earn less on ultra high net worth clients and therefore the decision was reached that a minimum threshold would not be set. Decisions on AuM are therefore based on services provided but ensuring an adequate level of returns are earned. As you know we do not have client level detail in Group Finance, PB maintains the client level data. I have asked and it has been confirmed by Bluntschli that this level of return is consistent with this size client.
The question I can't answer is why this 1 bil wasn't moved in q3 as compared to now. I am told that the tax liability was not fully developed until recently hence why now and not previously

---

From: Mathers, David
To: Onis, Carlos
Sent: Tue Jan 15 05:54:19 2013
Subject: RE: Flash 2 / December 2012

[redacted] = Redacted by the Permanent Subcommittee on Investigations

I guess the questions are:

- Why wasn't the 1bn included in the original reclass?
- What's the threshold for the return on assets to qualify as AuM? 12bps seems a bit low

David

From: Onis Carlos (CS)
Sent: 15 January 2013 11:42
To: Mathers David R. (T)
Subject: RE: Flash 2 / December 2012

David – yes. To be clear, the 1bil has been in the numbers from Flash 1, so it is not "extra" vs what you have seen to date. PB included it in their numbers from the beginning of the reporting cycle, it would have had to have been reversed it if we had not agreed to it.

The transaction is a reclass of 1bil from Custody Asset to AuM. I spoke directly with DeChellis last night and he confirmed that we are providing investment advice on the full amount of assets being held for [redacted]

The facts are as follows:
The is a total of $9.5 bil of [redacted] related assets we have in house. $1.8 bil of that came into the Firm into his daughter's account in Q2. The remainder is composed of $1.3bil is held in a charity vehicle which CS created in a Trust Structure. In the beginning of the year we agreed on $4.4 bil proceeds from the sale of the [redacted] shares to be added to AuM, that left $2bil in custody assets pending understanding of what was going to be done with those assets. Of the $2bil, $1 bil is being left as custody as it will be required by settle tax liabilities and will not be subject to investment. The last $1bil is what is being reclassed this quarter.

In looking at the financial data supporting the reclass we have earned app 12 bps (PB – additional FX revs in IB) on the assets (PB will say they earned more as they included the full fx in their math), the 12 bps on the asserts held is consistent with the projected earning we anticipated earlier in the year when we agreed on moving the $4.4 bil into AuM upon the sale of [redacted]. Based on this fact pattern I think it is appropriate to include the additional 1bil as AuM
CO

Carlos Onis
+1 212 325 7023 (*105 7023)

From: Mathers, David
Sent: Tuesday, January 15, 2013 11:03 AM
To: Onis, Carlos
Subject: FW: Flash 2 / December 2012

Carlos
Did you approve the extra PB Americas NNA?
David

From: Buckle Claude (TABD 2) **On Behalf Of** GG Group Finance
Sent: 15 January 2013 00:27
To: Mathers David R. (T)
Cc: Onis Carlos (CS); Win Mya (CS); von Däniken Noel (TABD); Strauss Jason (TABD 2); Marcus Jessica (CS); Hefti Michel (TABD 2); Innamorato Valentina (TABD 2); Niazi Sehar (TABH 21); Tan Peck-Hoon (TABE)
Subject: Flash 2 / December 2012

Dear David,

Please find below the Credit Suisse results for Flash 2 / December 2012.

Redacted By The Permanent Subcommittee on Investigations

Please do not hesitate to contact us with any questions.

Contacts

For queries regarding this report or access requests for the EIC, please contact Noel von Däniken , Lionel Moisson or Jason Strauss .

For escalation, please contact Mya Win .

CREDIT SUISSE

= Redacted by the Permanent Subcommittee on Investigations

Memorandum

PB Americas / Reclassification of USD 1bn in 4Q12

Background

In 2002, client [redacted] started relationship with Credit Suisse, placing his [redacted] with PB USA. The portfolio size over the years reported values in the range of CHF 6-7bn, depending on market appreciation. The titles were held solely for safekeeping purpose, no investment advice was given (gross margin < 1bp)

Towards YE 2011 (15 Dec), the client decided to [redacted] the client is converting [redacted] into cash and securities [redacted] and starting in 2012, he is focusing on managing his wealth and dedicating time to philanthropic matters. As a consequence, the safekeeping only position with no investment advice opportunity turns now into an actively managed portfolio with plenty of investment opportunities (such as alternative investments). Nevertheless, at year end 2011, the client intention regarding future banking services and banking relation (tremendous banking pitches to compete for investment advisory services) was not yet clarified by the client. Hence – applying the accounting rule of prudence – the position was still classified as 'Custody'.

In 1Q12, Credit Suisse now started with a comprehensive advice, channeled through the responsible relationship manager in the US and Switzerland, supported by the various expert functions (e.g. solution partners, IB). The advice included FX hedging, investment proposals, options for leveraged financial solutions, global custody solution & consolidated client reporting, M&A advisory and other services such as philanthropic investments advice.

On February 22, 2012, the client made his final decision to [redacted] The client communicated to PB USA/PBS that Credit Suisse will be his wealth manager of choice and he would like to further diversify his portfolio [redacted] already started). Given the long-term investment character of the assets and level of advice / banking services provided to the client, it was decided to reclass CHF 4.3bn of assets (of which CHF 2.3bn cash and 2.0bn in shares) from custody into AuM as per 1Q12 which resulted in Net New Assets of the same amount. As the client had already CHF 1.1bn of AuM with Credit Suisse at that time (charitable vehicle), the clients AuM grew to CHF 5.4bn in total. The remaining CHF 2.1bn single stock position was reported as custody.

Events since 2Q12 to date

In 2Q12, there was an inflow of USD 1.8bn / CHF 1.7bn belong to client's daughter. The inflow was classified as AuM based on active portfolio management.

During 2Q12 and 3Q12, the clients plan was executed as initially discussed. i.e. customized Trust Structures were set up, investment in AI/HF type assets were performed, etc. As a result, the clients cash deposit balances have reduced during 2012 (in CHF):

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Ending balance	in CHF
June	1.9bn
July	1.7bn
August	1.3bn
September	1.0bn
October	1.0bn
November	0.9bn
December	0.9bn

This cash position is held with Swiss Custody (former CSPA) which organizationally belongs to PB USA. Beginning 2012, the cash position was held with PB USA. The new Swiss Custody setup allowed the client to diversify his assets across different booking platforms. Full-Year average cash deposits was at CHF 1.5bn.

Current Situation

In December 2012, the client relationship includes the assets as follows[1]:

Asset breakdown by type	USD	CHF
Charity vehicle with customized Trust Structure	1.3	1.2
Advisory assets (reclassified from Custody to AuM in 1Q12)	4.4	4.0
Assets belonging to client's daughter (inflows during 2Q12)	1.8	1.6
Classified as AuM / Actively managed	7.5	6.9
No advisory services provided, only short-term invested, (foreseen for future tax payments)	1.0	0.9
Investible assets which will be used to fund new investments based on Credit Suisse's advise	1.0	0.9
Classified as Custody	2.0	1.8
Total Assets with PB USA	**9.5**	**8.7**

The client has currently more than 50 accounts, all held in the New York and Philadelphia branch and invested across fixed income, equity and proprietary products.

Reclass in 4Q12

Whereas about half of the custody leg of USD 2.0bn is foreseen for future tax payments and therefore likely to leave the bank in the first semester, the remaining USD 1.0bn /CHF 0.9bn are investible assets for which the client will use advisory services from Credit Suisse. These 50% of the USD 2.0bn custody position is to be reclassified from Custody Assets to AuM in 4Q12. This results in Net New Assets of USD 1.0bn / CHF 0.9bn. This is due to the following triggering events:

- Clarification about future cash needs. There is now more information available on the future tax liability. Also, the potential for the client to withdraw assets to diversify risk is reduced as the client informed Credit Suisse that the remaining investible assets shall be re-invested (change in clients intention).

[1] USD converted into CHF at 0.915

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[redacted] = Redacted by the Permanent Subcommittee on Investigations

- The relationship is covered by two senior relationship managers (James Martin and James Garrity), who perform comprehensive advisory services with the client and the clients representatives. This involves firstly [redacted] as well as concurrent investments based on a defined investment strategy as well as investment opportunities which might be interesting for the client. In addition to that, given the specific client needs, several product specialists are involved providing suitable customized fund structures/products (e.g. Holt portfolio, Managed accounts).

- Significant revenue generation: Credit Suisse generates the following revenues with the client. Due to the fact that PB USA does not yet have a granular client level profitability calculation a couple of revenue components are not directly attributable to the accounts as listed below. The USD 7.5bn [redacted] AuM result in the following revenue streams:

Revenue Types	in USD m	Margin (bp)
Based on client holdings (PB)	3.1	4.1
Based on term spread (PB)	5.2	6.9
FX transaction based (PB through SGC)	2.2	2.9
Private Banking revenues	10.5	14.0
FX transaction based - other	4.8	6.4
Credit Suisse revenues	**15.3**	**20.4**

FX Revenues: The main currency of the client is CHF but his investments are in USD. When the client decided to [redacted] the proceeds were booked on a CHF cash account. Whenever the client decides on new investments he either uses his CHF cash account for his USD-investments or he sells USD holdings to the CHF cash account and re-invests into USD. Basically every transaction of this client generates FX Revenues.
The FX deals are executed by IB, but PB gets a share of the revenues as a result of RSA agreements.

[redacted] average cash deposit balance during 2012 was around CHF 1.5bn. The interest result is substantial for PB USA.

The overall profitability from a Credit Suisse Group perspective is significantly higher if the M&A revenues from IB are considered which are not included in the above calculation.

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P-04890
Policy

Reporting of Assets under Management and Net New Assets

Valid from	29.06.2012	Version 2.1
Issuing Unit	Group Finance	
Author	Noël von Däniken (TABD); Monique Coulin (TABD 3)	
Replaces	P-04890 version 2.0 issued on July 01, 2007	
Original Language	English	
Scope/Recipients	AM, PB, CFO	

Summary
This policy describes the Assets under Management (AuM) metrics that are used for internal monthly and quarterly executive information to CSG's senior management bodies (e.g., ExB, BoD) as well as for the purpose of external disclosures and regulatory reporting compliant to FINMA circular 2008/2 Accounting - banks. Furthermore, it regulates the definitions, duties and responsibilities pertaining to the reporting of Assets under Management and Net new assets (NNA).

Changes
As a result of changes in the business model (e.g., UHNWI, customized lending, new investment products or market exits) the policy has been revised in order to reflect current practice and methodology of AuM/NNA treatment.

Minimum Global Standards
The AuM/NNA reporting obligation is valid to all companies included in CSG's scope of consolidation as well as all funds, investment companies and special purpose vehicles managed by CSG if these entities accept and manage client assets as defined under section 2. The reporting must take place at least once a month.

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1. Scope and Purpose

This policy applies to all employees of Asset Management (AM), Private Banking (PB) and Chief Financial Officer (CFO) divisions.

It regulates the definitions, duties and responsibilities pertaining to the reporting of AuM/NNA for the purpose of measuring internal performance, providing internal executive information to CSG's senior management bodies, e.g., Executive Board (ExB) or Board of Directors (BoD) as well as for the purpose of external disclosures. It also acts as a basis for the publication of these

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figures in "Table Q" as defined in margins 198a - 198j of FINMA circular 2008/2 Accounting - banks, which is part of regulatory reporting and the Annual Report.
The reporting obligation is valid to all companies included in CSG's scope of consolidation as well as all funds, investment companies and special purpose vehicles managed by CSG if these entities accept and manage client assets as defined under section 2. The reporting must take place at least once a month.

2. Definitions

2.1 Client Assets

Client assets consist of the passive balances of all client related balance-sheet accounts, fiduciary investments (deposits) and client safekeeping accounts, including accrued interest. Client assets are valued on the basis of the end-of-month prices used in financial accounting and in the valuation of client safekeeping accounts.

In principle, proprietary assets of banks and brokers (bank assets) do not form part of the client assets. The investments of other CSG entities (intercompany assets) also do not qualify as client assets.

Client assets are broken down into the following asset categories:
- Assets under Management
- Custody and Commercial Assets

2.2 Assets under Management (AuM)

Assets under management include assets from clients for which the Group provides investment advisory or discretionary asset management services. These also include investment fund assets and assets invested in other investment fund-like pooled investment vehicles managed by CSG (see section 5.4). The AuM correspond to the German term "Verwaltete Vermögen" pursuant to FINMA circular 2008/2 Accounting – banks, margins 198a-j.

In principle, the classification of AuM is conditional on the investment purpose of the assets which is individually assessed on the basis of each client's intentions and objectives and the banking services provided to the client.

2.2.1 Assets under Management – Discretionary Assets

Discretionary assets are defined as assets for which the customer transfers a significant portion of the discretionary power to a CSG entity with an asset management mandate.

Discretionary assets also include pooled investment vehicles managed by CSG entities (see section 5.4) as well as AuM for the life insurance business (see section 5.7) and index-/unit-linked insurance (see section 5.8).

2.2.2 Assets under Management – Advisory Assets

Advisory assets usually include all other assets placed with CSG entities for the purpose of investment where the client has access to investment advice from Credit Suisse but retains discretion over investment decisions.

2.3 Custody Assets

Custody assets of private or institutional clients that are held solely for transaction-related or safekeeping/custody purposes are not considered AuM since the bank does not provide specific advice regarding asset allocation or investment decisions. Due to their lower added

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value, the profitability of these assets is usually substantially lower than the profitability of assets classified as AuM.

2.4 Commercial Assets

Assets of corporate clients and public institutions that are used primarily for cash management or transaction-related purposes are not considered AuM. If the purpose of investment can be demonstrated (e.g., in case of a discretionary asset management mandate), commercial assets can be recognized as AuM.

3. Net New Assets, Net Earnings, Market Performance and Structural Effects

Net new assets (NNA): Net new assets refer exclusively to AuM and measure the degree of success in acquiring assets under management. The calculation is based on the direct method, taking into account individual cash and securities transactions (flow of funds), and any new or repaid loans (see Appendix 1).

The NNA correspond to the net inflow/outflow of new money that must be disclosed in accordance with margins 198h - 198j of FINMA circular 2008/2 Accounting - banks.

Net earnings: The net earnings of a client are composed of interest earned and paid, dividends earned, as well as fees, commission and taxes charged to the client. These are reported separately and are not added to the NNA, as such charges are not directly related to the Group's success in acquiring AuM.

Currency and market impact: Changes in assets under management due to currency and market volatility are not part of NNA.

Structural effects: Inflows and outflows of assets in connection with the purchase and sale of parts of companies, exit from businesses or markets (as defined in Appendix 3), reorganizations and client transfers between CSG entities at the instigation of the bank are reported as structural effects.

Outflows are considered acquisition related and classified as structural effect, if they occur within 12 months after the purchase of a (part of a) company and the remaining AuM are still higher than the AuM upon which the acquisition price was based. Group Finance decides about acquisition related outflows on a case-by-case basis.

In the following cases, inflows and outflows of assets in connection with transfers from one entity to another offset one another for the purpose of the NNA calculation and are reported as structural effects:

- Active assignment of clients against payment of compensation (referrals).
- Client transfers as part of reorganizations or portfolio adjustments initiated by the bank.

If a client requests a transfer to another entity, mandate or product without any active involvement on the part of the bank, this kind of transfers are excluded from structural effects. Hence, these assets are reported as negative NNA by the former entity (e.g., organization unit, line of business) and as positive NNA by the new entity.

If assets are re-classified from custody/commercial assets to AuM or vice versa the corresponding increase or reduction of AuM is reported as net new assets. Reclassifications are only permissible to reflect changes in a client relationship since its initial classification.

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4. Duties and Responsibilities

4.1 Group Finance

Group Finance is responsible for reporting consolidated AuM/NNA figures for internal management reporting to CS's ExB and BoD as well as for the purpose of external disclosure for CSG consolidated, legal entity CS and the segment reporting in the Management Discussion and Analysis (MD&A). It defines and maintains the global standards and methods that must be applied to measure and report the AuM/NNA and client assets.

Group Finance decides on the AuM/NNA treatment of new products, special cases and multiple counts of AuM/NNA not covered by this policy and takes the final decision on the classification of investments by pooled investment vehicles as AuM. Group Finance decides on special cases covered by this policy, on the re-classification between AuM and the other client assets categories and on Structural effects for all individual cases greater than CHF 500m.

External ad-hoc disclosures that are not regulatory mandatory are subject to prior approval by Group Finance. Furthermore, existing policies regarding the involvement of Legal & Compliance and Corporate Communications have to be adhered to.

4.2 Divisional Chief Operating Officers (COO)

Divisional COO are responsible to ensure compliance with this policy, timely reporting to Group Finance by their division, and the correct classification of the client assets managed by their division. They decide on special cases covered by this policy, on the re-classification between AuM and the other client assets categories and on structural effects up to CHF 500m per individual case.

Divisional COO are responsible to set up appropriate decision, monitoring and reporting processes within their division to ensure correct and compliant AuM/NNA reporting (including adequate audit trails).

For all operational aspects of the AuM/NNA reporting the COO appoints an AuM/NNA reporting officer to act as contact person with Group Finance. The divisional COO may delegate decisions on special cases covered by this policy, on the re-classification between AuM and the other client assets categories and on structural effects up to CHF 250m per individual case to the AuM/NNA reporting officer.

If no or more than one divisional COO is appointed, the Divisional CEO is responsible to determine who will assume the COO tasks as defined by the policy.

4.3 Divisional AuM/NNA Reporting Officers

The divisional AuM/NNA reporting officers are responsible: i) to issue appropriate reporting instructions for their division; and ii) for the development and operation of the systems required to measure and report the AuM/NNA, custody and transactional/commercial assets.

AuM/NNA reporting officers are responsible for escalating reporting issues, that require special attention, to the appropriate decision making responsible as defined in this policy.

Divisional AuM/NNA reporting officers will establish appropriate sign off procedures and nominate a person within each legal entity with material AuM/NNA volumes who ensures that division-specific data is reported in the requested quality. This person must be independent from

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the functions managing the respective assets. This person will support the local legal entity controller in ensuring compliance of AuM/NNA reporting with local regulatory requirements.

4.4 Relationship, Portfolio and Sales Managers, and their Line Managers
Relationship, portfolio and sales managers are responsible for allocating assets to the correct client asset category (i.e., discretionary, advisory, custody and commercial assets). The classification of AuM is generally assessed on the basis of each client's intentions and objectives and the banking services provided to the client.

Relationship, portfolio or sales managers may request their respective AuM/NNA reporting officer to handle special cases and to take care of any subsequent reclassification across asset categories.

In the case of AuM in third-party custody, the relationship, portfolio or sales manager ensures that the required information is obtained on time.

Relationship, portfolio or sales managers review the AuM/NNA reports for their client portfolios once a month and inform the AuM/NNA reporting officer of any discrepancies without delay.

4.5 Legal Entity Controllers (LEC)
If legal entities disclose client assets or AuM/NNA as part of their local regulatory reporting, the legal entity controllers must ensure compliance with local laws as well as with the principles set forth in this policy. The responsibility of the LEC applies as set forth in section 2 on local regulatory reporting of policy P-23064 'Key Roles & Responsibilities of the Legal Entity Controllers'.

5. Special Cases

5.1 AuM in Third-Party Custody
Assets managed by CSG but held in custody by a third-party bank can be reported as AuM by CS if **all** of the following criteria are met:
- an asset management agreement (discretionary mandate or selected agreements upon approval by the appropriate decision-making body as defined in section 4) is in place
- the overall client relationship qualifies as AuM
- periodic valuation (at least quarterly), audit trail and materiality is provided.

The following reference values apply to materiality considerations:
- Total client AuM > CHF 20 million and net revenues > CHF 100,000.

Divisions have the discretion to set more stringent references.

The divisional AuM/NNA reporting officer establishes appropriate documentation requirements and controls in order to ensure the correctness of reported AuM in third-party custody.

5.2 Assets Managed by External Asset Managers (EAMs)
In general, external asset managers make use of services from CSG that exceed simple custodian or transaction processing. These assets are therefore usually classified as AuM/NNA (advisory assets). If CS provides only custody and transaction services these assets are classified as custody assets.

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5.3 Assets of Third-Party Banks
In principle, proprietary assets of banks and brokers (including their affiliated subsidiaries without banking license) are not classified as client assets. If a third-party bank explicitly invests assets with CSG for asset management purposes (e.g., based on a discretionary mandate), an exception can be approved by the appropriate decision making responsible as defined in section 4.

5.4 Pooled Investment Vehicles Managed by Credit Suisse
Assets held by pooled investment vehicles (e.g., mutual funds, structured investment products, private equity funds) are only to be considered as Assets under Management, if all of the following criteria are met:
- Purpose of investment management
- Separate asset management process
- Substantial additional value creation and fee income
- Management by a CSG entity

Case-by-case decisions for each product must be taken and documented within this analysis framework.

Generally, the amount that serves as a basis for the calculation of management fees is reported as AuM.

5.5 Securities Lending and Borrowing, Repurchase and Reverse Repurchase Agreements
For purposes of AuM reporting, the impact from securities lending and borrowing, repurchase agreements and reverse repurchase agreements may typically not be reported as NNA inflows and NNA outflows. Exceptions will be decided by Group Finance.

5.6 Minority Stakes in not Fully Consolidated Entities
AuM, client assets and net new assets of entities for which the equity-accounting method is applied may be included in the same percentage as the Divisional participation in the minority stake if all of the following criteria are met:
- The investment is a strategic participation
- The entity must be able to demonstrate an auditable process for the production of AuM and NNA according to this policy
- The entity must provide financial information to CSG in a timely manner

5.7 Traditional Life Insurance
Traditional life insurance policies in clients' safe custody accounts qualify as AuM/NNA if they are properly valued.
The client relationship manager must ensure that re-valuation of life insurance products occurs at least quarterly.

5.8 Index-/Unit-linked Insurance
For such policies the obligations of the insurance company towards the clients are usually based on the present value of the underlying assets. Correspondingly, the AuM are reported on the basis of the current market value of these assets.

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5.9 Private Equity

In principle, clients' private equity investments qualify as AuM/NNA.

Clients' private equity investments have to be reported based on the effectively paid-in amount. Hence, invested capital represents AuM and NNA.

From the fund management prospective, management fees are calculated on committed capital (= unfunded commitments + invested capital). Hence, committed capital represents AuM and NNA. This implies that market appreciation or depreciation are excluded from AuM and NNA in private equity.

During the unwind period of the private equity investment, the AuM reduction is reported as negative NNA.

About unfunded commitments which do not generate any recurring revenues, Group Finance decides on a case-by-case basis, whether those assets could count as AuM.

5.10 Private Label Funds

Private label funds are customized fund solutions for institutional investors, external asset managers and individual clients. Underlying assets of private label funds are only to be considered as advisory or discretionary AuM, if all of the following criteria are met:

- Purpose of investment management is given
- Management services exceed pure custody and administration which is reflected in an adequate fee generation

In principle, double counts of fund units in clients' safekeeping accounts and underlying assets of the fund vehicle are not permissible. An exception applies to private label funds managed by Asset Management for Private Banking clients, if they serve as a substitute for a discretionary mandate. These are treated according to section 5.2.

Private label fund assets in third-party custody can be recognized as AuM if the criteria mentioned under 5.1 are met.

5.11 Classification of custody assets pledged for loans

Typical custody assets such as single stock positions can be reported as AuM if the assets are used as pledge in asset-backed loans. The assets need to be booked with a consolidated CS entity or qualify for inclusion as AuM in third-party custody and further criteria defined by the AuM committee are met.

If the pledged assets exceed the typical haircuts, only the amount up to the typical haircut qualifies as AuM. If the pledged assets qualifying for AuM exceed CHF 200m, the assets shall be locked at inception (freeze loan-to-value ratio).

Where the client reinvests the proceeds of the loan in additional client assets managed by CS, such assets are to be classified according to the AuM policy.

5.12 Pension Fund business

Client groups with mainly self-administrated clients where no active advisory services are provided by CS shall be classified as Assets under Custody (AuC).

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6. Multiple reporting

6.1 Permissible Double Counting for consolidated CSG Reporting

Double Counting of AuM/NNA arises when assets under management are subject to more than one level of asset management services. Each such separate advisory or discretionary service provides additional benefits to the client and represents additional income for the Group.

The following Double Counting of AuM/NNA is permissible:

- Pooled investment vehicles managed by CSG: AuM from CS clients invested in pooled investment vehicles managed by CSG are reported once for the division managing the client's AuM and a second time for the division managing the investment vehicle.

Double Counting in any other cases may only be done with the prior consent of Group Finance.

6.2 Permissible Multiple Reporting for Divisional Reporting

Discretionary mandates for private banking clients managed by the Asset Management division and vice versa are reported as AuM and NNA by the Private Banking and the Asset Management division. For purposes of CSG consolidated reporting this double count is eliminated.

6.3 Impermissible Multiple Reporting

Multiple reporting is not permitted in the following cases:

- *Umbrella funds*: In the case of umbrella funds, only the assets of the umbrella fund's sub-funds are reported.
- *Fund of own funds*: If a pooled investment vehicle managed by CSG holds units of another such vehicle managed by CS, these units are not included in the calculation of the AuM/NNA.
- *In-house funds*: For in-house funds as defined in art. 4 of the Federal Collective Investment Schemes Act (CISA), only the corresponding units in client safekeeping accounts are included in the AuM/NNA calculation.
- *Trust and foundation assets*: Client assets held via trusts and foundations are not reported more than once for the AuM/NNA calculation.
- *Rerouted fiduciary investments*: Fiduciary deposits of client funds with other CSG entities are only reported as AuM/NNA by the entity that concluded the fiduciary transaction with the client.
- *Depositary function for own funds*: Assets deposited by own funds and fund-like SIPs are classified as intercompany investments and are neither reported as AuM/NNA nor as client assets by the unit managing the safekeeping account.

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7. **Entry Into Force**
This policy enters into force with immediate effect.

David Mathers
Chief Financial Officer
sig.

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Appendix 1: Calculation of Net new assets

In general, Net new assets must be calculated in accordance with the direct calculation method:

The direct method measures the inflows and outflows of assets for each client. Inflows/outflows as a result of borrowings/loan repayments (currency adjusted) are included. The asset change during a specific period is determined as follows:

net flow of funds during reporting period (in reporting currency)
+ currency-adjusted change in credit balances of clients (incl. overdrafts) during reporting period
= Net new assets

closing balance Assets under Management, at end of previous period
+ Net new assets during current period
+ Net earnings during current period
+ performance of securities markets during current period (calculated)
+ performance of foreign currency markets during current period (calculated)
+/- Structural effects
= closing balance Assets under Management at end of current period

Based on a materiality assessment Group Finance may approve the use of the indirect method for the Net new assets calculation as an exception:

With this method the Net new assets are estimated based on the following calculation:
closing balance Assets under Management, at end of current period
- opening balance Assets under Management, at end of previous period
- interest (incl. accrued interest) and dividends during current period (calculated)
- performance of securities markets during current period (calculated)
- performance of foreign currency markets during current period (calculated)
+/- Structural effects
= Net new assets

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Appendix 2: Growth metrics and average calculation

Growth metrics

Growth in assets under management:
[(AuM $_{\text{end of period}}$) - (AuM $_{\text{beginning of period}}$)] / (AuM $_{\text{beginning of period}}$), in %

Net new assets growth, rolling four quarter average in %:
[(NNA $_{\text{quarter -3}}$) + (NNA $_{\text{quarter -2}}$) + (NNA $_{\text{quarter -1}}$) + (NNA $_{\text{reported quarter}}$)] / (AuM $_{\text{end of quarter -4}}$), in %

Annualized net new assets growth:
(NNA $_{\text{YTD}}$) * 12 / number of months YTD / [(AuM $_{\text{beginning of period YTD}}$), in %

Average calculation

Year-to-date (YTD) average assets under management calculation:
[(1/2 AuM $_{\text{beginning of Month -1}}$) + (AuM $_{\text{end of Month -1}}$) + (AuM $_{\text{end of Month -2}}$)+…+(1/2 AuM $_{\text{end of Month -n}}$)] / n

Yearly Average assets under management calculation:
[(1/2 AuM $_{\text{end of year -1}}$) + (AuM $_{\text{end of January}}$) + (AuM $_{\text{end of February}}$)+…+(1/2 AuM $_{\text{end of reported year}}$)] / 12

Quarterly average assets under management calculation:
[(1/2 AuM $_{\text{beginning of Month -1}}$) + (AuM $_{\text{end of Month -1}}$) + (AuM $_{\text{end of Month -2}}$)+(1/2 AuM $_{\text{end of Month -3}}$)] / 3

Monthly average assets under management calculation:
[(AuM $_{\text{beginning of Month}}$) + (AuM $_{\text{end of Month}}$) / 2

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Appendix3: Guidelines for the classification of exits of businesses or markets

The exit of a business or market qualifies as structural effect if it fulfils one of the following criteria:

- the divisional management committee decides to discontinue the provision of asset management services to a whole client segment or geographical market. Such a segment or market contains at least 100 clients or 10 relationship managers and at least CHF 500m AuM. The closure of the market is communicated to the clients without any alternative or reduced offering to them.
- New regulation limits the ability to provide asset management services in the respective jurisdiction in such a way that the assets do not qualify as AuM any longer.

Only assets reclassified as custody assets or transferred to third parties are reported as structural outflow. Assets transferred to another CS entity are treated as transfers at the instigation of the bank according to the AuM policy.

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[redacted] = Redacted by the Permanent Subcommittee on Investigations

From: Martin, James <james.martin@credit-suisse.com>
Sent: Thursday, October 25, 2012 7:05 AM
To: Woodson, Bill <bill.woodson@credit-suisse.com>; Thambiah, Yogi <yogi.thambiah@credit-suisse.com>; Garrity, Jim <jim.garrity@credit-suisse.com>
Cc: Jaffe, Richard <richard.jaffe@credit-suisse.com>
Subject: [redacted] Timely Next Steps

Bill, Yogi & Jim,

We have now raised cash of $5.5B of cash for [redacted] (including $1.5b of CHF) and I believe we are imminently close to implementing some strategies beyond the $85m invested to date in Holt. I would like to arrange a conference call at your earliest possible convenience to discuss how to best use our collective resources to begin an implementation plan. Bill and Yogi let us know what general times work for you and Jim and I will make ourselves available.

I think the pure size of the assets and the laissez faire nature of the principal has failed to create an urgency for action, but I believe we will do a great service to the collective group to begin to address each entity separately and the DAF would be the natural first step especially following our meeting with the Fidelity Board of Trustees on Tuesday. As a reminder the following is the projected *general* breakdown of the assets by year end NET of taxes, preliminary DAF or PF contribution, and currently projected year end philanthropic grants;

[redacted] Personal Assets at CS	$5,000m
[redacted]	$1,000m
Personal Assets	$ 500m
DAF	$1,000m-$2,000m (depending on '12 funding)
Foundations	$ 700m-$1,7000m " "
Grats (less annuity payments due)	$ 165m
[redacted]	$1,400m
Total	$10,765m
CS Total	$9,265m

Immediate Action Needed

- I would like to figure out the best resource to provide the client with some overall planning for the next 10 years. For example, if his personal assets provide an 8% return that is 6% taxable, he would put 120m a year in Foundations and 80m in DAF to minimize his tax liability and we could project overall effects on estate based upon ROUGH estimates of projected returns. It would also provide some input on just how realistic it would be to substantially deplete the DAF especially if he adds this years $1b to DAF as I suspect may be the case.

- Notwithstanding the above, I would like to develop a plan for the DAF now based upon Yogi's work that I have attached above. For now we will assume $1b (current value less year end gifts) but I suspect it will be more like $2b. Once we get DAF done with client, we will work on Foundations (very similar to DAF but longer horizon so more aggressive), then [redacted] and [redacted] will be solution driven.

I think this exercise will be timely and important so I look forward to collectively discussing best way to go forward.

Best Regards,
Jim Martin

James F. Martin, Director
Private Banking USA
300 Conshohocken State Road, Suite 600
West Conshohocken, PA 19428
james.martin@credit-suisse.com
610-397-7166 (office)
610-397-7066 (desk fax)
[redacted] (cell)

[redacted] = Redacted by the Permanent Subcommittee on Investigations

To: Mathers, David <david.mathers@credit-suisse.com>; Meister, Hans-Ulrich <hans-ulrich.meister@credit-suisse.com>
From: Bögli, Rolf </O=CREDIT-SUISSE/OU=GL/CN=RECIPIENTS/CN=ROLF.BOEGLI>
Cc: Onis, Carlos <carlos.onis@credit-suisse.com>; Schüepp, Patrick <patrick.schueepp@credit-suisse.com>
Bcc:
Received Date: 2012-04-23 02:12:57 EST
Subject: RE: two questions before the call tomorrow

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Good morning David,
Getting back to your question related to [redacted] please find below the key facts:

As far as the document is concerned: the clients family office has signed off the services agreement including terms already. However, the decision to reclass this position - based on FINMA regulations - is not dependent from the clients signature and was made based on the following facts:

§In Q1 2012, Credit Suisse now started with a comprehensive advice, channeled through the responsible RMs in the US and Switzerland, supported by the various expert functions (e.g., solution partners, IB). The advice included FX hedging, investment proposals, options for leveraged financial solutions, global custody solution & consolidated client reporting, M&A advisory and other services such as philanthropic investments advice
§The key event for a Q1 asset reclassification occurred on February 22, when the client made his final decision [redacted] communicated to PB USA/PBS that CS will be his wealth manager of choice and he would like to further diversify his portfolio [redacted] discussion [redacted] already started). The client communicated that decision while being on a call with his PB USA/CH advisors. The clients [redacted] is confirmation of his agreement with the direction of the financial advice he has received from his PB USA and CH relationship managers [redacted]

Considering the existing regulations (FINMA regulations and interlas policy) and the client intention (communicated on 22 Feb 12) to work with CS PB as the investment advisor, we decided to reclasse the client investment positions which can be actively managed from Custody to AuM as of Q1 2012. Still considering the accounting rule of prudence - this position amounts to CHF 4.3bn – covering the future Cash position and half of the [redacted] equity position.

The NNA is shown 50% US and 50% Switzerland reflecting the advise and support from the RM's in both organisations during the past month.

Best regards,
Rolf

Please find attached the document that supported the decision in March/April.

From: Mathers David R. (T)
Sent: Sunday, April 22, 2012 10:22 PM
To: Meister Hans-Ulrich (I); Bögli Rolf (SO)
Cc: Onis Carlos (CS)
Subject: FW: two questions before the call tomorrow

Ahead of the AC tomorrow, as per the attached, can you confirm whether a new mandate has been signed for the [redacted] assets?
Thanks
David

[redacted] = Redacted by the Permanent Subcommittee on Investigations

—Original Message—
From: Thornburgh Richard E. (RT)
Sent: Sunday, April 22, 2012 09:58 PM W. Europe Standard Time
To: Mathers David R. (T); 'thornburgh@corsair-capital.com'; Tiner John (RW)
Subject: two questions before the call tomorrow

1. for Q2 when you show normalized numbers will you subtract 100mio for assumed PAF expenses which will not have been expensed in the Q?

2. The NNA of the private bank: if they are from the [redacted] client who [redacted] have we actually received a signed mandate to managee the funds? was the mandate signed in Q1? will they show up as US aum or Swiss AUM?

Attachments:

120413 [redacted] pptx

CREDIT SUISSE

AuM/NNA qualification assessment template

Case name

Reference case

Reasoning of reference case

Requested by

Economics
Expected asset size

Is the proposed case a

❑	Loan/SLB/Repo
❑	Manufacturing
✓	Relassification
❑	NNA neutral flow

Request for approval

Reclassification of long-term client relation within PB Switzerland.

Please submit the form in XLS including relevant attachments to TA* at least 24 hour

To be completed by Group Controlling
Final decision of the case
Date
Meeting minutes or approval mail (if approved out of meeting)

❑
✓
×

Reclass of M-client

Private Banking

CHF 566m

❑	Current revenue size	4bps
❑	Expected revenue size	7-10bps
❑	Revenue in other division	
❑	SGC? - referral #	

Complete section A
Complete section B
Complete section C
Complete section D

's prior to the AuM preparation meeting and only in exception cases at least 24

Approver

Group Controlling

To: Richter, Marc <marc.richter@credit-suisse.com>; Dougan, Brady <brady.dougan@credit-suisse.com>; Mathers, David <david.mathers@credit-suisse.com>; Harrison, John <john.harrison@credit-suisse.com>; Shafir, Robert <robert.shafir@credit-suisse.com>; Sipp, Tom <tom.sipp@credit-suisse.com>; Rongetti, Michael <michael.rongetti@credit-suisse.com>; Woodhouse, James <james.woodhouse@credit-suisse.com>; Varvel, Eric <eric.varvel@credit-suisse.com>; de Boissard, Gaël <gael.deboissard@credit-suisse.com>; Warner, Lara <lara.warner@credit-suisse.com>; Kushner, Michael <michael.kushner@credit-suisse.com>; Radtke, Eva <eva.radtke@credit-suisse.com>; Meister, Hans-Ulrich <hans-ulrich.meister@credit-suisse.com>; Bögli, Rolf <rolf.boegli@credit-suisse.com>; Arni, Paul.H <paul.h.arni@credit-suisse.com>; Schüepp, Patrick <patrick.schueepp@credit-suisse.com>; Rüst, Urs <urs.ruest@credit-suisse.com>; Bless, Rudolf <rudolf.bless@credit-suisse.com>; Harris, Christopher <christopher.harris@credit-suisse.com>; Schnarrenberger, Paul <paul.schnarrenberger@credit-suisse.com>; Cricri, Sergio <sergio.cricri@credit-suisse.com>; Onis, Carlos <carlos.onis@credit-suisse.com>; Win, Mya <mya.win@credit-suisse.com>; Enderli, Rolf <rolf.enderli@credit-suisse.com>; Fox-Moerti, Kim <kim.fox-moerti@credit-suisse.com>; Lang, Markus <markus.lang@credit-suisse.com>; Luther, Andrés <andres.luther@credit-suisse.com>; Mitchell, Calvin <calvin.mitchell@credit-suisse.com>; Schaad, Katrin <katrin.schaad@credit-suisse.com>; Thomas-Graham, Pamela <pamela.thomas-graham@credit-suisse.com>; Guldimann, Tobias <tobias.guldimann@credit-suisse.com>; Cerutti, Romeo <romeo.cerutti@credit-suisse.com>; Gross, Christina <christina.gross@credit-suisse.com>; Fordham, Michael <michael.fordham@credit-suisse.com>; Galvis, Sandra <sandra.galvis@credit-suisse.com>
From: Blain, Andrew </O=CREDIT-SUISSE/OU=GL/CN=RECIPIENTS/CN=ANDREW.BLAIN>
Cc: Bär, Karin <karin.baer@credit-suisse.com>; Marquardt, Caroline <caroline.marquardt@credit-suisse.com>; Sarasin Jönsson, Henriette <henriette.sarasinjoensson@credit-suisse.com>; DD Investor Relations <list.investorrelations@credit-suisse.com>
Bcc:
Received Date: 2013-04-22 07:39:20 EST
Subject: RE: Results Presentation: Q1 Q&A Dry Run with BD

Draft q&a document attached. Again, a printed version will be available in the St. Peter Forum today.

Regards Andrew

From: Richter Marc (TIA)
Sent: Montag, 22. April 2013 14:02
To: Dougan Brady W. (G); Mathers David R. (T); Harrison John S. (GE); Shafir Robert (CS); Sipp Tom (CS); Rongetti Michael (CS); Woodhouse James (AFRA 2); Varvel Eric (CS); de Boissard Gael (CS); Warner Lara (CS); Kushner Michael (CS); Radtke Eva (CS); Meister Hans-Ulrich (I); Bögli Rolf (SR); Arni Paul (SO); Schüepp Patrick (SOPF); Rüst Urs (SOPF 4); Bless Rudolf A. (TG); Harris Christopher (TGGE); Schnarrenberger Paul (TGGE 1); Cricri Sergio (TGGE 1); Onis Carlos (CS); Win Mya (CS); Enderli Rolf (TX); Fox-Moerti Kim (TXC); Lang Markus (TXCB); Luther Andrés (HC); Mitchell Calvin (CS); Schaad Katrin (HCGM); Thomas-Graham Pamela (CS); Guldimann Tobias (C); Cerutti Romeo (Y); Gross Christina (CS); Fordham Michael R. (YXKB); Galvis Sandra (CS)
Cc: Bär Karin (G 90); Marquardt Caroline (CS); Sarasin Jönsson Henriette (T 90); DD Investor Relations
Subject: Results Presentation: Q1 Q&A Dry Run with BD

The attached will be printed and available "on screen" in the St. Peter Forum today.

MR

-----Original Appointment-----
From: Florin Isabelle (T 90) On Behalf Of Mathers David R. (T)
Sent: 27 March 2013 15:00
To: Mathers David R. (T); Dougan Brady W. (G); Harrison John S. (GE); Bless Rudolf A. (TG); Richter Marc (TIA); Luther Andrés (HC); Harris Christopher (TGGE); Shafir Robert (CS); Varvel Eric (CS); Warner Lara (CS); Schaad Katrin (HCGM); Sipp Tom (CS); Thomas-Graham Pamela (CS); Radtke Eva (CS); Guldimann Tobias (C); Meister Hans-Ulrich (I); Cerutti Romeo (Y); Schnarrenberger Paul (TGGE 1); Onis Carlos (CS); Win Mya (CS); Bögli Rolf (SR); Gross Christina (CS); Mitchell Calvin (CS); de Boissard Gael (CS); Kushner Michael (CS); Ami Paul (SO)
Cc: Cricri Sergio (TGGE 1); Toso Claudio (TLSX 44); Jörg-Rogger Barbara (TLSX 44); Schreiber Pierre (RX); Frei Irma (RX 90); Fehrenbach Andreas (RXP); DD ZRH EXEC-SUPPORT
Subject: Q1 Q&A Dry Run with BD
When: 22 April 2013 15:00-19:00 (UTC+01:00) Amsterdam, Berlin, Bern, Rome, Stockholm, Vienna.
Where: Zurich - Forum St. Peter - Auditorium - NY EMA Board room

Meeting is mandatory for CEO, CFO & divisional CEO's, plus their Finance Heads, but voluntary for the other ExB members.

Zurich: PaP Forum St. Peter Auditorium

NY EMA 27 Board room

Attachments:

1Q13 CONSOLIDATED QA_April22draft 14.15.doc.pdf

Potential key questions

A. Group

1. In light of the proposed FBO rules that include a **potential requirement to form a U.S. IHC to hold the FBO's U.S. assets**, what would be the estimated **extra capital requirement for CS?**
2. If the Fed is not comfortable with CS (USA) as the IHC, **would there be a funding impact?**
3. What is your view on the **amount of additional CET1 capital buffer** that will need to be held over the required 10%?
4. The **Claudius instruments** are an important factor in maintaining a capital buffer and therefore is it likely that you will redeem on first call?
5. Could you please provide an update on the potential issues with **PAF 2**?
6. You continue to defend **civil litigation** brought by private parties, and the **NY Attorney General**. Can you expand on your risk assessment here and expected outcomes?
7. Regarding **provisions** -- you noted CHF 2.1bn of **new repurchase claims on RMBS** in 2012 (up from CHF 1.2bn in 2011) with total claims now standing at CHF 1.9bn (CHF 0.7mn in 2011). Given you provided only CHF 55m for this, why do you assess such a low on going risk here?
8. Could you give us any update on the **US tax matter with the SEC and IRS**; and an update on the possible legal risks that CS faces in the **Retrocession and Libor cases** that are pending against other banks?
9. Please provide an update on the **German Tax issue**?
10. **On your forthcoming AGM** – we noted that Julius Baer and Actelion lost their votes on remuneration – is this a result of the **Minder initiative** and what are the implications for Credit Suisse? Also on conditional capital – what are the implications if you lose the vote on the back of the AGAINST recommendation by ISS?
11. How has the **second quarter started**? What is your **outlook for the year**?

B. Private Banking (excluding AM)

1. How likely is a further **reduction in gross margin**? How much lower can it go?
2. Are you able to indicate what **the impact of interest income being down**, by approx. CHF 280 mn in 2013, will be **on gross margin**?
3. Please **indicate how much NII will be down in 2014** when you expect the impact from the low interest environment to tail-off?
4. **NII compared to UBS** – you expect lower interest income in 2013 – the impact of approx.. CHF 280 mn is larger than the CHF 250m UBS has discussed recently at an industry conference - Can you comment?
5. Can you provide an **outlook on WMC NNA**?
6. **NNA in WMC is 6.2bn, but only 0.4bn in Switzerland** – is Switzerland losing its attraction for WMC clients?
7. Are you able to give a near term/long-term update **on RM growth targets** by region?
8. On the **Western European cross border outflows**: You guide to further outflows of CHF 20 to 30bn over the next 2 to 3 years. What is the scale of outflows you have seen so far? And when does it end?

C. Investment Banking

1. You seem to be on track to meet/exceed the previously announced **IB expense reduction targets**. Are you planning to revise your expense reduction targets?
2. Can you comment on 1Q13 **compensation expense** and the corresponding **compensation/revenue** ratio?
3. Can you comment on the progress you have made in achieving your **cost/income KPI of 70% by 2015**?
4. What are the **drivers of fixed income performance this quarter**?
5. What is your **near term outlook for the FICC environment**? What are the implications / impacts on your business?
6. Can you provide more detail on the **composition of wind-down revenues in 1Q13**? Can you please also provide detail on the **losses in the wind-down portfolio in 1Q13**? What is your **forecast for the rest of 2013**?
7. What were the drivers behind the substantially weaker **Global Rates** business? Going forward, what is your outlook for the business?
8. The European Commission wants to impose stricter regulations on bankers' pay and to introduce a **cap on bonuses.** How much will that affect Credit Suisse?
9. Can you comment on **IBD outlook and pipelines**?

D. Asset Management

1. What is the **progress on the strategy** to realize the benefits in Asset Management from the new PB&WM division?
2. In July, you announced the move toward a more liquid alternatives business, and the intention to **sell certain illiquid private equity businesses** thus adding CHF 1.1 billion of capital. What is the status of these actions?
3. What is the status of the sale of your **ETF business**?
4. Would you comment on rumors in the press that **outflows from your ETF business may impact the sale price**.
5. Are there any **other businesses for sale**?

****

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DRAFT 1Q13 Q&A as of April 22, 2013
A. Group

1. In light of the proposed FBO rules that include a **potential requirement to form a U.S. IHC to hold the FBO's U.S. assets**, what would be the estimated **extra capital requirement for CS**?

- Assuming the Fed approves CS (USA) to be the designated IHC, our additional capital requirements would be minimal at around $1bn.
  - BACKGROUND ONLY: As of Dec 2012, CS (USA) would need less than $1 billion to meet 5.5% Tier 1 leverage (4% min + extra cushion) and approx. $6 bn to be in line with GS and MS at a 7% Tier 1 leverage.
  - Based on internal projections, that gap would be more than filled with $4.6 bn retained earnings and ~10 % balance sheet reduction ($32.5 bn) by July 2015.

- If the Fed is not comfortable with CS (USA) as the IHC, our capital requirements would be significantly higher.
  - BACKGROUND ONLY: In this case, projected retained earnings and balance sheet reduction will likely not be sufficient to fill that gap, and we would also look to additional double leverage and potentially intercompany CoCos to cover any shortfall.

2. If the Fed is not comfortable with CS (USA) as the IHC, **would there be a funding impact**?

- There could be additional funding requirements, which would be filled mainly through short dated funding.

3. What is your view on the **amount of additional CET1 capital buffer** that will need to be held over the required 10%?

- [TBU]

4. The **Claudius instruments** are an important factor in maintaining a capital buffer and therefore is it likely that you will redeem on first call?

- [TBU]

5. Could you please provide an update on the potential issues with **PAF 2**?

- We expect to be able to restructure the transaction
- BACKGROUND ONLY: If rejected, the impact of the PAF 2 reversal would result in an increase of $14 bn in RWA. However, alternative hedging options have been considered in the event all or part of PAF2 RWA benefit is not allowed by FINMA. Internal estimate is that we can probably get to approximately 65% of the current RWA benefit for what is likely to be at a similar cost to the existing structure.

6. You continue to defend **civil litigation** brought by private parties, and the **NY Attorney General**. Can you expand on your risk assessment here and expected outcomes?

- Mortgage-related litigation in the U.S. is common today for banks that were in this business prior to the financial crisis. **Credit Suisse intends to continue vigorously defending these lawsuits**.
- Governmental/regulatory investigations of banks in connection with mortgage-related issues continue.
- The NYAG sued J.P. Morgan in October 2012 and Credit Suisse in November 2012. We anticipate other banks will be sued by the NYAG as well

For background information only and not for disclosure:

- We continue to see additional new cases brought concerning RMBS issued, underwritten or sold by Credit Suisse, although the rate at which new cases are being filed seems to have slowed (there have been less than a handful of new cases filed against CS since the beginning of the year). Generally speaking, the cases continue to be actions brought by plaintiffs that are suing Wall Street banks as a whole. For example, the DZ Bank suit against CS (filed in March and disclosed in our 2012 Annual Report) represents the tenth bank DZ Bank has sued related to RMBS (and involves a smaller face amount of RMBS than a number of its other suits).
- In general, the more recent actions add nothing new. They typically repeat accusations made in other court filings and public documents, and are made by (or on behalf of) investors who wish to evade responsibility for their own investment decisions, or a monoline insurer who wishes to evade responsibility for its insurance decisions.

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7. Regarding **provisions** -- you noted CHF 2.1bn of **new repurchase claims on RMBS** in 2012 (up from CHF 1.2bn in 2011) with total claims now standing at CHF 1.9bn (CHF 0.7mn in 2011). Given you provided only CHF 55m for this, why do you assess such a low ongoing risk here?

- Mortgage-related litigation in the U.S. is common today for banks that were in this business prior to the financial crisis. Credit Suisse intends to continue vigorously defending these lawsuits.
- We will not comment on our provisions beyond what is reported in our Quarterly Report but will note that the CHF 55m figure does not include provisions for cases in litigation.

8. Could you give us any update on the **US tax matter with the SEC and IRS**; and an update on the possible legal risks that CS faces in the **Retrocession and Libor cases** that are pending against other banks?

A: US Tax matters with SEC

- The matter is complex and we are cooperating with the US and Swiss Authorities. At this point we cannot give you any further information on the timing. We reserved USD 325m for the matter in 3Q11 and this business was comparatively small in the context of our PB business when we exited it, back in 2008.

B: Retrocessions

- On October 30, 2012 the Swiss Federal Supreme Court ruled that retrocessions received from discretionary mandates are owed to the client unless a client waiver is in place. FINMA has subsequently issued a notice requiring all banks to inform potentially affected clients.
- Credit Suisse moved relatively quickly back in 2008 to advise clients of a change in terms and putting the waiver in place for discretionary mandates. We are currently evaluating the impact, **if any,** of this decision on our business.
- We are looking to construct some inducement free products for clients

C: LIBOR

- Regulatory authorities in a number of jurisdictions have for an extended period of time been investigating the setting of LIBOR and other reference rates. Credit Suisse, which is a member of only three rate-setting panels (US Dollar LIBOR, Swiss Franc LIBOR and Euro LIBOR), is cooperating fully with these investigations.
- Credit Suisse has done a significant amount of work over the last two years to respond to regulatory inquiries. Based on our work to date, we do not currently believe that Credit Suisse is likely to have material issues in relation to LIBOR and we have shared these findings with the relevant regulators; of course, our review in response to ongoing regulatory inquiries is continuing.
- In addition Credit Suisse has been named in various civil lawsuits filed in the United States related to LIBOR. These lawsuits are factually and legally meritless with respect to Credit Suisse and we will vigorously defend ourselves against them.

For background information only and not for disclosure:

- *We should not speculate on whether there would be an industry wide settlement: we have no information about any such talks.*
- *Only if asked:* [As has been reported publicly, the Monetary Authority of Singapore (MAS) has been examining rate-setting practices in connection with the Singapore Interbank Offered Rate and local Asian FX spot rates for non-deliverable forward contracts. CS has cooperated fully with the MAS inquiry and, to date, has not received notification from MAS that it has reached any conclusions with respect to CS.] **REDACTED**

9. Please provide an update on the **German Tax issue**?

- We regret that the withholding tax agreement failed; it would have allowed us to settle the past and to create a more constructive operating environment in the business with our clients
- We still think it is essential to regularize the past and to clean the slate for the future
- However, there is not a material direct impact on our approach: We have been saying for a long time that we don't want to engage in any business involving undeclared assets; the acceptance and management of undeclared assets no longer represents a viable business model
- We are currently advising German clients to consider undertaking self-declaration
- **Only if asked:** We have no evidence of increasing flow of funds from Switzerland to Singapore; we had implemented business rules to ensure a proper implementation of the withholding tax agreement

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10. **On your forthcoming AGM** – we noted that Julius Baer and Actelion lost their votes on remuneration – is this a result of the **Minder initiative** and what are the implications for Credit Suisse? Also on conditional capital – what are the implications if you lose the vote on the back of the AGAINST recommendation by ISS?

- Remuneration has been a disputed topic for a couple of years across the globe
- Yes, Minder has some relevance in Switzerland, but even larger is the influence of proxy advisors and – of course – the assessment by shareholders who increasingly assume their stewardship obligations
- Amongst other elements, the Minder initiative will introduce binding votes on remuneration for executives and the Board of Directors – implementation is under way, but details remain to be seen
- With regard to the forthcoming AGM of Credit Suisse: The Board of Directors implemented substantial changes to the management executive remuneration structure in 2012, including individual targets and caps. We hope these changes will be recognized by shareholders
- On conditional capital: We respectfully disagree with ISS, which evaluated the resolution as a new share plan. We've been in close dialogue with our shareholders to explain that the resolution should be assessed in context of the capital measures announced in July 2012 and that we want to meet the additional share delivery obligation to employees in a capital efficient manner; most shareholders understood that we pursue a very consistent capital plan and based on their constructive feedback, we are confident to get their support

11. How has the **second quarter started**? What is your **outlook for the year**?

- [TBU]

12. I see that in slide 23 of the earnings presentation it is stated that the **year-end 2013 RWA goal is to reduce RWAs to less than CHF 285 bn**. Then on slide 41 **("Look Through") RWAs are shown to amount to CHF 290 bn**. Could you please explain the difference?
A:

- [TBU]

13. Group **headcount has declined by ~5% Y-o-Y**. It seems low given your significant cost reduction targets. Can you explain?
A:

- CS headcount at the end of 1Q13 was 46,900, down 1,800 Y-o-Y, mainly driven by ongoing rightsizing and the sale of Wincasa, partly offset by campus hires and contractor to employee conversions
  - PB & WM down 200 mainly due to rightsizing initiatives, partly offset by campus hires and contractor to employee conversions
  - IB down 1,000 mainly due to rightsizing initiatives offset by campus hires
  - Corporate Center down 600 due to the sale of Wincasa
- Note that campus hires alone during the last 12 months accounted for over 2,200 of additional headcount. However, it should be noted that these additions are at the more junior level and the comp related to this group is significantly lower than the comp benefit achieved by the headcount reductions at the senior levels

- BACKGRDUND: additional details by division:
  - CS down 1,800:
    - - 2,770 additional RIF
    - - 590 sale of Wincasa
    - + 1,090 campus hires
    - + 650 contractor to employee conversions
  - PB & WM down 200
    - - 1,100 additional RIF (-1500 off payroll +400 notified on payroll)
    - + 490 campus hires
    - + 340 contractor to permanent employee conversion
  - IB down 1,000
    - - 1,660 additional RIF (-1,600 off payroll)
    - + 590 campus hires

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CS-SEN-00424655

14. You disclose a reasonably possible loss range **not covered by provisions of up to CHF 1.8bn** (up from CHF 1.7 bn disclosed in the 2012 Annual Report). Can you expand on what this figure is made up of, and what level of specific provisions do you carry across the Group for the known risks?

- We cannot comment on this beyond what we disclose in our filings, but these amounts represent a range of outcomes in excess of the provisions we have taken.

15. Can you give colour on the (CHF 352bn) of **additional 'off balance sheet' exposures** that are included in the **Swiss TBTF total exposures of CHF 1,276bn and how volatile they are**?

- These represent guarantees, commitments and derivative exposures net of cash collateral. Not especially volatile numbers and in line with the trends we disclose in the MDA.]

16. Can you discuss the timing and pricing issues as you look to raise the next tranches of **Low Trigger CoCos**, especially given the strong funding and reducing balance sheet?

- As you know, our funding needs for 2013 have become fairly modest given the actions we have been taking to reduce the size of our balance sheet However, we will be issuing Low-Trigger CoCo instruments, per our Swiss requirements over the next couple of years, as the markets develop. We continue to monitor the markets to optimize the timing of these issuances.

17. What is your **tax rate guidance for 2013**?

- The 28% effective tax rate for Q1 is mainly driven by the regional mix of results.
- We believe that a tax rate of 28% is a reasonable estimate of our 2013 full year underlying tax rate.

18. In the notes to the accounts (page 87, proof 2) you show that the 1Q13 **deferred compensation expense of CHF 681m is slightly up from the expense in 1Q12 of CHF 646m (ex PAF2)**. Could you provide some detail on this?

- The increase of 32m ex PAF2 is mainly attributable to the AM early retirement accelerated def comp as well as higher RIF-related accelerated def comp from IB (but this is sitting in CC as part of realignment costs), partially offset by lower deferred comp (ex realignment) in all the other divisions (PB, IB, CC, ShS).

19. Why did the **weighted-average shares outstanding for Mandatory Convertible Securities** decrease from 233.5m in 4Q12 to 231.8m in 1Q13?

- In 1Q13 CSG bought back a portion of the MACCS issuances (average of 1.7m equivalent shares), which reduced the number of shares outstanding.

20. Why are the **MACCS included in the two class method for 1Q13**, although they were convertible into shares on March 29, 2013?

- The accounting treatment of MACCS is based on the settlement date, which was on April 8, 2013.

21. Why are **Plus Bond Awards and Long Term Incentive Awards not included** in the calculation of **diluted EPS**?

- Although management has reserved the option to settle Plus Bond Awards and Long Term Incentive awards in shares at its sole discretion, this does not constitute a legal obligation and currently it is management's intention to settle these awards in cash.

22. Why is there an **impact to the diluted EPS in relation to contracts that may be settled in shares or cash for 1Q13**, but not for 4Q12 ?

- The PAF 2 award is included in the calculation of the diluted EPS using the if-converted method, which requires an adjustment to the earnings and weighted-average shares outstanding if the effect is dilutive.
- In 1Q13 an after-tax PAF2 P&L gain of CHF5m was reflected in the results of the Group, whereas in 4Q12, an after-tax PAF2 P&L loss of CHF(41)m was reflected in the results of the Group.

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- The reversal of the CHF 5 million gain in 1Q13 reduces the diluted net income available for common shareholders thus creating dilution, whereas in 4Q12 the reversal of the CHF (41)m loss would have increased the diluted net income available for common shareholders, thus the effect would be antidilutive.

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DRAFT 1Q13 Q&A as of April 22, 2013
B. Private Banking (excluding AM)

1. How likely is a further **reduction in gross margin**? How much lower can it go?

- The development of the GM largely depends on the operating environment which nobody can predict.
- GM is not a KPI for us, we manage towards improving the pre-tax income margin,
- We see continued downward pressure on the GM, mainly from the continued low interest environment and the growth momentum with UHNWI clients
- **Assuming no change in the rate environment from 1Q13, full-year net interest income could be down 7% to 10% (approx. CHF 280 mn) from 2012.**
- **We expect the adverse impact from lower rate environment to tail off into 2014**
- We expect to partly mitigate this downward pressure by our revenues initiatives.
- A sustained pick-up of client activity would definitely help improve transaction based revenues but gross margin may not improve if AuMs grow faster
- Gross margin on UHNWI is between 50 – 60bps which structurally dilutes our gross margin but is accretive to bottom line
- We do not comment on gross margin on a regional basis

2. Are you able to indicate what the **impact of interest income being down, by approx CHF 280 mn in 2013, will be on the gross margin?**

- Based on average AuM of 800-900bn, the gross margin impact is around 3-4bps vs. FY12.
  Background only: The impact on the net interest margin (sometimes used by analysts; considering only balance-sheet relevant assets) the impact as measured in bps is larger.

3. Please **indicate how much NII will be down in 2014** when you expect the impact from the low interest environment to tail-off?

-

4. **NII compared to UBS** – you expect lower interest income in 2013 – the impact of approx. CHF 280 mn is larger than the CHF 250m UBS has discussed recently at an industry conference - Can you comment?

- We cannot comment on UBS but the impact depends amongst other things on the underlying volumes, currency mix and the applied forward rate assumptions

5. Can you provide an **outlook on WMC NNA**?

- Our strategic focus is on UHNWI and EM impacts gross margin, but we look at the UHNWI segment primarily with an RoA perspective (PTI/AuM).
- Our targets are challenging but not unrealistic
- Over the last two years, the average NNA growth rate in EM was within the 8% to 10% range given 8% in FY 2011 and 7.0% in FY 2012
- in 2012, good inflows in EM such as Brazil, Mexico, Russia, China, Singapore, Malaysia
- We expect further strong EM growth with clients from these and other countries going forward
- We have a strong global footprint and we keep investing into international booking centers, where we generated most of our 2012 inflows; we are very well positioned to capture NNA growth consistent with our strategy in EM, with UHNWI, but also in targeted mature markets like Japan and the US
- Targeted RM hiring for the UHNW segment is expected to be a main driver
- We expect most of the impact from our growth initiatives to be transaction-based revenues, driven by a bundle of measures such as optimized client coverage, targeted RM hiring, footprint expansion or pricing

6. **NNA in WMC is 6.2bn, but only 0.4bn in Switzerland** – is Switzerland losing its attraction for WMC clients?

- Switzerland is not losing its attraction but was slightly negative in the UHNWI Segment with some isolated outflows (April MTD with strong inflows in WMC Switzerland).

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7. Are you able to give a near term/long-term update **on RM growth targets** by region?

- We continue to focus on senior RM hiring – in international growth regions, where we focus on HNWI and UHNWI, the share of senior RM hiring is close to 75%
- Going forward by 2015, we expect to increase the number of RMs by over 500 – more or less balanced across regions
- Since 2010, NNA per senior RM was almost 4 times the level of junior colleagues; therefore one should be mindful that the quality, not only the quantity, of new hires is of utmost importance
- Our consistent hiring strategy and their strong NNA generation over recent years clearly helped to increase RM productivity – since 2010 for example, AuM per capita in WMC increased, despite the significant adverse impacts from an adverse FX effect

8. On the **Western European cross border outflows**: You guide to further outflows of CHF 20 to 30bn over the next 2 to 3 years. What is the scale of outflows you have seen so far? And when does it end?

- Outflows over recent years were broadly in line with our expectations of CHF 5 – 10bn a year and expect continued outflows at a similar level although our overall net new asset growth rate should be around 2 – 3% for Wealth Management
- Since 2009 outflows from mature offshore markets in the range of the CHF 25 to 35bn in the range we indicated at the time for the big four markets.
- Also last year some impact from the CL integration; CL in total was outflow of CHF 7.5bn
- We have more than offset outflows by continued strong inflows across other regions.
- Resolution is a function of the agreement of the cross border tax agreements in Europe

9. Can you give an update on the recent press reports in the German press on the **purchase of client data by German authorities**?

- This is an ongoing matter and the situation currently reflects the bilateral discussions between the German and Swiss governments. We have been advising German clients for a long time that they should review their individual tax situation and resolve any issues where necessary. If this does not happen, we will terminate our relationship with these clients in the course of the year.

10. Have we seen a **change in clients' risk appetite** – is there a positive trend developing?

- We have good transactional momentum, but it is too early to call it a trend. From an asset allocation view, clients have benefitted from a market rally, but have not yet shifted significantly into riskier assets.

11. What is the **gross margin in your key growth areas** and the related impact on total revenues and profitability?

- We do not comment on gross margin on a regional basis, but I would state our margins in Switzerland remain very strong given the very complete product offering.
- Our margins in APAC remain stable, but remember our offering is very much focused on UHNWI with dilutes the gross margin
- We will look to further build our franchise in the Americas
- It is important to mention again that GM is not a KPI for us and we remain focused on improving PTI

12. I see that there has been strong **NNA growth in APAC**. Could you provide some details regarding growth in this region and how you see profitability going forward?

- The 10% growth is in line with recent quarters and underpins our strong position in the APAC region and the ability to grow in the UHNWI client segment.
- **Background only:** 1Q driven by South East Asia Region and Australia Onshore

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DRAFT 1Q13 Q&A as of April 22, 2013
C. Investment Banking

1. You seem to be on track to meet/exceed the previously announced **IB expense reduction targets**. Are you planning to revise your expense reduction targets?

- We have made significant progress on reducing costs and to date have realized CHF 1.7 billion in savings compared to the adjusted annualized 6M11 run-rate (adjusted for PAF and excluding certain large litigation provisions in 3Q12) [TBU with latest slide]
- We remain on track to achieve a total operating expense reduction run-rate of CHF 1.8 billion by the end of 2015 through several previously announced initiatives including:
    - Deliver cost benefits from initiatives already completed in 2012
    - Continue to rationalize businesses in certain geographies
- We review our business needs on a continuing basis and adjust our capacity and optimize our cost structure based on our expectations

2. Can you comment on 1Q13 **compensation expense** and the corresponding **compensation/revenue** ratio?

- Rather than looking at QoQ swings, it is more meaningful to look at annual trends in light of the seasonality inherent in our business
- There are a number of factors influencing reported comp expenses, including performance, headcount, salary levels and deferral rates
- Compensation and benefits decreased by CHF 527 million, or 26%, compared to 1Q12, primarily due to lower deferred compensation expense as 1Q12 included CHF 411 million of expenses related to the PAF2 awards. Adjusting for PAF2, compensation and benefits decreased CHF 114 million, or 7%, compared to 1Q12. Compensation/revenue ratio 38% reported in 1Q13 vs. 51% reported in 1Q12 (41% adjusted for PAF)
    - We believe we have a strong and consistent business model and our comp/rev should continue to decline
- When we look at the comp across for the Investment Bank we do very much look at an economic contribution basis post capital charge. And we think that's appropriate because we do want to give our employees an incentive to align their RWA usage to what we need to achieve as a Group and as a bank. As we look towards how we make sure we hit our 15% ROE target, we recognize that the variable comp accrual is a very important part of that mathematics.

3. Can you comment on the progress you have made in achieving your **cost/income KPI of 70% by 2015**?

- We achieved a cost/income ratio of 67% in 1Q13, which was flat to 1Q12 as cost reductions during the quarter were offset by a combined CHF 115 mn of litigation provisions & CRA. We are confident the seasonally stronger performance will support our cost/income KPI of 70% or greater across market cycles
- Our cost/income target is based on underlying results and we believe we can improve our ratio from 84% in 2012 to 70% by the end of 2015 from a combination of efficiency measures, a lower revenue drag from the wind-down portfolio and revenue growth in our ongoing businesses.
- Previous comments for background:
    - Our aggressive cost savings program will enable us to increase our cost income ratio by 800 bps over the next 3 years. Our actions to proactively reduce our cost base have resulted in our improved cost income ratio of 84% in 2012 vs 106% in 2011. Going forward, we expect further gains from our planned savings including cost rationalization as well as from driving synergies across the equities business
    - From a revenue perspective we expect a 300 bps positive impact as the wind-down revenue drag abates from business exits
    - Additionally, we also expect a 300 bps improvement from revenue growth, albeit in 2014/2015, from continued market share momentum in our leading franchises as well as from better market conditions which should drive growth in Cash Equities, Equity Derivatives and M&A

4. What are the **drivers of fixed income performance this quarter?**

- We delivered strong fixed income results reflecting the strength of our Basel 3 compliant franchise. In 1Q13, the after-tax Basel III RoE for fixed income improved to the Investment Banking average, both including and

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excluding wind-down (FOR BACKGROUND: 1Q13 FI after tax Basel III RoE of 26%, and 30% excluding wind-down)

- Fixed income sales and trading revenues remained strong compared to 1Q12 driven by resilient performance from our market-leading franchises, including global credit products, securitized products and emerging markets. In addition, we incurred a gain from businesses we are exiting of CHF 4 million, driven in part by a gain of CHF 77 mn from the sale of our real-estate legacy portfolio, compared to losses of CHF 261 million in 1Q12. Going forward, we expect a significantly lower drag from wind-down business losses in 2013 as we further reduce wind-down RWAs
- Revenues were substantially higher than 4Q12, driven by a seasonally stronger 1Q13, reflecting improved results across most of our fixed income businesses

5. What is your **near term outlook for the FICC environment**? What are the implications / impacts on your business?

- Overall, the fixed income environment will be largely driven by the macroclimate. Even though business conditions vastly improved in 2012, we expect some degree of continued disruption in the global markets and client risk appetite due to ongoing concerns surrounding Eurozone sovereign debt, US recovery rates and muted global growth
- Since November 2011, we have successfully transformed our fixed income business resulting in a more balanced franchise, with reduced levels of risk and revenue volatility, delivering attractive returns for our shareholders even in a challenging environment.
    - We have proactively allocated the majority of our capital across our largest and market leading businesses, including Securitized Products, Global Credit and EMG, with returns higher than the investment banking division average.
    - As in many businesses within IB, the Rates business is subject to seasonality and therefore the results should be viewed over-the-cycle instead of focusing on individual quarters. Over the last twelve months, revenues were subdued due to central bank actions which resulted in a low interest rate and limited volatility environment. That said, we maintained market share and remain focused on increasing our profitability in the business
    - We increased our rank to tie at #3 (share of 10.6%) in 2012 from #6 (share of 9.8%) in 2011 in revenue share for US Fixed Income, according to 2012 Greenwich Associates Survey; as investors noted our improved service quality across FID with particular momentum in trading service levels
- Generally, FICC business may be impacted by accelerated rates of regulatory preparation, increased capital mitigation efforts and potential product re-pricing.

6. Can you provide more detail on the **composition of wind-down revenues in 1Q13**? Can you please also provide detail on the **losses in the wind-down portfolio in 1Q13**? What is your **forecast for the rest of 2013**?

- Revenues:
    - We incurred positive revenues of USD 4 mn in 1Q13 compared to revenue losses of USD 288 mn and USD 141 mn in 1Q12 and 4Q12, respectively
    - The performance was in part driven by a gain on sale of our real estate portfolio of USD 82 mn (BACKGROUND: the associated RWA reduction was USD 117 million)
    - BACKGROUND: Going forward we expect FY 2013 total revenue loss of $250 mm (versus $637mm actual in 2012)

- PTI:
    - We incurred a PTI loss of USD 33 mn in 1Q13 which was substantially lower vs USD 369 mn in 1Q12 and USD 199 mn in 4Q12
        - Most of these losses have to do with MTM of assets on our books and are market-driven
        - There is also some correlation between RWA reduction and PTI losses
        - We have made significant progress in reducing our wind-down RWAs in the past year which decreased by 50% from USD 24bn in 1Q12 to USD 11bn in 1Q13
        - Broadly speaking, as we reduced RWAs, we experienced a smaller quarterly PTI drag from the wind-down portfolio (in 1Q13, we reduced wind-down RWA to USD 11 bn from USD 13 bn in 4Q12)

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- Additional detail: 1Q12 PTI loss = USD 369mn, 2Q12 PTI loss = USD 195 mn, 3Q12 PTI loss = USD 103 mn, 4Q12 PTI loss = USD 199 mn -> 2012 PTI loss = USD 852 mn. 1Q13 PTI loss: $33 mn
- We expect wind-down losses to come down over time.
- Previous comments for background: "In 2013, we expect FID PM PTI losses to reduce by half to $437 mn, further reducing to $200 to $250 mn in 2015. Post-2015 we expect the PTI drag to drop to $150 mn per year (essentially lower funding drag and smaller expense base to support it)"

7. What were the drivers behind the substantially weaker **Global Rates** business? Going forward, what is your outlook for the business?

- Global rates delivered a record performance in 1Q12 as more favorable trading conditions, due to Central Bank actions such as QE3 in the US and the LTRO in Europe, resulted in a risk-on trading environment
- In contrast, operating conditions in 1Q13 were challenging due to a persistent low rate and trendless environment with a continuing decline in volatility. Specifically, economic events such as the LTRO repayment, the Italian election and monetary easing pressures in Japan created an uncertain macro trading environment in Q1 2013 resulting in reduced client flows, lower risk appetite, and an overall difficult trading environment
- Going forward, we believe we can significantly increase returns by optimizing resources behind our most profitable platforms as well as from our continued focus on cost reductions
- BACKGROUND: Our peers (JPM, GS, MS and Citi) have all reported weak rates revenues. Our performance was likely weaker than the Street's given the recent departure of our US rates team.

8. The European Commission wants to impose stricter regulations on bankers' pay and to introduce a **cap on bonuses.** How much will that affect Credit Suisse?

- The rules still need to be defined in more detail. It seems that the cap on bonuses should only apply to employees who have a direct influence on a bank's risk exposures. In the case of Credit Suisse, only a limited number (several hundred) of employees would be affected.
- It could mean that some employees would leave London and decide to move to New York or Zurich instead. The bonus rule is likely to mean that fixed salaries will have to be raised in some areas to prevent the loss of key staff. In the end, this means, of course, that personnel expenses will become less flexible.
- In the end, we don't believe we will lose key personnel as from past experiences we have seen that there are not that many who actually switch companies.

9. Can you comment on **IBD outlook and pipelines**?

- M&A: The M&A market remains uneven through 1Q13, however, valuations are at attractive levels.
  - Although dialogue is increasingly active, CEOs remain hesitant to act – the stock market rally should entice CEOs to move forward.
  - Ongoing low interest rate environment should fuel private equity investment.
  - Barrier to M&A recovery – continued concerns surrounding European economy and CEO confidence.
- ECM: Volatility and correlation continue to be in technically supportive ranges and fund flows remain supportive in the US and global emerging markets.
  - Risk appetite remains solid, though risk trades in EMEA are proving to be dangerous territory.
  - IPO pipeline is strong, particularly activity from cyclical and yield products; tech and healthcare IPO activity expected to increase; financial sponsors activity to continue.
  - Emerging Markets - Strong pipeline of business for LatAm in 2Q13 -- broad-based activity from across the region but Brazil may be particularly strong.
- Lev Fin: Total high yield mutual fund flows for the year reflect the continued hunt for yield. The historically low yields and strong technicals seen in 2012 continue to buoy the high yield market and should continue to provide a favorable new issue market heading in to the second quarter.
  - Notwithstanding the continued momentum from refinancings, M&A will be increasingly important vs. refinancing.
  - In the U.S., HY activity expected to be driven more by corporates vs. sponsors, increasing the importance of the role of corporate lending.

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- Investment Grade: Powerful bond market technicals expected to remain in 2013 -- despite recent volatility, spreads continue to tighten while treasury rates remain compressed.
    - As treasury rates fell, investors poured money into investment grade new issues in a search for yield, leading to a significant compression in new issue premiums.
    - Financials have accounted for 48% of the issuance in 2013 so far while corporates have accounted for 40%, a reversal from 2012, FIG Capital expected to be back in fashion; including CoCo's & Hybrids, plays to CS strengths.
    - Despite U.S. political drama regarding the fiscal cliff, budget deficit and sequestration, as well as continued turmoil in Europe, the new issue market has proven to be solid YTD.
    - M&A volumes will be significant to IG Debt.
- Our pipeline of business remains strong and we are optimistic towards achieving strong returns for our shareholders. For BACKGROUND: IBD pipeline at USD 972bn as of 3/31/13 vs. USD1,013bn as of 12/31/12 and USD1,143bn as of 3/31/12

10. What is your **average compensation per head** for the IB?

- We do not believe average compensation per head is a meaningful benchmark because Investment Banking employees span front, middle and back offices with different compensation structures
- To give you an absolute average, the annualized compensation expense for 1Q13 is CHF 5,940 mn. Our average headcount for 1Q13 is 19,650, implying CHF 302,270 of compensation per head.
- Background: Note that in USD terms, CS IB normalized comp/head for 1Q13 is lower than the peers who have reported so far ([$325]K vs. annualized 1Q13 IB comp/head for peers: JPM: $399K, GS: $515K)

11. Can you comment on your **market share in IBD** on the year?

- We continued to build on our underwriting strength in 1Q13. Though we improved our global completed M&A market share vs 4Q12 and 1Q13, advisory performance was weaker in the quarter reflecting the decline in the industry-wide M&A fee pool
    - Our global completed M&A market share increased to 13.8% in 1Q13 vs. 13.2% in 1Q12 and 9.6% in 4Q12
    - We increased global debt underwriting market share to 3.6% in 1Q13 from 3.2% in 4Q12
    - We improved US IPO ranking to #2 in 1Q13 from #3 in 4Q12
    - Our high yield franchise remains strong and while our share remained stable at 6.8% vs. 4Q12, we improved our ranking to #5 in 1Q13 from #7 in 4Q12
- We believe we can continue to build on our positive momentum and further strengthen our franchise throughout 2013

12. Some of your **peers have moved their wind-down businesses into corporate center** and increased disclosure and transparency in the business segment. Are you planning to follow suit?

- We continually review our disclosure practices to adjust to the changing requirements and market expectations
- At this point, we have decided to provide the market with certain adjusted data points (ex-wind-down), however, we currently do not have plans to change our disclosure

13. How have the Commodities and FX businesses performed this quarter? Why are you continuing to focus on **Commodities and FX**?

- Both Commodities and FX returns improved substantially on a rolling twelve-month basis vs. 2012 reflecting the significant progress we have made in restructuring these businesses by reducing costs and RWAs
- We are committed to increasing returns in these businesses by maintaining minimal capital requirements and focusing on core strengths and client needs across IB and PB&WM

14. Given the shrinking margins and increased competition, how do you expect to **be profitable in your Cash Equities business?**

- Cash equities returns improved significantly on a rolling twelve-month basis vs 2012 driven by market share gains in a tepid volume market environment and from our efforts to rationalize the cost base in 2012

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- We continue to have leading market positions in Cash Equities (BACKGROUND: ~12.7% market share in the Americas, ~12.5% market share in EMEA, and over 5% market share in APAC)
    - We plan to focus on increasing share of wallet globally on the Primary side
    - On Cash Secondary, we plan to maintain our top 3 global position while improving profitability in low volume environment
- From a cost side, the actions we took on the expense front during 2012 will help improve margins in this business. In addition, we still expect to drive further synergies in the business from planned actions in 2013
- In summary, we are confident that returns should improve through 2013 driven by a combination of an improved market environment, our portfolio of market leading franchises and our proactive efforts to rationalize our cost base

15. For the USD 5 bn of **IB RWA reduction** since the end of 4Q12, were they achieved through position sell-downs vs. other mitigation measures? Do you plan **further reductions** in your RWA?

- A total reduction of ~$5 bn in IB RWA in 4Q12 to $182 bn
- $7bn is attributed to business reductions
- Offset by a net increase of ~$3 bn of which about 50% relates to Methodology changes (Market Risk) and 50% internal PB/IB transfer
- We have made further substantial progress towards our newly announced target of RWA of less than USD 175 bn by year-end 2013. We are ahead in this process than other banks.
- Future reductions are expected to be achieved through:
    - IB plans to go live with strategic initiatives (e.g. EPE: expected positive exposure for derivatives) with an expected benefit
    - Further business reductions in FID and Equity:
        - Counterparty risk reduction through trade improvement and novation to CCP
        - FID PM position roll-off and restructuring
        - Inventory reductions across various businesses aligned with Balance Sheet optimization

16. Could you elaborate on the **RWA increase in prime**?

- Prime Services RWA increased from USD 13 billion in 4Q12 to USD 15 billion in 1Q13
- Most of the remaining increase was driven by methodology changes and parameter updates for Secured Financing PEs and OTC derivatives PEs. Secondarily, updates in CCP info increased measured RWA.

17. **Emerging Markets RWAs** have increased from $18bn in 4Q12 to $19bn in 1Q13 – what are the components?

- The change in EMG RWA over Q4 is explained by a market risk methodology change

18. You have been emphasizing your **focus on returns**, can you elaborate on the path to achieving a 15% ROE (excluding wind-down)?

- We have consistently emphasized that we look at our businesses with an "over-the-cycle" perspective. As you know, there will always be periods where the markets will face more challenges, and periods where the environment turns more positive. That is why it would be misleading to set a target on a quarterly basis, but we should rather look at it with a more long-term view.
- We achieved strong Basel 3 ongoing returns of 25% in 1Q13 and 13% for rolling twelve months 1Q13 which will support our Group target return of ≥15% across market cycles
- Y-o-y, we have shown significant improvement in returns driven by substantially lower capital usage, sustained revenue levels as well as our continued progress in reducing costs
- While we expect the revenue environment to remain similar to 2012, we believe the additional expense reductions that we have announced in IB will help sustain improved returns in the long term.
- Separately, we are seeing diminishing wind-down losses, which will have a positive impact on our reported returns

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19. What is the **negative revenue of CHF 98mn in "other"**? Please explain.

- The negative revenues of CHF 98 mn in the "other" category primarily relates to Integrated Bank related revenue transfer to PB and AM, and also goodwill allocated funding costs related to the Investment Banking's goodwill balance.
- Detailed breakdown of the main drivers. Collaboration was CHF (40)mn and unallocated Treasury costs were (61)mn.

20. What is the **OIS adjustment** this quarter?

- We no longer disclose these adjustments. Below is the 1Q13 information For BACKGROUND:
- Equity CAV adjustments:
  - Flow Derivatives USD 7m loss (Q1 and YTD USD 7m loss)
- FI CAV adjustments:
  - Vanilla Option: USD 32m loss (Q1 and YTD USD 32m loss)
  - Inflation: USD 18.8m gain (Q1 and YTD USD 18.8m loss)
  - Rest of FID: USD 44m gain (Q1 and YTD USD 44m gain)

21. Is there any new update on regulatory changes in **Dodd Frank / Volcker** that will impact your business?

- On April 19, 2012 regulators announced a formal clarification and update on the Volcker rule
- The guidance was delivered by the Federal Reserve and other financial regulators, and explained that the Dodd-Frank regulatory overhaul law grants banks two years to fully comply with the Volcker rule, which regulators had yet to finalize, although July 21, 2012 was the official date when the rule technically took effect
- The Fed's announcement clarified that banks must show "good-faith planning efforts" to gear up for the Volcker rule by July 2014. We expect to see the final Volcker rule sometime in the second half of 2013.
- CSi registered with the CFTC as a swap dealer at year-end 2012 and has begun recordkeeping and reporting requirements in preparation for the beginning of the CFTC's mandatory clearing mandate later in Q1. We continue to wait for the final trading rule as well as the final extraterritorial guidance covering offshore registrants such as CSi.
- On December 14, 2012, the Federal Reserve released its new proposal to regulate foreign banking operations in the US. We are in the process of evaluating the proposal and CS can certainly comply if they go forward, but we also think that the proposed rules generally are a step backwards in supervising large, cross-border intuitions and seem to undermine the FDIC's positive international efforts to coordinate resolution approaches. In our view, the Fed's new rules, as proposed, could lead to greater difficulties in resolving cross-border institutions by geographically restricting the movement of capital and liquidity and could be particularly problematic if other jurisdictions follow the same path which we are sure they will if the US leads in this direction. They would also appear to discriminate against US broker-dealers owned by foreign banks in contravention of SEC and traditional US policy regarding foreign banks.

22. Your **IB headcount** declined to 19,600 in 1Q13 vs. 19,800 in 4Q12. Can you elaborate on the components?

- IB down 200 mainly due to ongoing rightsizing and attrition partially offset by an increase in contractor conversion and campus hires
  - - 180 RIF notified during 1Q13 (IB -60, IT -50 and Non IT -60)
  - - 220 net attrition mainly in IT (-60) and Non IT (-100)
  - + 70 contractors to employee conversion mainly in IT (+20) and in Non IT (+30)
  - + 50 campus hires (IB +40)
- Note that IB headcount declined by 1,000 Y-o-Y
- Note that these headcount numbers include Direct, IT and Non IT allocation.
- It is important to note that Managing Directors / Directors comprised approx. 40% of completed headcount reductions and will have meaningful impact on fixed and deferred compensation in 2012 and beyond

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DRAFT 1Q13 Q&A as of April 22, 2013
D. Asset Management

1. What is the **progress on the strategy** to realize the benefits in Asset Management from the new PB&WM division?

   - In January, we announced the sale of our ETF business to BlackRock with a closing expected in Q2 or Q3
   - Our Private Equity business divestments remain on track
   - We sold our investment in our Global Infrastructure Fund to Lexington Partners at the end of Q1
   - We appointed Phil Vasan from the IB Prime Services to lead PB Americas effective April 1
   - We announced the formation of the Investment Strategy and Research Group, enabling us to harmonize our discretionary and advisory investment views and themes via a single, powerful channel. This group will be headed by our new Global CIO, Michael Strobaek

2. In July, you announced the move toward a more liquid alternatives business, and the intention to **sell certain illiquid private equity businesses** thus adding CHF 1.1 billion of capital. What is the status of these actions?

   - We continue to work on the previously announced divestments – including Strategic Partners, CFIG and our DLJ MBP portfolio, and are making good progress. We can't comment on specific timing.
   - In 2012 we have added CHF 0.4 billion of capital from reductions in RWA (CLO equity tranche sales, hedge fund redemptions, capital raises replacing own investment in mortgage products hedge fund and PE sales). In 1Q13 we have added CHF 0.1 billion of capital from reductions in RWA (GIP LB stake). We expect to realize the remaining CHF 0.6 billion from further PE realizations and limited partnership sales. The above ignore impacts from the reduction on planned growth
   - In addition to the above we pursuing other initiatives:
     - Completed the sale of our investment in Aberdeen Asset Management for a cumulative gain in 2012 of CHF 384 million, and a fully loaded RWA savings at the group level of approximately CHF 4.6 billion
     - Completed the sale of real estate company Wincasa, with a gain of CHF 45 million realized in 4Q12
     - Sold infrastructure fund limited partnership in March 2013 with a capital equivalent gain of CHF 74 million

3. What is the status of the sale of your **ETF business**?

   - In January 2013, we announced the sale of our ETF business to BlackRock. The sale is an important strategic step in a consolidating industry and, as part of the Firm's previously announced divestment plans, allows us to realize the value from a business we have successfully built over the past decade.
   - We have not disclosed the terms of sale. We expect to complete the sale in the second quarter of 2013 following all regulatory approvals

4. Would you comment on rumors in the press that **outflows from your ETF business may impact the sale price**. [Wording provided by Donato Cianciaruso, COO ETF business]

   - We have not made any public comments on outflows from the ETF funds.
   - FOR BACKGROUND: During 1Q13, 60% of CS ETF negative net flows came from 3 of the 58 funds: CS ETF (CH) on SMI, CS ETF (IE) on MSCI EMU, and CS ETF (Lux) on MSCI Emerging Markets.
     - CS ETF (CH) on SMI: net outflow is partly cyclical in nature as the Swiss dividend season can create tax liabilities for non-Swiss holders. We believe some non-Swiss holders are migrating to non-Swiss funds offering the same exposure for this reason.
     - CS ETF (IE) on MSCI EMU: all competitor ETFs in this exposure saw outflows during the period.
     - CS ETF (LU) on MSCI Emerging Markets: Most competitor ETFs in this exposure gained during the period, although one other ETF provider has seen larger outflows than CS.
   - We have seen multi-asset class investment managers (including CS) shift to a less positive stance on equities during the quarter. Considering over 75% of CS ETF AUM is in equities, we will disproportionately feel this impact.

5. Are there any **other businesses for sale**?

   - As we said last quarter, other than certain Illiquid Private Equity businesses and ETF, there are no further divestments planned for Asset Management at this time.

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- We remain committed to growing our scalable, liquid products in AM. This is about growth, not about dismantling.

6. Would you elaborate on the **formation of the new Private Banking & Wealth Management Division**, i.e. reasons, benefits, strategy?

- The new division better positions us to provide clients with comprehensive and structured advice, and tailored solutions from across the Bank.
- We are able to serve clients more effectively by focusing on excellence in each element of the value chain and ensuring smooth interfaces between them – from product manufacturing to product selection, to client offerings, to advice and service – including improving time-to-market.
- We remain committed to our open architecture platform, which allows us to offer clients the best product at any time.
- Creating the Private Banking & Wealth Management division is part of the continued evolution of our business, which is streamlining the organizational structure and leveraging both revenue and cost synergies.

7. Would you explain the **changes in management and structure** that you have recently implemented within Asset Management and indicate benefits seen so far?

- In parallel with our announcements to sell our private equity and ETF businesses, from the start of this year we implemented moves to a lighter, more efficient operating model:
  - Move to two business verticals focused on scalable products: Alternative Investments, which will now include our Emerging Markets products (headed by Bob Jain), and Core Investments, which includes our MACS / Core / Index products (headed by Gerhard Fusenig)
  - The creation of a Legacy Asset Management Co ('LAMCO') which will manage the near-term sale and eventual exit of our private equity businesses and interests.
  - A lighter support structure, the elimination of our regional management overlay and the closer alignment of distribution with manufacturing will all contribute to a more efficient structure.
- We believe that this new structure will enable us to achieve our through-the-cycle KPI of NNA growth of greater than 6% from asset allocation, hedge funds, credit and index products
- The results in 1Q in which we have seen solid P&L results, strong NNA and a reduction in RWA give us encouragement that our strategy is starting to demonstrate benefits

8. Why are **performance fees and carried interest** down compared with last quarter?

- We earn a substantial portion of our hedge fund fees on a semi-annual or an annual basis
- In 1Q13 we reported performance fees and carried interest of CHF 47m, compared to CHF 207 million in 4Q12 and CHF 34m in 1Q12
- The main drivers in 1Q13 were York (CHF 20m) and Credit (CHF 13m).
- In 4Q12 we reported performance fees and carried interest of CHF 207 million. The main drivers of performance fees were the semi-annual fees from Hedging Griffo (CHF 63m), annual fees from York (CHF 46m) and fees from Credit (CHF 18m).

9. What were the main drivers of movements in your **fee-based revenues** compared with prior periods?

A:

- In 1Q13 we reported fee-based revenues of CHF 450 million, compared with CHF 638 million in 4Q12 and 427m in 1Q12.
- Compared with last quarter, the decrease resulted from lower performance fees from Hedging Griffo and York, lower carried interest from private equity realizations and lower placement and transaction fees.
- Compared with last year, we are reporting higher performance and placement fees, but lower transaction fees and lower equity participations income following the sale of Aberdeen.

10. Would you explain the main drivers of your **investment-related gains**, compared to losses in 4Q?

- In 1Q13 we reported investment-related gains of CHF 88 million, compared to losses of CHF 74 million in 4Q12, and gains of CHF 101 million in 1Q12.

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- In 1Q13, gains of CHF 88 million reflected gains in private equity investments mainly in the energy, real estate and retail sectors and in hedge fund investments. IRG included CHF 13 million gain on the write-up of net asset value to bid on a limited partnership holding.
- 4Q12 included losses of CHF 82 million in connection with the sale of certain private equity investments. In line with our strategy to reduce our private equity business we obtained bids on certain limited partnership holdings, and these losses reflect the write-down from net asset value to bid. Not disclosed: these write-downs comprise our infrastructure JV CHF 48 million and our Merchant Banking portfolio CHF 34 million.

11. Would you elaborate on your **equity participations gains** in prior periods?

- We reported equity participations gains of zero in 1Q13, compared to CHF 20 million in 4Q12 and CHF 170 million in 1Q12.
- In 4Q12 we recognized a gain of CHF 45 million on the sale of Wincasa, a property management company, offset by impairments relating to Asset Management Finance (AMF)
- 1Q12 included a gain of CHF 178 million on the partial sale of Aberdeen and CHF (8) million impairment on AMF

12. How do your **detailed revenue types map into the new PB&WM revenue accounts**?

- Within 'Recurring commissions and fees', we include our asset management fees
- Within 'Transaction- and performance-based revenues' we include placement, transaction and other fees, performance fees and carried interest, equity participations income and our share of the Swiss securities trading and sales business
- Within 'Other revenues' we include investment-related gains/(losses), equity participations and other gains/(losses) and AM's other revenues which include funding costs

13. What is the trend of your **total operating expenses**?

- The detail making up our operating expenses is not disclosed at the sub-segment / Asset Management level
- In 1Q13, our operating expenses of CHF 413 million are down 6% compared with 1Q12 and up 5% compared to 4Q12.
  - down 6% from 1Q12; up 6% excluding PAF2-related charges driven by higher deferred compensation from significant performance fees earned in 2012 and costs related to our planned business divestitures
  - Up 5% from 4Q12 due to accelerated deferred compensation from a strong 4Q12 performance and a higher IPB accrual

14. What impact has the inclusion of the **Swiss securities trading and sales (STS)** business had on your results?

- The results of the Swiss securities trading and sales business have been split between the WMC, CIC and Asset Management sub-segments based on the sub-segment client contribution to the STS revenues. Asset Management receives 10%.
- For 1Q13, STS has contributed revenues of CHF 16 million and PTI of CHF 7 million to the AM results

15. In the MD&A, it was mentioned that the Sales and Trading Income is lower than in 1Q12. What are the drivers for this decrease?

- Sales and Trading Income is down compared to 1Q12 due to lower FID revenues, primarily in FX and Credit products. 1Q12 had significant positioning gains from narrowing of forward rates compared to the spot, and earned fees from the Credit Suisse CoCo issuance

16. What are the items removed from **underlying PTI**?

- Items removed from 1Q13 PTI to arrive at underlying results total CHF 8 million, comprising mark to bid on a PE limited partnership holding (CHF 13 million) and legal expense adjustments related to the anticipated PE and ETF sales (CHF 5 million).

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17. Please would you give some details on the **NNA performance**?

- In 1Q13 we reported net asset inflows of CHF 6.4 billion, compared with outflows of CHF 2.5 billion in 4Q12:
  - **Index** inflows of CHF 2.9bn seasonal inflows from large institutions & pension funds, benefiting from expansion of market outside Switzerland
  - **MACS** inflows of CHF 2.3bn driven by Equities markets
  - **Credit** inflows of CHF 1.2bn driven by Atrium IX fund raise of 0.8bn
  - **Brazil** inflows of CHF 0.6bn driven by Hedging Griffo fundraising
  - **Other Core** inflows of CHF 1.0bn driven by ICBC
  - **AM Other** outflows related to ETF's, CFIG and Strategic

18. How much of your quarterly and YTD NNA relates to **assets managed by AM for WMC and CIC clients** (included also in WMC or CIC numbers)?

- Our 1Q13 NNA included CHF 4.4 billion of inflows from the Private Bank (4Q12: CHF 0.3 billion outflows)
- These are WMC or CIC discretionary mandates managed by AM
- We report these assets in both sub-segments, as they are relevant in both sub-segments, reflecting our management approach
- These assets are eliminated when we report NNA at the PB&WM or Group level

19. What has caused the **decrease in your principal investments and RWA**?

- Our 1Q13 principal investments of CHF 2.7 billion have decreased from CHF 2.9 billion in 4Q12.
  - The main driver of the CHF 0.2 billion decrease was the sale of our limited partnership stake in our infrastructure fund which accounted for a reduction of CHF 0.3 billion, offset by new investments and/or positive performance for in other investments.
- Over the past year, RWA has been reduced from USD 21.2bn in 1Q12 to USD14.5bn in December 2012 and USD13.7bn at the end of 1Q13.
  - Reduction in 2012 came from the sale of Aberdeen, the sell down of our Securitized Products and Brazil Corporate Credit funds, redemptions in Candlewood and realizations in Ospraie, offset by new initiatives in Emerging Markets (Peninsula and Mexico) and continued growth in the Credit business
  - The RWA decrease in 1Q13 of USD 0.8bn reflects the sale of the our limited partnership stake in our infrastructure fund and distributions from York Capital

20. What are the **implications from Dodd Frank regulation** on your principal investment activities? REDACTED
REDACTED

- The Volcker Rule as set forth in the Dodd-Frank law will impact certain CS investments in US HF/PE funds and certain offshore HF/PE funds having US residents as investors when compliance is required in 2014 or 2015.
- U.S. regulators recently noted that covered institutions would have a full two years to come into compliance with Volcker Rule after final rules are issued. We expect final rules to be completed later this year and therefore we believe we would have until the end of 2014 or early 2015 to come into full compliance.
- CS generally will have up to 3Q 2014 or 2015 and potentially up to 2017/2022 to comply with the rule for certain illiquid products. It is likely that CS must comply by 2014 or 2015 for liquid products

21. How does the Federal Reserve's **new proposed foreign bank rule** impact your business? REDACTED
REDACTED

- REDACTED

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To: Volpe, Kari <kari.volpe@credit-suisse.com>
From: Skoglund, Peter </O=CREDIT-SUISSE/OU=GL/CN=RECIPIENTS/CN=PSKOGLUN>
Cc:
Bcc:
Received Date: 2012-04-20 16:39:48 EST
Subject: FW: April 23 - PBAMC - Agenda / Presentation

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From: Jardine, Vanessa
Sent: Friday, April 20, 2012 1:41 PM
To: Anselmin, Edward; Brenner, Stewart; DeChellis, Anthony; Graham, Colleen; Miller, Dale; O'Malley, Bea; Skoglund, Peter; Varela, Antonio; Wirshba, Lewis; Wyss, Silvan
Cc: Wisniewski, Julia; Zack, Julia; Miyaji, Eunice; Discher, Sharon; Fucci, Irene; Harris, Danielle; Volpe, Kari; Tenpow, Sherrie; Tu, Min-Dan; Dudziak, Uschka; Greene, Linda; Buergi, Sandra
Subject: April 23 - PBAMC - Agenda / Presentation

Hello all,

Please see the attached agenda / presentation for the PBAMC meeting on Monday, April 23rd. Hard copies will be provided for your convenience.

Agenda

0 - Agenda
IAMC_April 23_FINA

Minutes (March 8th)

2012_03_08_
nutes_PBAMC_FINA

Presentation

April_23_PBAMC_FI
NAL.pdf

Regards,
Vanessa

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Attachments:

0 - Agenda PBAMC_April 23_FINAL.pdf
2012_03_08_ Minutes_PBAMC_FINAL.pdf
April_23_PBAMC_FINAL.pdf

Private Banking Americas
Management Committee (PBAMC) Meeting

New York: Boston Room, EMA 2B
Zurich: Silvan's Tandberg
Chicago: Peter's Tandberg

Dial-In: 1-888-875-5850 /Int'l 1-706-679-9615 PIN# 2420688

Monday, April 23rd, 2012

Time	Topic	Responsible
10:00 – 10:30 AM	**1. Introduction & Leadership Information**	A. DeChellis
10:30 – 10:50 AM	**2. Business Performance**	A. Dechellis, D. Miller
10:50 – 11:00 AM	**3. Special Topics** ▪ Political Action Committee solicitation	 J. Anderson
11:00 – 11:15 AM	▪ New Business Overview	F. DeMaria
11:15 – 11:45 AM	▪ UHNW Business Model	B. Woodson
11:45 – 12:15 PM	**4. Dept Updates* (Working Lunch)** ▪ PB LatAm ▪ PB USA	 S. Wyss P. Skoglund
12:15 – 12:30 PM	Break	
12:30 – 02:15 PM	**4. Dept Updates* (Cont'd)** ▪ COO ▪ HR ▪ Chief of Staff ▪ Wealth Management Solutions ▪ IT ▪ Operations ▪ Region Americas	 D. Miller B. O'Malley C. Graham S. Brenner A. Varela A. Anselmin L. Wirshba
02:15 – 02:30 PM	**5. Wrap-Up**	A. DeChellis

* includes open items

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Management Committee Meeting PB Americas (MC)
Minutes N° 3/12

March 8, 2012 (11:30AM – 012:00PM NY Time)

Participants:		Presentations by:	CC:
SA	Anthony DeChellis, AD (Lead)		
SAG	Stewart Brenner, SB		
SAO	Dale Miller, DM		
SAE	Peter Skoglund, PS		
SAL	[redacted]		
SAEO	Ed Anselmin, EA		
KSG	Antonio Varela, AV		
SAA	Colleen Graham, CG	Guest:	
OC	Lewis Wirshba, LW (excused)		
SAOE	Sandra Buergi, SBu (Minutes)		
Dispatch of the minutes		**Signatures**	
To:	Participants		
CC:	CEO Credit Suisse PB		
Enclosures are usually sent with the agenda		Sig. Anthony DeChellis	Sig. Sandra Buergi

Overview

I Information D Discussion 🗁 earlier dispatch / handouts

N°	Agenda	I	D	🗁
1.	**Introduction and Leadership Information**			
2.	**Business Performance**	X	X	
3.	**Department Updates**			
	▪ PB LatAm	X		
	▪ PB USA	X		
	▪ COO	X	X	
	▪ HR			
	▪ Chief of Staff	X		
	▪ Wealth Management Solutions	X		
	▪ IT	X		X
	▪ Operations	X		
4.	**Any other business, including risk issues for escalation**			
5.	**Wrap-up**			

N°	Agenda item	Responsible / Deadline
1.	**Introduction and Leadership Information**	
	Minutes of last PBAMC Meeting and List of Pending Items: ▪ Minutes approved. ▪ Pending items closed: none Leadership Information: AD informs: ▪ H.U. Meister and R. Boegli are focused on NNA, however, outlook is not too promising. ▪ PB Americas is currently the number one contributor to NNA. ▪ Fee based business is stable, whereas transactional business is suffering. We have room for improvement on the net interest side. ▪ Overall the firm is doing ok, but pressure is building up since Q1seems to be very similar	

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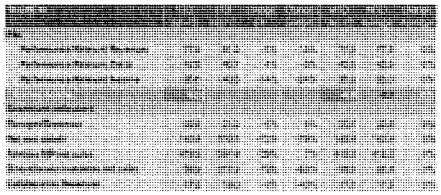
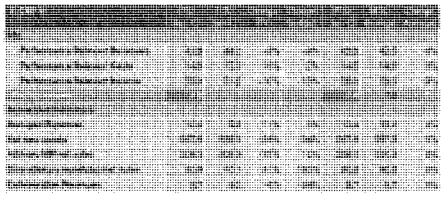
N°	Agenda item	Responsible / Deadline
	to Q4 of last year. This means we either have to push revenues or cut expenses.	
2.	**Business Performance**	
	Business performance DM walks the group briefly through the PB Americas January business performance and reiterates, that this year the FX rate will hurt us.  Outlook on February: Numbers are not finalized yet, but performance relevant revenue is around CHF 81m, being +5% above previous month.	
3.	**Department Updates**	
	PB Latam SW comments the PB Latam business performance slide and confirms that momentum has increased, especially on transactional business.  He further provides updates on: ▪ Brazil – Hedging Griffo: strong momentum; nice NNA estimates. ▪ Chile: first accounts have been opened; interesting meetings with UHNWI have taken place already. ▪ Argentina: 2 employees have left and 2 will move to Uruguay. ▪ Uruguay: we are currently assessing the business opportunity to potentially open up an advisory office in Uruguay. ▪ Pacto Andino: Additions from Clariden Leu in terms of clients and RMs are expected. ▪ Panama: had recently nice NNA inflows. ▪ US offices: need to continue with NNA growth.	

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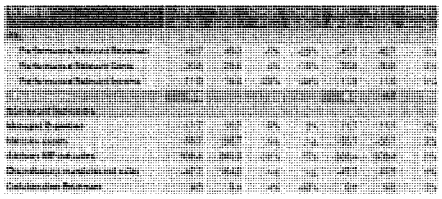
N°	Agenda item	Responsible / Deadline
	▪ Hiring: big team from JP Morgan has joined in the US; nice pipeline with candidates lined up for the Geneva office. In Brazil we need to accelerate hiring but it is difficult as this is the most competitive market.	
	PB USA PS comments on the January business performance. 	
	He further updates: ▪ Branch Manager meeting has taken place on March 6 and 7 and went well. Big thank you to all the PBAMC contributors. PS made it clear to the BM that the main focus needs to be on recruiting. The ACE members attended the first afternoon of the meeting, where a couple of topics were covered that were of interest to the ACE as well as the BM. ▪ NNA outflows due to CSPA client migration shouldn't count as outflow as decided by R. Boegli. AD agrees and will re-visit the topic with H.U. Meister. ▪ Transactional business is depending on the calendar. ▪ February numbers are expected to be a bit better than January. ▪ Recruiting: a RM from Goldman Sachs will join and a second one will follow. However, we need to revisit our deal.	AD – 04/30/2012
	COO DM informs: ▪ ACE meeting went very well; we covered Suitability & Appropriateness, Beneficial Owner/hub concept and spend a lot of time on feedback from the offices. Compared to previous years, the feedback was well balanced and a lot of positive points were mentioned. Improvement of the platform is felt at the front; however, there is still ample room for improvement. In the afternoon the ACE members, as PS already mentioned, were listening in to the BM meeting. ▪ The global MBA program management looks at PB USA as a positive example and adjusted its global efforts accordingly. ▪ DM started discussing with C. Machate on how to re-work the current RM deal. Will keep the PBAMC updated.	DM – 05/10/2012
	Chief of Staff CG informs: ▪ Project [redacted]s moving along. ▪ REDACTED ▪	

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N°	Agenda item	Responsible / Deadline
	▪ REDACTED ▪ ▪ Recruiting interviews: CG is happy to support and the earlier she gets involved, the better. ▪ Amy Berkowitz is the new head of legal for PB North Americas. WMS SB informs: ▪ B. Reinhard is in Texas, visiting the offices and seeing clients. ▪ DMP continues to grow nicely. ▪ We received positive answers from FINRA and SEC re sweeps and mortgages. Mortgage expert was hired from Deutsche Bank and we are currently evaluating providers (Quicken vs. HHC). ▪ B. Woodsen and S. Meier will be joint heads of the UHNWI group for PB Americas. ▪ Eq: there were a lot of deals last night. ▪ FI: revenues are down. ▪ Structured products group is very active. ▪ S. Mattus and J. Lloyd are streamlining their offering and will provide a clear overview. ▪ REDACTED ▪ There is demand, especially for Latam clients, for loans for operating companies. We need to be able to provide a solution. SB and M. McVicker are working on it. IT AV highlights the following deliverables: ▪ FX Dual Currency Investments (DCI) User Acceptance Testing continues in a more integrated, cross department way; on Core Processing, involving Shared Service IT. Go-live on track for May 2012; ▪ DWH Enhancements to support FX DCI on track for May. ▪ Consolidated Reporting release to go live 8th March (new benchmarks, more flexibility in account level reporting. ▪ RM Compensation prototype on track for end of March. ▪ Suitability and Appropriateness changes related to *FrontNet Portal* data remediation on track for late March; and *RMS / ARMS onboarding* changes on track for June. ▪ Trade Booking Option Exchange codes enhanced, to avoid cancel / corrects on Option trades; Automatic order generation for Executive Restricted Stocks on a monthly and quarterly basis deployed late February. ▪ Further details – see slides 11-14. ▪ IT needs to be involved in the discussions re Canada business. Operations EA updates: ▪ [redacted] ▪ Reorganization of Operations as part of Shared Services is still underway. EA received tough goals; however, details are still in the process of being discussed. ▪ Panama: is investigating of potentially using Pershing platform. SW, however, doesn't think this should be a focus at the moment.	SB – 04/30/2012

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N°	Agenda item	Responsible / Deadline
	Region Americas No update. HR No update.	
4.	**Any other business, including risk issues for escalation**	
	No risk items.	
5.	**Wrap-Up**	
	Na.	
	Next Meeting	
	PBAMC Meeting April 23 10:00am – 3:00pm Location: EMA 2B – Boston Room	

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APPENDIX: List of Pending Items

Item	Meeting	Description	Resp.	Deadline
01-12	02/09	Provide PB Latam project portfolio update	D. Miller, P. Perumal	04/15/2012
02-12	03/08	Re-visit with HUM how asset outflows from CSPA client migration should be treated in terms of NNA	A. Dechellis	04/30/2012
03-12	03/08	Re-work RM hiring deal	D. Miller	05/10/2012
04-12	03/08	Loans for operating companies	S. Brenner	04/30/2012

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US Project – STC #1

Zurich, August 19 2008

ChW

Executive Summary

- UBS (and to a lesser extent LGT) face severe challenges around their US offshore business culminating in Senate hearings and the announcement to close the US offshore business
- CS has stayed out of headlines and with good reason
- However, with further potential tightening of QI rules a full review of the US Intl. business is required
  - Ensuring continued compliance
  - Deciding on appropriate future business model (what?)
  - Selecting the corresponding operating model (how?)
  - Implementing the chosen direction

Decisions required from STC

- Short-term measures
  - Alert LC-00014 ☐
  - Way forward with existing 'structures' ☐
  - Way forward with new 'structures' ☐
- Agreement on
  - Project objectives ☐
  - Project scope ☐
  - Governance ☐
  - Timeline ☐

Agenda

- Situation and related issues
  - → US Intl. PB market
  - Credit Suisse
- Project objectives, scope & organization

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Slide 5

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What went wrong at LGT

Background	▪ Press and tax authorities strongly point out tax abuse/evasion possibilities via 'tax haven banks and off-shore vehicles'
Events & Escalation (02. - 06.2008)	▪ LGT employee hands over to tax authorities ~**12k pages** of **confidential data** (Feb 08) – Data of at least 7 US taxpayer accounts showing evasive structures is disclosed ▪ Several countries **claim information** & take **legal action** (e.g. Mr. Zumwinkel, GER) – Confronted clients partly cooperating with authorities; others are voluntarily coming forward – LGT group limiting its cooperation based on Lichtenstein secrecy laws ▪ Permanent US Senate 'Subcommittee on Investigations' releases **full report** on LGT/UBS cases including **recommendations** (July 08)
Results	▪ LGT accused of: – Helping clients to avoid disclosure to IRS via abusive structures (e.g. offshore companies, trusts) – Helping to "cover up" tracks of client funds via 'structures' – Hiding assets and/or ownership from courts/relatives/creditors – Enabling bribery in US & elsewhere (LGT Lichtenstein - Marc Röch – US/Panama)

Sources: 'Tax Haven Banks and U.S. Tax Compliance' report (Permanent Subcommittee on Investigations); press releases; mgmt. interviews

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PA

What went wrong at UBS

Background	▪ UBS with extensive US PB domestic presence strengthened after Paine Weber's acquisition in 2000 (26 subsidiaries, several broker/dealer/ advisor licenses) ▪ US-licensed advisor (Swiss Financial Advisors - SFA) formed in CH to service US clients from CH (2003)
Events & Escalation (2007-2008)	▪ After ex-UBS client Olenicoff reaches settlement with IRS, ex-UBS employee (Birkenfeld) provides documentation & testimony about UBS's US offshore banking practices (2007) ▪ UBS announces decision to exit US PB Intl. market due to 'strategic reasons' (Nov' 2007) ▪ UBS releases a US travel ban (Nov' 2007) ▪ Birkenfeld pleads guilty in testimony regarding tax evasion support (June 2008) ▪ UBS head PB Americas (Liechti) held by US authorities as 'material witness' (Apr' to Aug' 2008) ▪ IRS is granted a 'John Doe' summons against UBS to disclose (client) data ▪ UBS (Mr. Branson) announces the full exit from offshore banking for US residents (Jul' 08)
Results	▪ UBS accused of breaking QI agreements by – Opening undeclared accounts for US clients to avoid disclosure (tax evasion) – Targeting US clients onshore (despite SEC restrictions regarding advice & solicitation) ▪ UBS under strong surveillance from DOJ and IRS including ongoing trials ▪ UBS under SEC investigation of acting without license (advice & solicitation) ▪ Additional: Accusations related to abusive tax shelter products

DOJ: Department of justice, SEC: Securities and Exchange Commission, IRS: Internal Revenue Service
Sources: 'Tax Haven Banks and U.S. Tax Compliance' report (Permanent Subcommittee on Investigations); Hearing July 17, 2008; mgmt. interviews

Summary US Senate subcommittee report

Content

- Press and historic background on U.S. tax abuse investigations
- Profiles of LGT & UBS and detailed case history of account structuring
- Main findings regarding abusive methods & recommendation for US Senate actions

Main findings

- Bank secrecy seen as 'cloak' over misconduct
- LGT & UBS (and other tax haven institutions) accused of
  - Applying bank practices to facilitate tax evasion
  - Maintaining undeclared U.S. clients accounts with billions of USD
  - Proactively assisting the avoidance of QI reporting

Recommendations (by US Senate subcommittee)

1. Strengthen QI reporting of foreign accounts held by US taxpayers
2. Strengthen 1099 reporting
3. Strengthen QI audits
4. Penalize tax haven banks that impede US tax enforcement
5. Attribute presumption of control by US Taxpayers using tax havens
6. Allow more time to combat offshore tax abuses
7. Enact 'Stop tax haven abuse' Act

Sources: 'Tax Haven Banks and U.S. Tax Compliance' report (Permanent Subcommittee on investigations); mgmt. interviews

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RC

SFBC request and meeting outcome (Aug 14, 2008)

REDACTED

CS	CL/NAB	TOTAL
# 6'458 [AuM 3.16]	# 1'278 [AuM 0.89]	# 7'746 [AuM 4.07]
# 4 [AuM 0.01]	# 1 [AuM 0.00]	# 5 [AuM 0.01]
# 338 [AuM 2.10]	# 262 [AuM 1.17]	# 598 [AuM 3.27]
# 162 [AuM 0.63]	# 136 [AuM 0.71]	# 298 [AuM 1.54]
Tax	Tax	Tax

[ ] Figures communicated to SFBC only orally (in brackets); other figures available in appendix (not communicated to SFBC)
SFBC: Swiss Federal Banking Commission (EBK: Eidgenössische Bankenkommission)
Sources: SFBC request, TTSG/SAOR 1

'Bottom-line' from external assessment

- Issues from a US point of view
  - Combating US tax evasion by transferring responsibility to financial institutions
    - Strengthening of QI program
    - Attributing presumption of control of 'structures' to U.S. taxpayers
    - Applying strong penalties (e.g. fines, threat of QI agreement termination)
  - Foreign bank secrecy laws (competitive advantage) resp. offshore financial centers

- Main points of concerns for international banks
  - Pressure on PB offshore business model
    - Customer reactions (e.g. self-indictments)
    - Employee reactions (e.g. talent attraction, motivation, attrition, employer 'blackmailing')
  - Spill-over effects/set precedence for other markets (e.g. GER, UK, Australia)

Sources: Management interviews, press releases

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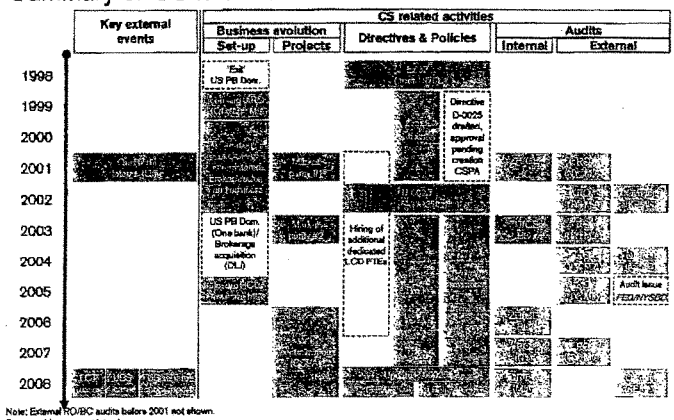
Agenda

- Situation and related issues
  - US Intl. PB market
  - → Credit Suisse
- Project objectives, scope & organization

Summary of CS activities related to PB US Intl. market



Note: External RO/BC audits before 2001 not shown.
Sources: Management interviews

PA

Recap: Set-up evolution of PB US Intl. business

Set-up evolution	Rationale	Evolution
Licensing of 3 ROs (HOU, NY, MIA)	▪ Build up point of contact within the CSPB franchise ▪ Houston and Miami focused on LatAm markets ▪ New York focused on the US market (1 Rep.)	▪ US onshore branch/agency system closed in the US; business sold to RBC ▪ ROs set-up as point of contact ▪ Closing of the Houston RO in 2005 *) ▪ Downsizing of the Miami RO in 2005 *)
Creation of CSPA as registered broker/dealer and/advisor	▪ CSPA established in 2001 to provide advisory and brokerage services to US residents	▪ CSPA started with its head office in Zurich ▪ Opening of the CSPA New York office in 2002; closure in 2003 ▪ Opening of the CSPA Miami office in 2004; closure in June 2006
Closure HOU/ downsizing MIA *)	▪ Review of all ROs and particularly the servicing model through the RO Ambassadors ▪ FED Audit in 2005	▪ Houston RO had 4 people; staff was shifted from the RO to CSPA in 2005; CSPA closed Houston in April 2006 ▪ 7 people from Miami RO shifted to CSPA in 2005; Miami RO currently has 1Rep.

Sources: Management Interviews

REDACTED

Source: P-00025; LCD

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Slide 15

PA

Actions taken in the past to ensure full adherence to regulatory requirements

Project start ← 2001 — 2002 — 2006 — 2008

	RC 1+2 Market purity wave #1	USA 'OldCO' Market purity wave #2	W9 Project
	Policy D-0025		Policy P-00025
Compliance objectives	▪ Ensure compliance with D-0025 & QI obligations ▪ Ensure efficient audits		▪ Ensure compliance with P-00025 & US regulations
Project objectives	▪ Achieve clear market view & concentrate know-how ▪ Transfer majority of clients to respective Country Desks ▪ Scope: 3'030 CIFs; AuM 5.6bn; TOI 56m ▪ Transfer results in CS: 2100 CIFs; AuM 2.4bn; TOI 24m (as per 30.6.02) ▪ Transfer results in CSPA: 110 CIFs; AuM 180m; TOI 1.8m ▪ Define and monitor exceptions closely	▪ Further concentration of US clients into CoC (ZH+GE) and/or CSPA - Market expertise - Market strategy ▪ Verification of US specific data ▪ Transfer of identified client CIFs ▪ New openings only at CoC ▪ Adjustments of MIS and transfer of headcount	▪ Identify all W9 clients (930 CIFs, AuM 1.3 bn) ▪ Close or transfer of all affected clients to CSPA (PB USA/Jo Hambro for Int' Locations) ▪ Implement IT changes to prevent new W9 account openings
Results	▪ Precise process from 'RM old' to 'RM new' defined ▪ Overall ~40% of identified assets adjusted to MGs ▪ Exception approvals according to D-0025 handled		▪ Majority of cases solved and all solutions defined ▪ Remaining issues (exceptions & portfolio blocking) taken over by CoC (SOAB 2)

Source: Internal departments

Past audits without major issues/critical findings

Type	Scope	Year	Rating	Main findings/comment
External	[redacted]	2004-5	Some issues	Fed/NYSBD Issue: NY RO LatAm team, activities with Latam (non-US) clients (→ team moved out)
		2005	Relicensing	Granted
		2005	No issues	Fed: satisfactory, full compliance
		2007	**No issues**	NYSSD: Satisfactory; activities in strict compliance with license
	[redacted]	2005	Relicensing	Granted
		2005	No issues	FLA: Satisfactory, no further action
		2007	**No issues**	Fed: Satisfactory; no major issue; action biz contingency plan
	[redacted]	2002	No issues	—
		2004	No final results	Pending findings (delay caused by IRS)
		2008	Upcoming	To be finalized during 2009
Internal	[redacted]	2001	No issues	Investment advice performed in accordance with existing directives
		2003	Minor issues (action required)	Investment Advice performed in accordance with existing directives Action required: Client documentation on financial background and source of funds to be improved (e.g. clients from project "risk country transfer")
		2006	**B2** (Minor issues)	Overall control environment generally found to be operating adequately Issues: For some clients documentation of the financial background or their source of funds need to be improved; the ultimate BO in some cases must be clarified and formally disclosed.
	[redacted]	2007	No issues	Overall control environment found to be operating effectively
		2008	**No issues**	Overall control environment found to be operating effectively

Sources: Management interviews

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PA

Short-term measures

	Actions
1 Project mgmt.	✓ Weekly taskforce and SAL meetings
2 Analysis	✓ Data gathering (e.g. structures) ✓ QI analysis regarding formalities ✓ SFBC request ▪ Detailed analysis
3 L.C & T...	REDACTED
4 Monitoring	✓ Introduction of GTMT tool ▪ Setup of monitoring system for incoming assets from UBS & LGT ▪ Monitor special cases (e.g. investigate Senate list regarding affected clients)
5 Trainings	▪ Training sessions 'CB+' for RMs (priority: RMs with US clients)
6 Procedures & product offering	▪ Clarification of EAM process ▪ Clarification of special products (e.g. CS Life, 3rd party products)

Sources: SOAM

REDACTED

RC

REDACTED

REDACTED

FM

DETAILED VIEW
REDACTED

REDACTED

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FM

W9 Non-W9 Non-US Person

Structures – The way forward *(to be presented by F. Müller)*

'Bottom line' of CS situation around PB US Intl. market

- CS with relatively small exposure to US Intl. market
- Bottom line – SEC

REDACTED

- Bottom line – Tax
  - 'Structures' (offshore entities)
  - Form 'A'

1) Including US 'structures' and assuming gross margin of 130bps for 'structures'; [XX/XX] = CS Group/CS only
Sources: Tax & Legal departments, mgmt. interviews

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Agenda

- Situation and related issues
  - US Intl. PB market
  - Credit Suisse
- Project objectives, scope & organization

Project objectives

Not OK

Concept phase (Q3 08)	▪ Ensure continued compliance with applicable US laws, regulations and policies → ***Ongoing***
	▪ Evaluate and decide on appropriate business model around PB US Intl. business → ***STC 2***
	▪ Select appropriate operating model for chosen business model going forward → ***STC 3***
Implementation phase (Q4 08-ongoing)	▪ Derive a seamless implementation plan in line with STC's decision → ***STC 4***
	▪ Implement required organizational changes

Sources: Management interviews

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Project scope

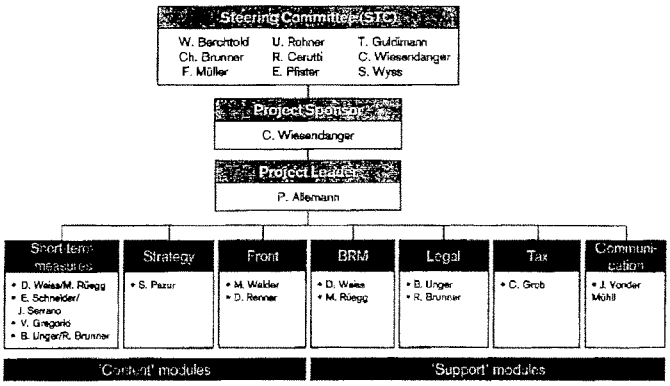
Decision of STC
☐ OK
☐ Not OK

	✓ Scope 2008	Scope 2009+
Client view	▪ All 'US Persons' under both securities and tax law defitions[1)] ▪ All non-US domiciled companies, trusts, foundations or other 'structures' with US Person on Form A or in position of control	▪ Non-US domiciled US greencard holders and other exceptions
Booking center view	▪ All 'US clients' booked at SBIP (Switzerland) ▪ All Clariden Leu US clients[2)]	▪ US Intl. clients booked in other CS booking centers (e.g. Singapore)

1) 'US Persons' under SEC laws (WS business) already centralized into CSPA in predecessor project; all exceptions granted with regard to WS clients to be reviewed;
2) Clariden Leu required to carry-out a parallel project.
Sources: Management interviews

Project organization – Concept phase

Not OK



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ChW

Next steps and open questions

Next steps:

- Ongoing implementation of Short Term Measures
- Implementation of today's STC decisions
- Preparation of 2nd STC
  - Main topic: Evaluation of alternative business models
  - Proposed meeting date: End of week 37/mid September (3-week meeting frequency)

Open questions:

- Inclusion of experts in STC?
- PBMC (Aug 26), BoD (Sept 5), Audit Committee BoD
  - Preparation of presentations?

Appendix

Decisions required from STC

- Short-term measures
  - Alert LC-00014 ☐
  - Way forward with existing 'structures' ☐
  - Way forward with new 'structures' ☐
- Agreement on
  - Project objectives ☐
  - Project scope ☐
  - Governance ☐
  - Timeline ☐

Overview of US Intl. business at CS – US Person under US tax law[1)]

- AuM (05-07; CHF bn):
  - 9.4; 10.1; 11.0 (CAGR 05-07: 8%)
- Revenues[2)] (05-07; CHF mn) :
  - 107; 112; 122 (CAGR: 7%)
- NNA[3)] (05-07; CHF mn)
  - 540; 1'378; 418 (% AuM 06: 14%; % AuM 07: 4%)
- CIFs (05-07; #)
  - Individuals: 23'727; 22'601; 22'886 (CAGR 05-07: -1%)
  - Legal entities[1)]: 816; 1'048; 1'346 (CAGR 05-07: 28%)
- Operating model
  - ~1/3 of business managed centrally (20 RM's located in ZH/GE)[4)]
  - ~2/3 of business managed decentrally (428 RMs located in CH, EMEA, Singapore, etc.)[4)]

1) 'US Person' from tax perspective; excluding Non-US domiciled greencard holders, other special cases (e.g. material physical presence in US) and Non-US legal entities ('structures') with 'US Person' (tax perspective) on Form 'A' or in position of control; 2) Revenues definition (Total Operating Income) modified after 1.1.2008, leading to changes in P&L statements (commission expenses paid to broker/dealers reported on the expense side → historical figures vs. 1H08 with reduced comparability); 3) Without Commercial and Custody NNA; 4) RMs servicing > 5 US Intl. customers.
Sources: MIS; SC analysis

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W9 | Non-W9 | Non-US Person

US Intl. business activities spread-out across whole organization – US Person under US tax law[1)]

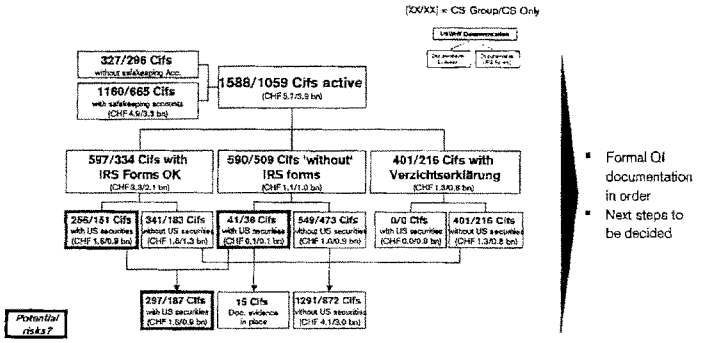
PRELIMINARY

		CIFs (#)[2)]			Assets (CHF Bn)	Revenues (CHF Mn)[3)]	RM's (#)[4)]
		Individuals	Legal entities	Total			
SBIP	PB Americas	2'551	92	2'643	2.7	35	66/*22*
	w/o CSPA	*367*	*34*	*401*	*0.6*	*2*	6/*6*
	P&BB CH	6'009	771	6'780	1.8	32	993/*44*
	PB EMEA	10'283	269	10'552	2.2	36	465/*19*
	w/o SIOA 5	*9'345*	*91*	*9'436*	*1.1*	*17*	189/*62*
	PB Asia	84	6	90	0.1	1	38/*0*
	PB IS&P[5)]	539	35	574	0.7	7	57/*3*
	Other[6)]	1'191	17	1'208	0.0	1	8/*1*
Other BCs[7)]		N/A	N/A	337	0.5	4	N/A
Clariden Leu		1'660	240	1'990	1.8	22	239/*12*
Total		**22'317**	**1'430**	**24'084**	**9.7**	**137**	**1'866/*101***

~90% of CIFs, ~80% of AuM and revenues within SBIP

1) 'US Person' from tax perspective; excluding Non-US domiciled greencard holders, other special cases (e.g. material physical presence in US) and Non-US legal entities ('structures') with 'US Person' (tax perspective) on Form 'A' or in position of control; 2) Includes 'Konto & Depot'; 3) Revenues annualized using 2x factor of 1H08; 4) RMs servicing at ≥ 1 US Intl. customer (individuals or companies) respectively servicing ≥ 5 US Intl. customers (in italic); 5) Including EAM business; 6) Including PB Technical BA, IB 0877; 7) Included BCs: Spain, China (HK), Dubai, Singapore, Australia, Indonesia, Austria, Germany, Luxembourg, Guernsey, UK, France, Bahamas; only US domiciled clients; Sources: MIS; SCAM/SOVA analysis

Non-US structures with 'US Person' on 'Form A' or as in position of control



Sources: TTSG/SAOR 1 (31.03.2008)

Confidential Treatment Requested by Credit Suisse CS-SEN-00426135

Request PSI: Explain the name of, and business conducted by, the SIOA and SIOA 5 units from 2006 – present

- Explanation of OE codes:
  - S — Private Banking Division (still applicable)
  - SI — Market Group Europe Middle East & Africa (until December 2011)
  - SIO — Market Area UK/International/Eastern Europe (until May 2009)
  - SIOA — Market Area UK/International (from January 2006 until May 2009)
  - SIOA 5 — Department Mixed International (from January 2006 until May 2009)

- SIOA related changes as of May 2009 due to a re-organization:
  - SIOA became Market Area UK/Ireland
  - U.S. clients and related RMs were transferred from SIOA 5 to SALN

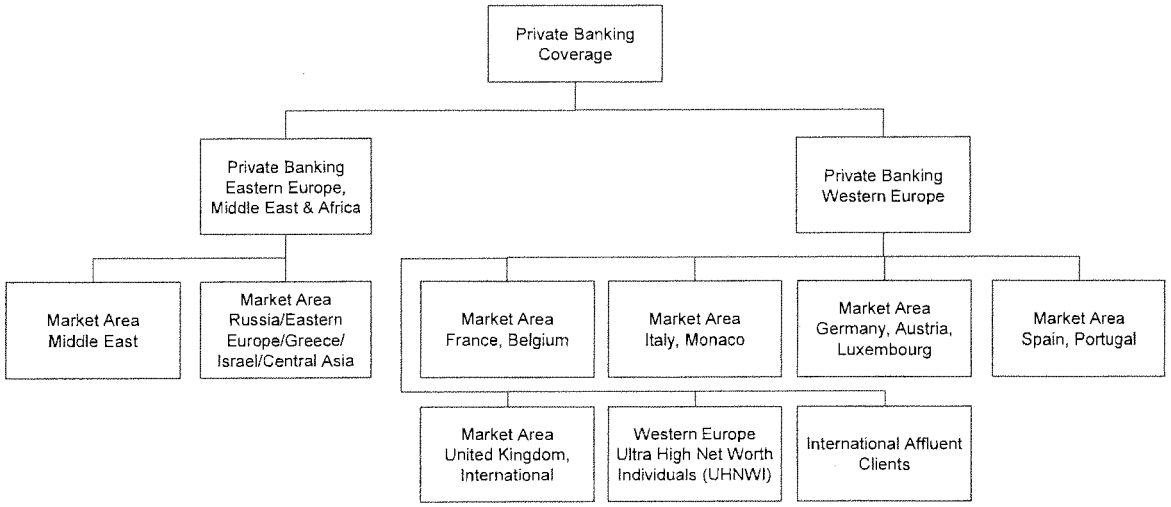
- Business conducted by SIOA/SIOA 5:
  - Clients with generally less than CHF 250,000 assets with the bank who were non-Swiss international clients resident in the UK and other countries, including but not limited to the US, were assigned to these RMs to receive private banking services in accordance with applicable policies.

Confidential Treatment Requested by Credit Suisse

CS-SEN-00426136

Request PSI: Provide an organizational chart from the EMEA unit Private Bank Switzerland

Current PB EMEA Coverage organization:



Confidential Treatment Requested by Credit Suisse
CS-SEN-00426137

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PROJECT W9

2nd Core Team Meeting

October 13, 2006

(v2 sendout)

Date: October 12, 2006
Produced by: SOAM

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Slide 1

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PROJECT W9
2nd Core Team Meeting

- Migration Update: Status of Step 1 & Tasks for Step 2 (starting next week)
- Migration Step 3: Contacting Clients and Banking Secrecy
- Exception Process & Incentives for RMs
- Input from Asset Management / Discretionary Mandates
- New Data (End of August 2006)
- Next Steps

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Slide 2

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Project W9
Migration Phase: Steps and Milestones

STEP 1	Identifying operational companies	▪ Identification of purely operative companies by affected stream responsibles. (i.e. non domiciliary companies without securities and commodities investments) → SOAM will send out excel list to stream responsibles by Oct 3, 2006 Begin: 3 October 06 Due Date: 13 October 06
STEP 2	Verification of migration list	▪ Check client domicile and other data (W9 flag, beneficial owner domicile) ▪ Connected CIFs – check if two or more CIFs are associated with each other ▪ Add additional CIFs to the migration list if necessary ▪ Check if clients portfolio can be blocked (AuM < CHF 25k) → SOAM will send out excel list to stream responsibles by Oct 16, 2006 Begin: 17 October 06 Due Date: 15 November 06
STEP 3	Migration of clients	▪ Contacting & informing clients ▪ Obtain client's decision: Transfer to CSPA, blocking of portfolio or closing relation (legally sufficiently documented) ▪ Inform SOAM about client's decision not later than March 15, 2007 ▪ Execute client's decision & report to SOAM until May 2007 → SOAM will send out excel list to stream responsibles by Dec 11, 2006 Begin: 11 December 06 Due Date: 15 May 07

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Slide 3

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PROJECT W9
2nd Core Team Meeting

- Migration Update: Status of Step 1 & Tasks for Step 2 (starting next week)
- Migration Step 3: Contacting Clients and Banking Secrecy
- Exception Process & Incentives for RMs
- Input from Asset Management / Discretionary Mandates
- New Data (End of August 2006)
- Next Steps

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Slide 4

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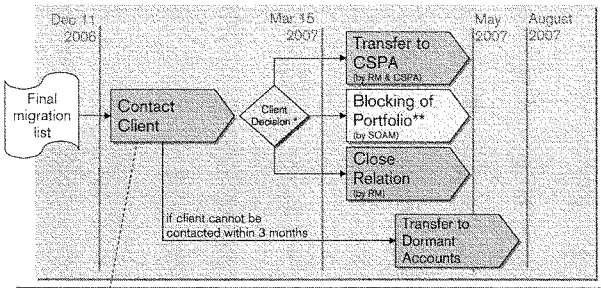
STEP 3: Migration of clients - Process



Contact Client: (updated Oct 11, 2006)

1. RM informs the client about the change in policy
2. *(optional step)* If the client insists on talking to CSPA before his decision: The RM asks the client to either contact CSPA directly or sign and send back to CS a "talon" authorizing CS to provide client details to CSPA
3. RM obtains a written document (no emails) from client ordering...
   - ...the transfer of his relation to CSPA (i.e. separate legal entity, US regulated, with US office(s) etc.)
   - *...to block any future securities/commodities investments (N.B. Blocking of Portfolio is not for all clients applicable!)***
   - ...to close the relation
4. RM informs SOAM about client's decision

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*) Client decision must be legally sufficiently documented (in writing, signed, no emails)
**) Only applicable for clients who qualified for blocking of portfolio option during step 2!

Slide 5

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PROJECT W9
2nd Core Team Meeting

- Migration Update: Status of Step 1 & Tasks for Step 2 (starting next week)
- Migration Step 3: Contacting Clients and Banking Secrecy
- Exception Process & Incentives for RMs
- Input from Asset Management / Discretionary Mandates
- New Data (End of August 2006)
- Next Steps

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Project W9

Exception Process for CIFs which should not be migrated to CSPA...

- The technical feasibility (no NNA/revenues to be booked) will be further discussed with Business Controlling and MIS
- The resulting proposal will be discussed with Ch. Wiesendanger, A. Bättig & U. Dickenmann and then presented in FBMC

Which CIFs can apply for an exception?	We propose the following criteria for exceptions: ▪ Operational companies using payment services only (as already decided) ▪ Small clients whose portfolios will be blocked for any securities investments if none of the above criteria is applicable, we recommend that... ▪ only CIFs of UHNWI clients can apply for an exception (i.e. clients booked at UHNWI Desk of Babak Dastmaltschi)
Who will decide on exceptions?	Decision-Board for Exceptions: Erich Pfister, Agnes Reicke, Christian Wiesendanger
What is the impact for the RM if a CIF is not migrated?	We propose the following impact for RMs who do <u>not</u> migrate CIFs: ▪ No revenues / NNA from that CIF will be booked for the RM (if technically possible) ▪ RM must go through certification process to advise US clients

A clear and rigid exception management is crucial for the success of the W9 migration!

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Slide 7

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REDACTED

Draft Version
Oct 12, 2006

Project W9

Incentives for RMs to refer clients to CSPA

- Using CRCT / PB standard model for incentives re referrals (revenue double counting on RM level)
- Referral receiver would be SWLN 4 (not CSPA)
- RSA #19 could be adjusted from today's 50:50 revenue sharing between CSPA and SWLN 4 to partly finance the referral compensation

High level estimation for project W9:

→ All CIFs to be transferred in W9 project generated ~CHF 6-10 Mio revenues in 2005.
→ Assuming external (non-SWLN) incentives costs of 50% (i.e. ~CHF 4 Mio) which need to be shared 50:50 between CS and CSPA (i.e. CHF 2 Mio each)
→ The RSA #19 could be changed in order to keep an additional CHF 2 Mio within CS for 2007

Long-term solution / After completion of the W9 project (2008):

→ assuming 10% of the volume of the W9 project (~CHF 100 Mio NNA) per annum will result in CHF 200k additional external incentive costs for SWLN
→ The RSA #19 could be changed in order to retain an additional CHF 200k p.a. within CS: + ~3% → 53:47 (?) → *negligible?*

Advantages

- Standard incentive for the referring RM to achieve a sustainable client relationship at CSPA
- Easy to understand, communicate and implement

Issues

- Need to find a fair revenue split between CSPA and SWLN to finance referrals?

- *This is a proposal primarily aiming at a long-term solution (to be implemented after project completion)*
- *This solution could be extended to be valid also for the project itself. (cf. directive 4890)*
- *The idea is approved by Business Controlling/MIS to be perfectly feasible and easy to implement*
- *The resulting proposal will be discussed with Ch.Wiesendanger, A.Bättig & U.Dickenmann and then presented in PBMC*

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The Private Banking Standard Referral Model* 1/3

- Referred Business Volume (AuM & Credit Volume) is subject to a one-time recognition which will be credited into the MbO Toolbox / IPR after the following deferred measurement period (if client consent available → 5/7):

  - Existing client: 1 month after transfer date
  - New client: 6 months after account opening date in order to ensure that the full client potential is accounted

- Revenue compensation (floor) set at a minimum of CHF 300 (or equiv. in foreign cur.)

- Compensation based on the referred asset class and credit volume:

Business Volume	Compensation scheme*				
	Fiduciary/MMF	Advisory**	Discretionary	Custody	Credit
BV < 50m CHF	15 bp	60 bp	90 bp	-	60 bp
BV > 50m CHF	negotiated	negotiated	negotiated	negotiated	negotiated

* Not applicable for referrals from/to Corporate Clients & Private Clients Switzerland (DU 11, PC/CC Switzerland)

** without Fiduciary/MMF part

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Slide 9

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Compensation of a "New client" referral ? 2/3

- Reporting of revenues and assets in MIS according to Performance Measurement '06
  - Introduction of client; revenues and NNA reported with Referral Receiver
  - Referral Maker: Revenue & NNA compensation according to "PB Standard Model"
  - Referral Receiver: Debit of NNA compensation in favor of Referral Maker; no debit of revenue comp.

	Referral Maker		Referral Receiver	
Cif based-Level	Client revenues:	None	Client revenues:	+ 10
	Net New Assets:	None	Net New Assets:	+ 100 (Inflow)
+ Compensation-Level	Referral Rev.:	+ 6 ('referral part')	Referral Rev.:	No debit
	Net New Assets:	+ 100 ('referral part')	Net New Assets:	- 100 ('referral part')
= Effect on RM-Level	Revenues:	+ 6	Revenues:	+ 10
	Net New Assets:	+ 100	Net New Assets:	0

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Slide 10

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Compensation of a "Existing client" referral ? 3/3

- Reporting of revenues and assets in MIS according to Performance Measurement '06
  - Client asset transfer from Referral Maker to Referral Receiver
  - Referral Maker: Revenue & NNA compensation according to "PB Standard Model"
  - Referral Receiver: Debit of NNA compensation in favor of Referral Maker; no debit of revenue comp.

	Referral Maker		Referral Receiver	
Cross Border Referral*:				
CIF based Level	Client revenues	None	Client revenues	+ 10
	Net New Assets	- 100 (Outflow)	Net New Assets	+ 100 (Inflow)
+				
Compensation Level	Referral Rev.	+ 8 (referral part)	Referral Rev.	No debit
	Net New Assets	+ 100 (referral part)	Net New Assets	- 100 (referral part)
=				
Effective P&L Level	Revenues	+ 8	Revenues	+ 10
	Net New Assets	0	Net New Assets	0

* no cif closing necessary for referrals within PB Switzerland (Swiss IT Plattform / BU12)

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PROJECT W9
2nd Core Team Meeting

- Migration Update: Status of Step 1 & Tasks for Step 2 (starting next week)
- Migration Step 3: Contacting Clients and Banking Secrecy
- Exception Process & Incentives for RMs
- Input from Asset Management / Discretionary Mandates
- New Data (End of August 2006)
- Next Steps

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Projekt W9: Sitzung vom 9. Oktober 2006

Teilnehmer

- Piattella Sergej (APIP 6); Wittwer Marcel (APIP); Kaufmann Ivo (CS) telefonisch zugeschaltet; Risch Flurina (APSB); Feierabend Patrick (ACMS 2); Hug Daniel (SOAM 1)

Erkenntnisse

- **VV-Mandate erfordern spezielle Formalitäten** → Evtl. sogar Verträge migrierbar? → Eva Künzi
  Für den Transfer des VV-Mandates eines Kunden von der CS zur CSPA werden ein Saldierungsauftrag für das VV-Mandat bei der CS sowie Eröffnungsformalitäten für das neue VV-Mandat bei der CSPA benötigt.
- **Pricing muss gelöst werden** → Übernahme der Einzeltitel möglich/sinnvoll?
  Die Schliessung des VV-Mandates bei der CS und die Neueröffnung des VV-Mandates bei der CSPB müssten für den Kunden möglichst kostenneutral erfolgen. Normalerweise würde bei jedem Verkauf eine Ticket Fee von CHF 80 / CHF 100 je Position belastet werden. Dies würde bei 32 Positionen knapp CHF 3'000 ausmachen.
- **Restmenge W9 mit Dom ≠ USA ?** → Erweiterte Migration auch von non-US W9 clients zu CSPA?
  Es sind nur VV-Mandate von Kunden mit W-9 und Domizil USA auf dem Radar des Projektes. Aus Sicht MACS müssten aber auch VV-Mandate mit W-9 **und** Domizil **ungleich USA** zu CSPA übertragen werden. Bei diesem Vorgehen würden bei MACS immer noch einige Kunden verbleiben. Dies würde überproportionale Kosten verursachen, weil die ganze US-Tax Infrastruktur für die wenigen verbleibenden VV-Mandate aufrechterhalten werden müsste. Bereits heute ist das Management der VV-Mandate von Kunden mit W-9 nur knapp rentabel, da viel Handarbeit involviert ist.

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PROJECT W9
2nd Core Team Meeting

- Migration Update: Status of Step 1 & Tasks for Step 2 (starting next week)
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BACKUP

PROJECT W9

W9 data selection criteria: identification of affected W9 clients

The following criteria have been defined to identify affected CIFs on Swiss Banking IT Platform (SBIP):

Client domicile, beneficial owner domicile or settlor/main shareholder domicile = USA, Guam, Puerto Rico or American Samoa	→ USA and US territories are affected
CIFs with at least one W9 portfolio	→ W9 Flag
BU=11, 12, 15, 24	→ CRB, PB, NAB, CRB/Inst. Clients
Kundenart (KUA) < 300 or (300<KUA<400 and BU=12)	→ Corporate & private clients
Exclusion of RM Instradierung = SWLN 4	→ already CSPA booked assets
Exclusion of RM Instradierung = SEM*	→ EAM relations are legally not affected

Bank Hofmann, Bank Leu, BGP and Clariden are not included in the following analysis.

Data Source: SOFC 41 (June 2006)

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SWISS BOOKED W9 CLIENTS: AFFECTED UNITS

New Data (Data mart) August 2006

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AFFECTED UNIT	Unit	# CIFs	AuM	Credits	Operating Income**	
Swiss booked W9 client relations with External Asset Managers (EAM)	SEM*	69	CHF 1[illegible] Mio	CHF 4.[illegible]	CHF 1.1 Mio	[illegible] bps
Corporate Clients CH	SCF	1	CHF [illegible]	-	-	n/a
Private Banking CH	SP*	126	CHF 392 Mio	CHF 6.6 Mio	CHF 1.4 Mio	71 bps
PB EMEA	SF	490	CHF 430 Mio	CHF 431 Mio	CHF 4.4 Mio	51 bps**
PB North America Offshore	SWL*	193	CHF 517 Mio	CHF 6 Mio	CHF 2.6 Mio	51 bps**
SWIZ	SWIZ*	7	CHF [illegible] Mio	17 Mio	CHF 13 k	13 bps
SH	SH*	23	CHF 13 Mio	-	CHF 109 k	84 bps
	TOTAL	843 (without EAMs)	CHF 1'007 Mio (without EAMs)	CHF 459 Mio (without EAMs)	CHF 8.6 Mio (without EAMs)	59 bps** (without EAMs)

Data Source: SOFO 41 & LBM (August 2006)

*) USA plus US Territories: Guam, Puerto Rico, American Samoa
**) bps = Operating Income / (AuM + Credits)

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New Data (Data mart) August 2006

PROJECT W9
QuickWin: Migration of affected W9 clients to CSPA

SBIP SOLUTION SEGMENT				# CIFs	AuM	Operating Income	SOLUTION PROPOSAL
Swiss booked W9 client relations with External Asset Managers (SEM*)				88	CHF 193 Mio	CHF 1.1 Mio	no action required
SWISS BOOKED W9 CLIENTS (EAM and CSPA CIFs excluded: SEM* & SWLN4)	US* DOMICILED PRIVATE CLIENTS		PB3C Clients (i.e. AuM<CHF 25k)	258	CHF 1 Mio Credits=1.1 Mio	CHF 136 k	Portfolio Blocking!
			PB3B Clients (25k<AuM<CHF 100k)	100	CHF 6 Mio Credits=1.8 Mio	CHF 71 k	→ CSPA No Exceptions !
			PB3A Clients (100k<AuM<CHF 250k)	103	CHF 17 Mio Credits=1.9 Mio	CHF 151 k	TOTAL CIFs: 545 AuM: 787 M Revenues: 4.8 M
			PB2 Clients (250k<AuM<CHF 1 Mio)	209	CHF 115 Mio Credits=3.3 Mio	CHF 1.1 Mio	
			PB1 Clients (AuM>CHF 1 Mio)	133	CHF 628 Mio Credits=53 Mio	CHF 3.4 Mio	
	CORPORATE CLIENTS	US* DOMICILED	Corporates with AuM < 25k → operative corporations ?	6	CHF 8 k Credits=398 Mio	CHF 2.4 Mio	→ CSPA
			Corporates with AuM=25k...1M → operative corporations ?	12	3.7 Mio	CHF 86 k	TOTAL CIFs: 40 AuM: 241 M Revenues: 3.8 M
			Corporates with AuM > 1M → trusts / foundations ?	22	237 Mio	CHF 1.2 Mio	
			TOTAL	843 (without EAMs)	CHF 1'007 Mio (without EAMs)	CHF 8.6 Mio (without EAMs)	

Data Source: SOFC 41 & LBM (August 2006)

*) USA plus US Territories: Guam, Puerto Rico, American Samoa

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PROJECT W9
2nd Core Team Meeting

- Migration Update: Status of Step 1 & Tasks for Step 2 (starting next week)
- Migration Step 3: Contacting Clients and Banking Secrecy
- Exception Process & Incentives for RMs
- Input from Asset Management / Discretionary Mandates
- New Data (End of August 2006)
- Next Steps

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Next Steps

Activities	Responsible	Due Date
▪ Deliver Results Regarding STEP 1 (identification of purely operational companies) SOAM will sent out order by Oct 3, 2006	Affected Streams	Oct 13, 2006 i.e. TODAY!
▪ Deliver Feedback to any topic of this presentation	All	asap / Oct 20, 2006
▪ Next Core Team Meeting	All	Nov 3, 2006 (after PMBC)
▪ Deliver Results Regarding STEP 2 (verification of migration list) SOAM will sent out order by Oct 17, 2006	Affected Streams	Nov 15, 2006

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PROJECT W9

4th Core Team Meeting

November 24, 2006

(v2 Sendout)

Date: November 23, 2006
Produced by: SOAM

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PROJECT W9
4th Core Team Meeting

- Overall Project Status
- "Double Relation" Issue
- CRCT / Compensation Process
- Process Adaptations
- Migration Process / Client Communication
- Roadshows: Locations, Invitations & Presentation
- Next Steps

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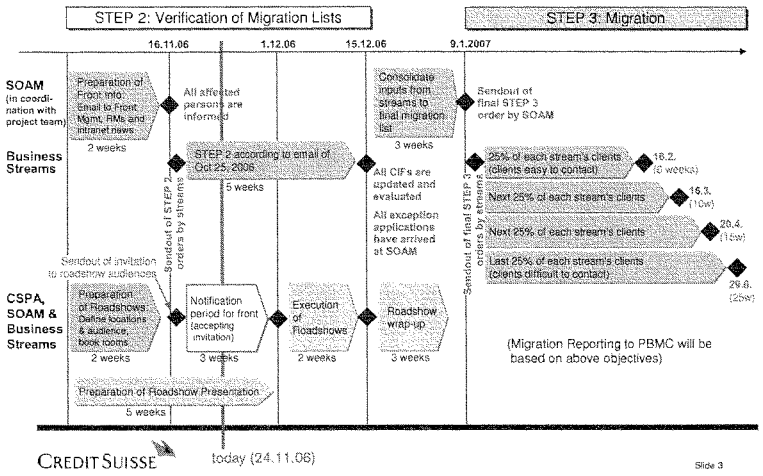
ROADMAP PROJECT W9: STEP 2 + 3



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Front Communication Plan

Activities	Responsible	Due Date / Status
▪ Sendout of Email to affected Front Mgmt i.e. Email to Front Mgmt, Checklist for RMs in CS, Q&A, Exception Application Form	Streams	14.11.06 done
▪ *Publish Intranet News Entry* i.e. Intranet News, Checklist for RMs in CS, Q&A, Exception Form	*SOAM 1*	*16.11.06 suspended*
▪ Sendout of Email to affected RMs i.e. Email to RMs, Checklist for RMs in CS, Q&A, Exception Form	Streams	16.11.06 done
▪ Sendout of Invitations to Roadshows	Streams	16.11.06 ?
▪ Roadshows Welcome & Formalities Package for all RMs, Detailed Explanation of Migration Process and Formalities	CSPA / Streams	1.12.06 – 15.12.06

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Project W9
Migration Phase: Steps and Milestones

STEP 1	Identifying operational companies	▪ Identification of purely operative companies by affected stream responsibles (i.e. non domiciliary companies without securities and commodities investments) → SOAM will send out excel list to stream responsibles by Oct 3, 2006 Begin: 3 October 06 Due Date: 13 October 06
STEP 2	Verification of migration list	▪ Check client domicile and other data (W9 flag, beneficial owner domicile) ▪ Add additional CIFs to the migration list if necessary ▪ Check if clients portfolio can be blocked (AuM < CHF 25k) → SOAM has sent out excel list to stream responsibles on Oct 25, 2006 Begin: 16 November 06 Due Date: 15 December 06
STEP 3	Migration of clients	▪ Contacting & informing clients ▪ Obtain client's decision: Transfer to CSPA, blocking of portfolio or closing relation (legally sufficiently documented) ▪ Immediately, inform SOAM about client's decision ▪ Execute client's decision & report to SOAM within max. 3 weeks after decision date → SOAM will send out excel list to stream responsibles by Jan 9, 2007 Begin: 9 January 07 Client decision (signed documents) not later than: 16 Feb 07 (25% of CIFs per stream) 16 Mar 07 (50% of CIFs per stream) 20 Apr 07 (75% of CIFs per stream) 29 Jun 07 (For all CIFs, we have a client decision)

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PROJECT W9
4th Core Team Meeting

- Overall Project Status
- "Double Relation" Issue
- CRCT / Compensation Process
- Process Adaptations
- Migration Process / Client Communication
- Roadshows: Locations, Invitations & Presentation
- Next Steps

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Project W9
Overview of the "Double Relation" Issue

REDACTED

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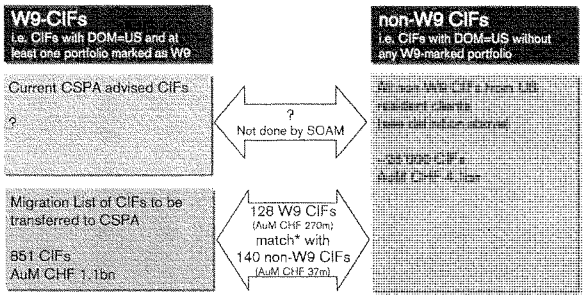
Project W9
Quick Data Analysis



*) Matching has been done by a pure comparison of CIF name fields and an additional birthdate match where possible.
Numbered account CIFs have been explicitely excluded from the matching process.

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Project W9
Impact Assessment of Legal Proposal

REDACTED

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Project W9
Impact Assessment and Associated Risks

	Option A Accept Associated Risks	Option B Full Implementation
	No further actions	Ensure that there are no "double relations": Close all non-W9 CIFs with CIS of clients who have or will have a CIF with CSPA. Ensure that no new "double relations" can be created as part of bank account opening process.
Operational Impact on US offshore business	• No operational impact	• Restrictions to current US offshore business • Process and Application adaptations to prevent the opening of new "double relations" • Current and future loss of AuM & Revenue
Impact on Project W9	• No project impact Project can proceed as planned	• Significant harm for planned project execution • Expected reduction of "coverage rate" • Potential contract of [illegible] • Loss of AuM & Revenue because of Migration Project (GHP: ~270m affected WO and ~37m non-WO assets)

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Project W9
Legal Assessment of Solutions

	Option A Accept Associated Risks	Option B Full Implementation
Legal Assessment	REDACTED	

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PROJECT W9
4th Core Team Meeting

- Overall Project Status
- "Double Relation" Issue
- CRCT / Compensation Process
- Process Adaptations
- Migration Process / Client Communication
- Roadshows: Locations, Invitations & Presentation
- Next Steps

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W9: Compensation (CRCT)

- Change of Relationship Manager (RM) to SWLN 4 does not result in asset flows (no NNA arise).
- The RM will receive **referral credits** according to the standard Client Referral Compensation Tool (CRCT): i.e. 60bps on advisory assets and 90bps on discretionary assets at CSPA at the end of the month of the transfer.
- Recording of each CIF in CRCT has to be done by RM. SWLN 4 has to accept each CIF.
- Referral fee is debited to SWL (no charge to CSPA).
- Business Controlling will ensure that 90 bps will be payed for Discretionary assets.
- There will be no budget/target transfers from the releasing to the receiving organizational unit (rationale: CIFs will be transferred spread over some time; if the majority of the clients will be transferred in Q2 or later then the RM roughly will achieve a full year revenue amount inlcuding the referral fee; therefore there is no need to adapt targets/budgets).

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PROJECT W9
4th Core Team Meeting

- Overall Project Status
- "Double Relation" Issue
- CRCT / Compensation Process
- Process Adaptations
- Migration Process / Client Communication
- Roadshows: Locations, Invitations & Presentation
- Next Steps

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Project W9

Adaptation of Relationship Opening Process

	Option A	Option B
Target Process Design		
Advantages		
Disadvantages		
Assessment		
SOAM Proposal	Not to be followed	

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PROJECT W9
4th Core Team Meeting

- Overall Project Status
- "Double Relation" Issue
- CRCT / Compensation Process
- Process Adaptations
- Migration Process / Client Communication
- Roadshows: Locations, Invitations & Presentation
- Next Steps

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PROJECT W9

Migration Process: Selected Points to be discussed

1. Portfolio Analysis for all CIFs will be done by CSPA
   Travel statement paper printouts of all CIFs with AuM>0 are ordered by SOAM 1
   Analysis of all statements has to be done latest by Dec 15, 2006.
2. RM Checklist provides a high level overview of the process
   (Details will be defined on Wed Nov 29, 2006, 13.30 at CSPA)
3. Ensure that RMs use proper wording in direct client contact
   Skript for RM → DOs & DON'Ts (Legal)
4. Client Letter & Authorization Talon
   Must be adapted to final transfer process, defined until Nov 30, 2006
5. CSPA Documentation Package to be sent to Client
6. ...

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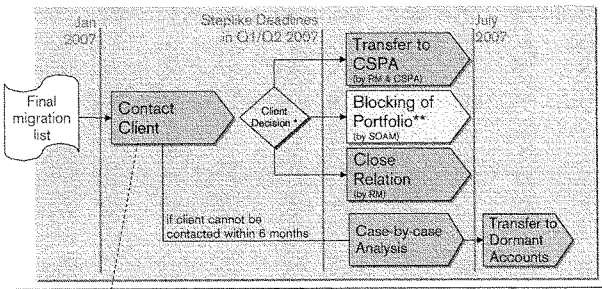
PROJECT W9
Migration Process



Contact Client:

RM informs the client about the change in policy

1. *(optional step)* If the client insists on talking to CSPA before his decision: The RM asks the client to either contact CSPA directly or sign and send back to CS a "talon" authorizing CS to provide client details to CSPA
2. RM obtains a written document (no emails) from client ordering...
   - ...the transfer of his relation to CSPA (i.e. separate legal entity, US regulated, with US office(s) etc.)
   - *...to block any future securities/commodities investments (N.B. Blocking of Portfolio is not for all clients applicable!)***
   - ...to close the relation
3. RM informs SOAM about client's decision

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*) Client decision must be legally sufficiently documented (in writing, signed, no emails)
**) Only applicable for clients who qualified for blocking of portfolio option during step 2!

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PROJECT W9
4th Core Team Meeting

- Overall Project Status
- "Double Relation" Issue
- CRCT / Compensation Process
- Process Adaptations
- Migration Process / Client Communication
- Roadshows: Locations, Invitations & Presentation
- Next Steps

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PROJECT W9

CSPA / W9 Roadshows

Location	*Responsible*		
▪ Zurich 5.12.06, 08:45h	Markus Walder	SWLN	(S. Candrian)
▪ Zurich 13.12.06, 15:15h	Gion Cavelti Daniel R. Wenger	SROC 2 SIAR	(I. Piffaretti) (S. Amiet)
▪ Basel	Patrick Alig	SRNA	
▪ Bern	Franz Schneider	SRMA	
▪ Chur	Heinz Köbeli	SREA	
▪ Geneva 14.12.06, 13:00h	Markus Walder	SWLN	(S. Candrian)
▪ Locarno?	n.n.?		

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PROJECT W9
4th Core Team Meeting

- Overall Project Status
- "Double Relation" Issue
- CRCT / Compensation Process
- Process Adaptations
- Migration Process / Client Communication
- Roadshows: Locations, Invitations & Presentation
- Next Steps

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Next Steps

Activities	Responsible	Due Date
▪ Deliver Feedback to any topic of this presentation	Core Team	asap / Nov 28, 2006
▪ Finalize Preparations of Roadshows	CSPA	Nov 28, 2006
▪ Execute Roadshows	All involved	Dec 1 – 15, 2006
▪ Prepare Draft L&C Alert	SOAM ?	Dec 8, 2005 ?
▪ **Deliver Step 2 Results** (Updated Lists per Stream and Exceptions Forms)	**Streams**	**Dec 15, 2006**
▪ Next Core Team Meeting	Core Team	Dec 15, 2006

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PROJECT W9

16th Core Team Meeting

May 8th, 2008
(send out)

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Project W9
16th Core Team Meeting

- Why W9 started
- Assignment & implemented measures
- Open issues – status migration
- Next steps

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Date: 06/05/2006 Slide 2

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Project W9
Why W9 started

Starting Point	▪ CS CH has no SEC licenses for PB offshore business in the USA ▪ Only limited service to US resident clients (cf. directive P-00025)
Risk Situation	▪ One Bank initiative increased exposure regarding US legal risks ▪ Regulatory requirements growing and foreign regulator's monitoring tightening
Restriction as reflected in P-00025	CS PB Division Switzerland may not: ▪ Call, email, fax or otherwise communicate into US ▪ Meetings in US ▪ Provide US clients internet access to their safekeeping accounts
ExB decision in 2000	▪ Establish Swiss based advisory company with advisory & broker/dealer licenses* ▪ Move W9 clients to CSPA ▪ Strict implementation of Directive P-00025 ▪ Initiation of Project W9 by W. Berchtold in 2006 – SOAM received assignment

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* Credit Suisse Private Advisors (CSPA) as an EAM of CS

Produced by: SOAM 1
Date: 06/05/2008 Slide 3

Project W9
16th Core Team Meeting

- Why W9 started
- Assignment & implemented measures
- Open issues – status migration
- Next steps

Project W9
Assignment & implemented measures (1/2)

Main objectives	▪ Transfer all US resident W9 clients to CSPA (SBIP) ▪ Transfer all US resident W9 clients at international locations ▪ Improve client service level for US resident clients ▪ Further enhance compliance with P-00025 and US regulations
Overview activities	▪ Identify all affected US resident W9 clients on SBIP, transfer or close ▪ Identify all affected US resident W9 clients at international locations, transfer to CSPA, PB USA, JO Hambro or close ▪ IT & FCC adjustments: prevent any new W9 account openings
Affected clients*	▪ Private & corporate clients with domicile US and US territories** & signed W9 form
Exceptions***	▪ W9 Decision Board: ▪ Erich Pfister (Member of the BoD/CSPA, Head of W9 Decision Board) ▪ Agnes Reicke (General Counsel Switzerland) ▪ Christian Wiesendanger (Head North America Offshore) ▪ Basically no exceptions anymore, only if: RM is only in contact with POA who is outside the US

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* Out of scope: IPBs & EAM desk
** US territories: Puerto Rico, Guam, American-Samoa, Northern Mariana Islands & US Virgin Islands
*** 46 exceptions have been granted in total with AuM CHF 370m

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Date: 06/05/2008 Slide 5

Project W9

Assignment & implemented measures (2/2)

Communi-cation	▪ Intranet page, legal & compliance alert ▪ Roadshows ▪ Core team meetings ▪ Info package to international locations ▪ No external communication (but info platform recently)
Portfolio blocking	▪ W9 clients with cash investments only ▪ No securities investment services anymore otherwise transfer to CSPA ▪ Portfolio Blocking Warning upon request*
Asset Mgmt decision in 2006	▪ CS will not offer any US specific discretionary mandates anymore: ▪ No new US mandates as of December 2006 ▪ US mandates transferred to non-US mandates or to CSPA**

Referrals	▪ Referral credits according to the PB compensation scheme:
	  ▪ 15bps on fiduciary/MMF assets
	  ▪ 60bps on advisory assets
	  ▪ 90bps on discretionary assets
	▪ Referral stop end of 2007***

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* Affected CIFs: 163, AuM CHF 274m

** Affected CIFs: 90, AuM CHF 209m

*** For talons and complete documentation package not handed over to CSPA by end of 2007 referral compensation will not be credited anymore

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Date: 09/05/2008 Slide 6

Project W9
16th Core Team Meeting

- Why W9 started
- Assignment & implemented measures
- Open issues – status migration
- Next steps

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Project W9
Overview final migration results per Business Area

Business Area		SR	SI	SAL	SWZ	SG	total
Starting Point	CIFs	150	530	240	9	1	930
	AuM (in m)	296.7	456.3	439.9	65.7	0.5	1'259.1
Talon not yet received*	CIFs	3	14	3	0	0	20
	AuM (in m)	7.2	15.3	5.6	0	0	28.1
Talon sent to CSPA**	CIFs	2	49	24	0	0	75
	AuM (in m)	0.5	13.2	26.3	0	0	40
Migration completed***	CIFs	35	72	66	0	1	174
	AuM (in m)	59	70.6	106.2	0	0.5	236.3
Exceptions granted	CIFs	16	23	6	1	0	46
	AuM (in m)	102.6	107.4	137.7	22.1	0	369.8
Account closed/ will be closed	CIFs	13	131	39	2	0	185
	AuM (in m)	17.8	43.2	65.2	6	0	127
Account closed/ will be closed after contact with CSPA	CIFs	7	32	20	0	0	59
	AuM (in m)	10.6	12.2	28.8	0	0	52.6
Portfolio blocking	CIFs	58	112	9	4	0	183
	AuM (in m)	73.2	160.7	7.8	32.6	0	274.3
Out of scope	CIFs	16	97	73	2	0	188
	AuM (in m)	31	33.7	61.3	5	0	131

Data source: Controlling / Database Project Team
AuM in CHF

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* CIFs below step 5
** CIFs in steps 6-20
*** CIFs in step 21

Produced by: SOAM 1
Date: 09/05/2008 Slide 8

Project W9
Final migration comments as of 11.04.08

Identified issues

- 20 CIFs which have not yet arrived at step 5:
  - SR 3 CIFs (2%) AuM CHF 7m (2%)
  - SI 14 CIFs (3%) AuM CHF 15m (3%)
  - SAL 3 CIFs (1%) AuM CHF 6m (1%)
- Next Steps:
  - Option A: 20 CIFs must be closed immediately or
  - Option B*: BRM takes over remaining issues

Remainder objective

- Deadline for CSPA: transfer completed (all documents signed) by June 30, 08 otherwise CIF will be cancelled
- All CIFs cancelled by CSPA have to be closed by current CS RM
- CS RM is responsible for the client until transfer to CSPA is completed

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Project W9
Final migration comments as of 11.04.08 – Other affected clients

Business Area		SR	SI	SAL	SWZ	SG	SL	total
Starting Point 2nd round / cleaning up	CIFs	9	22	9	1	1	2	44
	AuM (in m)	13.1	8.9	49.6	12.7	0.2	0.3	84.8
Starting Point Domicile Change	CIFs	7	5	2	0	0	1	15
	AuM (in m)	8.4	0.4	2.1	0	0	0	10.9
Talon not yet received*	CIFs	1	3	0	0	0	0	4
	AuM (in m)	0	0.3	0	0	0	0	0.3
Talon sent to CSPA**	CIFs	0	1	1	0	0	2	4
	AuM (in m)	0	0.1	3.8	0	0	0.3	4.2
Migration completed***	CIFs	3	0	0	0	0	0	3
	AuM (in m)	6.1	0	0	0	0	0	6.1
Exceptions granted	CIFs	0	2	4	1	0	0	7
	AuM (in m)	0	0.8	28.2	12.7	0	0	41.7
Exceptions pending	CIFs	4	0	0	0	0	0	4
	AuM (in m)	0.4	0	0	0	0	0	0.4
Account closed/ will be closed	CIFs	0	4	3	0	0	0	7
	AuM (in m)	0	0.4	8.3	0	0	0	8.7
Portfolio blocking	CIFs	0	3	0	0	0	0	3
	AuM (in m)	0	0.1	0	0	0	0	0.1
Out of scope	CIFs	1	2	0	0	0	0	3
	AuM (in m)	3.8	6.9	0	0	0	0	10.7
Other	CIFs	7	12	3	0	1	1	24
	AuM (in m)	10.8	0.8	11.4	0	0.2	0	23.4

Data source: Controlling / Database Project Team
AuM in CHF

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* CIFs below step 5
** CIFs in steps 6-20
*** CIFs in step 21

Produced by: SDAM 1
Date: 08/05/2008 Slide 10

Project W9
16th Core Team Meeting

- Why W9 started
- Assignment & implemented measures
- Open issues – status migration
- Next steps

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Project W9
Next Steps

Activities	Responsible	Due Date
▪ Project Handover to BRM (SOAB)	SOAM 1	End of May
Contact: P. Oberhänsli & S. Hänni (deputy)		
▪ Project completion	SOAM 1	End of June

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CS-SEN-00426235

Many thanks to all the Core Team members and all other involved persons, who supported and contributed to the W9-Project with their valuable know-how and effort!

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PROJECT W9

8th Core Team Meeting

March 29, 2007

(v1 sent out)

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PROJECT W9
8th Core Team Meeting

- Overall Project Status
- PBMC Update
- Update Status Migration Reporting
- US-Mandates with MACS / AM Update (Hans-Peter Lässer)
- Start Phase 2 – Centralization of Non-W9 clients & Offshore Country Certification Program
- Status Process & Tool Adjustments / IT-Overview
- Next Steps

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CS-SEN-00426238

ROADMAP PROJECT W9: STEP 2 + 3

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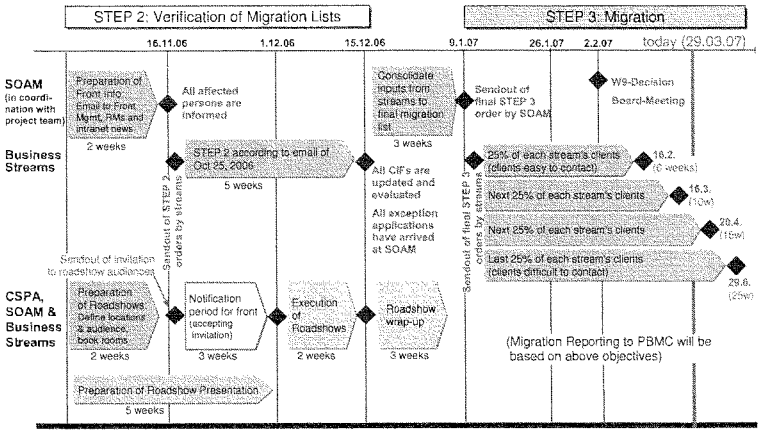

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Date: 29.03.2007 Slide 3

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PROJECT W9
8th Core Team Meeting

- Overall Project Status
- PBMC Update
- Update Status Migration Reporting
- US-Mandates with MACS / AM Update (Hans-Peter Lässer)
- Start Phase 2 – Centralization of Non-W9 clients & Offshore Country Certification Program
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- Next Steps

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CS-SEN-00426240

Project W9
Status Overview

Status of Transfer to CSPA	▪ Transfer of 854 CIFs (AuM CHF 900m) currently in process – Current status: 90 CIFs (AuM CHF 38m) are already in contact with CSPA by March 16, 2007 23 CIFs (AuM CHF 21m) are closed or in process of being closed → currently below target: by Mar 16, we targeted to have got a first client feedback from 50% of affected clients (today, we are at a level of ~17%) → further measures to be decided in April 2007 (comprehensive reporting)
Exception Handling	▪ W9 Decision Board (A. Reicke, Ch. Wiesendanger, E. Pfister) has decided: 26 of 92 applications have been granted exemption: – 18 CIFs with non-US resident holders of power of attorney – 5 CIFs of clients who will return from the US before the end of 2008 – 3 CIFs because of different reasons (pending legal case, etc) ▪ Few of the 66 declined applications are in the escalation process to be re-evaluated by the line management
Next Steps	▪ First comprehensive progress reporting is planned for April 20, 2007 ▪ Starting project in international locations (~116 CIFs, AuM ~CHF 173 Mio) ▪ Design and setup of *Offshore Certification Program* for RMs with US clients

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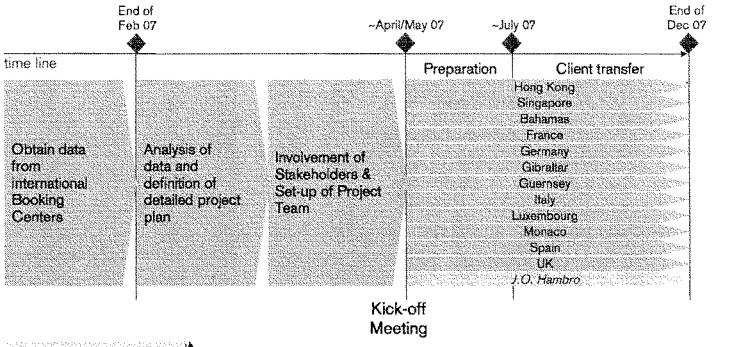
Project W9 - Roadmap for International Locations
Scope Extension W9 CIFs in International Locations

Draft
March 19, 2007



Next steps

- Involvement of Business Development International
- Identification of Stakeholders (CH & local Booking Centers)

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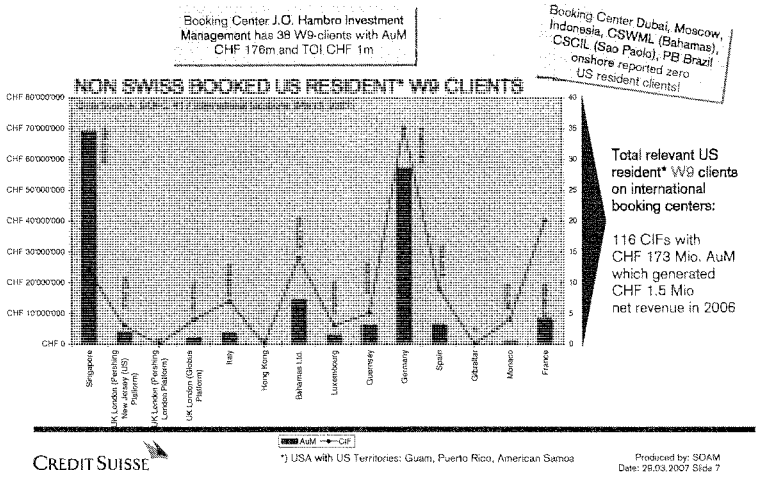
Project W9

Only few US resident W9 clients have been found internationally



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*) USA with US Territories: Guam, Puerto Rico, American Samoa

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PROJECT W9
8th Core Team Meeting

- Overall Project Status
- PBMC Update
- Update Status Migration Reporting
- US-Mandates with MACS / AM Update (Hans-Peter Lässer)
- Start Phase 2 – Centralization of Non-W9 clients & Offshore Country Certification Program
- Status Process & Tool Adjustments / IT-Overview
- Next Steps

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Project W9

Update Status Migration Reporting - Feedback per Stream as of 16.03.07

SR 53 CIFs; AuM CHF 88m	▪ Convinced that migration process has been started ▪ Due to queries and questions from RMs, there is a time delay – therefore, low migration status ▪ Reporting according to timetable – before April 20, 2007 no overview of migration status
SI 343 CIFs; AuM CHF 249m	▪ Client informed – no feedback yet (144 CIFs) ▪ Positive reaction after contacting by letter (7 CIFs) ▪ Authorization talon received (56 CIFs) ▪ Transfer of CIF to SALN 4 (1 CIF) ▪ Initial info on client provided to CSPA (1 CIF) ▪ Migration successfully completed (1 CIF) ▪ In escalation process (5 CIFs) plus 1 exception brought to PBMC (1 CIF)
SWZ 5 CIFs; AuM CHF 38m	▪ Contact with client in Geneva in April (5 CIFs)
SAL 183 CIFs; AuM CHF 193m	▪ Client informed – no feedback yet (41 CIFs) ▪ Negative reaction after contacting by letter (2 CIFs) ▪ Positive reaction after contacting by letter (24 CIFs) ▪ Authorization talon received (15 CIFs) ▪ CSPA received first informations about the client (5 CIFs) ▪ New CSPA RM got client documentation package (7 CIFs) ▪ Migration successfully completed (2 CIFs)

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PROJECT W9
8th Core Team Meeting

- Overall Project Status
- PBMC Update
- Update Status Migration Reporting
- US-Mandates with MACS / AM Update (Hans-Peter Lässer)
- Start Phase 2 – Centralization of Non-W9 clients & Offshore Country Certification Program
- Status Process & Tool Adjustments / IT-Overview
- Next Steps

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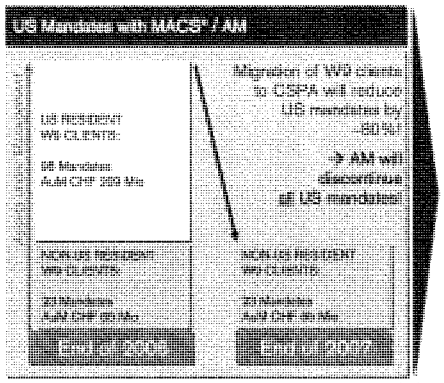
PROJECT W9

Management of Mandates with W-9 will be discontinued

(Decision MACS Product Board, Nov 7, 2006 and PBMC in January 2007)



Credit Suisse will not offer any US specific discretionary mandates anymore:

- → **No new US mandates** will be accepted by AM as of December 2006
- → **Existing US mandates** need to be **transferred** to other, **non-US mandates or to CSPA**
- → **Collaterally affected clients** (23 mandates which are not in scope of the W9 project) **must be informed accordingly**

*) MACS = Multi Asset Class Solutions / Asset Management

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Status

- Decision by PBMC & MACS Product Board
- **All 121 Mandates with an W9** have to be transferred including 24 W-9 Mandates with non US domicile
  - either to CS Private Advisors or
  - to another non W9 products
- Info Kit for 23 W-9 Mandates **without US domicile** has been sent to the RMs in charge by Business Support units of MGs

- 3 Mandates have been transferred
- Efforts are needed to reach the goal by 2007!
- Monthly tracking of progress by MACS

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Issues to be addressed

- For the RMs the process for the transfer of W-9 Mandates to CS Private Advisors must be the same as for advisory portfolios.
- Transfers to CS Private Advisors are technically handled just as closing of mandates
  - PM specific products will be sold
  - Management Fees and ADGs are calculated pro rata by service center
  - PMs are not allowed to transfer assets or to organize Management Fees to be charged.
- New W-9 Mandates cannot be accepted any more!

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PROJECT W9
8th Core Team Meeting

- Overall Project Status
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PROJECT W9

Start Phase 2 – Centralization of Non-W9 clients & Offshore Country Certification Program for RMs

Objectives Phase 2	Further reduction of SEC induced risks by... • Centralization of affected clients (Non-W9) to US Desk / PBS Desk • Increase L&C monitoring/training of [illegible] throughout the Bank
Proposed Actions	Initiation of new compliance initiative: *Offshore country certification program for RMs* Development and introduction of mandatory certification of RMs with affected US clients in their portfolio Expected Impact: 1. Increase [illegible] to contract US clients 2. Improved [illegible] to expand of US [illegible]

PROPOSAL FOR PHASE 2

1. **REDACTED**
2. Implement program in second half of 2007
3. Extend program to other countries as needed

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PROJECT W9

Phase 2: Centralization of affected Non-W9 US-Resident clients

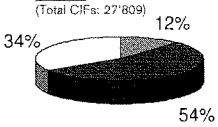
ALL SWISS BOOKED US RESIDENT* NON-W9 CLIENTS (without SEM* and SALN 4)

Current status of data selection August 4, 2006

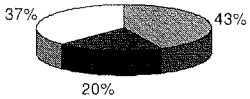
Assets under Management
(Total AuM: CHF 4.1b)

SALN (US Desk)
SIOA (PB3 Desk)
Others

 # CIFs
(Total CIFs: 27'809)



Net Revenue 2005
(Total Net Revenue 2005: CHF 58m)



Currently, 49% of the relevant non-W9 client assets are centralized in the US Desk (SALN – M.Walder) and 19% are centralized in the PB3 Desk (SIOA – U.Russ – Mixed Intern. Affluent Clients)

One third of non-W9 US resident clients are not centralized

Data Source: SOFC 41 (June 2006)

*) USA plus US Territories: Guam, Puerto Rico, American Samoa

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Project W9

Phase 2: Centralization of affected Non-W9 US-Resident clients

Details regarding Others: One third of non-W9 US resident clients are not centralized

Total:	**27'809 CIFs (100%), AuM 4.1b (100%)**
	3'212 CIFs (12%), AuM 2.0b (49%) – SALN
	15'150 CIFs (54%), AuM 790m (19%) – SIOA
	9'447 CIFs (34%), AuM 1.3b (32%) – Others (see below)

SR	▪ 1'237 CIFs, AuM 522.8m
SI	▪ 1'228 CIFs, AuM 516.6m
SAL	▪ 199 CIFs, AuM 79.8m
SWZ	▪ 91 CIFs, AuM 10.6m
SG	▪ 1'123 CIFs, AuM 5.1m
SL	▪ 200 CIFs, AuM 2.9m
CKW	▪ 21 CIFs, AuM 0m (Credit Recovery / Credit Risk Management)
Neue Aargauer Bank	▪ 237 CIFs, AuM 45.0m
w/o Instradierung	▪ 5'111 CIFs, AuM 22.0m (old Database contains no Instradierung)

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PROJECT W9
8th Core Team Meeting

- Overall Project Status
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- US-Mandates with MACS / AM Update (Hans-Peter Lässer)
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PROJECT W9
Status Process & Tool Adjustments / IT-Overview

Possibilities for creating a W9 Relation (concerning US-Residents)

Status of Solution	Possibilities for creating a W9 Relation	Affected Processes & IT-Tools	
√	▪ Opening of a new W9 Relation of a US-Resident (US or US-territories)	▪ ROT (Release in May 2007) ▪ Compliance Tool (Release in March 2007) ▪ Host (open)	▪ FCC is involved in all possibilities
√	▪ Change of a Non-US-Resident to a US-Resident (new domicile in US or US-territories)	▪ FCC (Release in November 2007)	
?	▪ Switch from a Non-W9 Relation to a W9 Relation of a US-Resident (US or US-territories)	▪ ROT, Compliance Tool, Host and/or FCC?	

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PROJECT W9
8th Core Team Meeting

- Overall Project Status
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- US-Mandates with MACS / AM Update (Hans-Peter Lässer)
- Start Phase 2 – Centralization of Non-W9 clients & Offshore Country Certification Program
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Next Steps

Activities	Responsible	Due Date
▪ Deliver Feedback to any topic of this presentation	Core Team	by mid-April 2007
▪ Deliver Status Report must	Streams	April 20, 2007
▪ Next Core Team Meeting	Core Team	May 11, 2007
▪ PBMC – Status Update	SOAM	May 21, 2007

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CS-SEN-00426257

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P-00025
Policy

Relationships involving US Persons and US Taxpayers

Valid from	April 17, 2012	Version 3.0
Author	Rebecca Brunner YSPL 11	
Contact (Helpline)	YSPL 11, TTS, Business Risk Management	
Reference	LC-00014, P-30131, GP-00225	
Replaces	P-00025, version 2.0, dated May 19, 2008; LC-00014, version 2.0, dated April 23, 2009	
Scope/Recipients	Credit Suisse Private Banking Division and General Counsel Division (with the exception of US locations and *US-Licensed CS Affiliates*)	

Introduction

Credit Suisse and its private banking units and subsidiaries are committed to acting in compliance with applicable US laws, regulations and policies. The purpose of this Policy is to prevent compliance, legal, regulatory and reputational risks and to protect Credit Suisse's reputation. Failure to comply with the rules herein may result in substantial civil, administrative and criminal sanctions against Credit Suisse and its employees and could have a substantial negative impact on the bank's reputation. All client-facing employees ("CFEs") at branches, subsidiaries and offices of the Credit Suisse Private Banking Division (with the exception of US-based CS entities and US-licensed CS entities) must conduct their business with *US Persons*, *US Taxpayers* and Non-US Persons with a certain defined US nexus in accordance with this Policy. The rules set forth herein are to be read in conjunction with the policies and procedures under Global Policy GP-00225, "Cross-Border Business Activities" and Policy P-30131, "SEC Rule 15a-6 – Contacts Between Non-US Sales Personnel and US Persons".

Summary of Changes:

This Policy replaces in its entirety Policy P-00025 Version 2.0 "Bank relationships with US Persons, US Taxpayers and US EAMs and non-US EAMs with US Person and/or US Taxpayer clients" issued May 19, 2008, as well as Legal & Compliance Alert LC-00014 Version 2.0 "Relationships with US Person Clients" issued April 23, 2009.

The major changes, effective for all *Non-US Licensed CS Affiliates*, include:

- New and existing relationships at *Non-US Licensed CS Affiliates* with US natural persons (*US Persons* and/or *US Taxpayers*) may be opened and maintained only if the client submits confirmation of his/her US tax compliant status, together with certifications by their tax return preparers, in accordance with point 2.1.
- The opening/maintenance of relationships with natural person clients who are or become *US Persons* continues to be prohibited, subject to two exceptions at Credit Suisse AG (i.e., the *Special Service Offering* (SSO), limited to existing Swiss citizen clients who relocate to the US and employees assigned to the US from Switzerland with a Swiss employment contract, and custodial services for *US Persons* who are clients of a *US-Licensed CS Affiliate*.

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P-00025

- Instructions relating to *Restricted FX/Precious Metals Transactions* may only be accepted from persons and entities who are *US Persons* if those persons have confirmed their status as "*Eligible Contract Participants*" on Bank form 105413.
- As from June 30, 2012, new relationships with US citizens and green card holders resident outside the US and its territories will no longer be permitted for Credit Suisse PB booking centers that have been defined as "opt-out locations" for purposes of the PB Foreign Account Tax Compliance Act (FATCA) project, except in a shared relationship set-up with an "opt-in location".
- Subject to certain exceptions, relationships with non-US natural persons who have indicated that all or some of the assets in the relationship do not belong to them, but to another person who is a *US Person* or *US Taxpayer* (who is identified as a beneficial owner for applicable KYC purposes), are generally prohibited.
- Relationships with US operating companies that are not *US Financial Institutions* are limited to *Banking Services* only, on a *Reverse Solicitation* basis.
- Relationships with US domiciliary structures that do not have any beneficial owner who is a *US Person* or *US Taxpayer* are permitted only if the relationship is limited to *Banking Services* and certain other conditions are met. *Securities Services* are allowed only in the case of certain relationships with US domiciliary structures organized in the form of a US LLC with one single non-US owner, entered into prior to the effective date of this Policy.
- Relationships with non-US domiciliary structures, where any BO is a *US Person* (domicile/residence in the US or a *US Territory*), are only permitted to be opened/maintained if the BO is a *US Financial Institution* or US operating company and approval is obtained from US Legal Matters within Advisory & Control Group Switzerland (for Switzerland) or local LCD at the respective *Non-US Licensed CS Affiliate*.
- New relationships with non-US domiciliary structures with a BO who is a US citizen or (known) green card holder resident outside the US and the *US Territories* may be opened only after US tax compliance has been reviewed and confirmed by outside legal counsel, with the costs of such external review to be borne by the respective Business unit.
- Subject to certain exceptions, CFEs are not allowed to communicate about *Banking Services* and/or *Securities Services* with any US-resident person who is an authorized signatory or holds a (limited or general) power of attorney (*US-Based Contact*) over the relationship of a non-US client. The prohibition on communications with *US-Based Contacts* under this Policy apply to all new client relationship setups entered into after the effective date of this Policy. These restrictions also apply to client relationship setups in existence before this Policy came into effect.
- As from June 30, 2012, a mandatory non-US person status declaration will be required in connection with the account opening for any new account holder (CIF level) who is a natural person, and an IRS Form W-9 will be required if the new account holder is a US person for US tax purposes (*US Taxpayer*).
- Defined terms appear in italics and are defined in the Glossary at the end. Overviews of affected client types and services are included throughout, and a consolidated overview is set out at Appendix 1.

Minimum Global Standards
All client-facing employees ("CFEs") at branches, subsidiaries and offices of the Credit Suisse Private Banking Division (with the exception of US locations and *US-Licensed CS Affiliates*) must comply with the policy requirements set forth herein except where not permitted by local law.

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CREDIT SUISSE

P-00025

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1. Relationships with US natural persons within the Credit Suisse Private Banking Division

1.1 General Condition for relationships with US natural persons: Confirmation of US tax compliant status

1.1.1 *Credit Suisse AG (Switzerland)*

As a general condition, relationships pursuant to this point 1 at Credit Suisse AG (Switzerland) (CS AG) with US natural persons (*US Persons* and/or *US Taxpayers*) may be opened and maintained only if the client submits confirmation of his/her US tax compliant status.

For new relationships opened in 2012 after the effective date of this Policy, US natural person clients must sign and provide Bank form 105488 as part of the account opening documents, agreeing to use a paid tax return preparer to file their US tax returns for the 2013 taxable year, including the Form TD F 90-22.1 (Foreign Bank Account Report, or "FBAR"). These clients must then, by no later than October 31, 2013, submit Bank form 105493, signed by the client and his/her tax return preparer.

This General Condition relating to assurance of US tax compliance will be applied retroactively to existing business relationships entered into prior to the effective date of this Policy with US natural persons .[1] CFEs with affected existing client relationships will be contacted by their responsible Business Risk Management (BRM) contact with details concerning the process, including the process to discontinue relationships with clients who fail to provide the requested certification, despite a reminder notice.

[1] This requirement will be applied retroactively to existing relationships with assets of CHF 100,000 or more at the end of 2011.

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In the case of custodial clients of CS AG, maintained at the Administrative Desk within Private Banking Latin America (SALN 4), who are clients of a *US-Licensed CS Affiliate*, the clients must agree to have 1099 reporting to the Internal Revenue Service (IRS) be performed on their US and non-US safekeeping accounts.

Should a CFE know or become aware that a *US Person/US Taxpayer* client is not in compliance with the assurance of US tax compliance certification provided by such client in accordance with this section or is otherwise not in compliance with his/her US tax obligations, the CFE shall be required to promptly discontinue the relationship in accordance with point 7 below and advise the client to seek external US tax advice.

1.1.2 *Other Non-US Licensed CS Affiliates*

Non-US Licensed CS Affiliates other than Credit Suisse AG are required to apply analogous US tax confirmation requirements for their relationships with US natural persons. LCD at the relevant *Non-US Licensed CS Affiliate* will receive details shortly regarding the procedures to be applied in this regard.

1.2 Natural persons who are *US Persons* (i.e., residence US or US Territory)

1.2.1 *General rule: Only permitted through US-Licensed CS Affiliate*

Relationships with prospective and existing clients who are or become *US Persons* may only be opened/maintained within the Credit Suisse Private Banking Division through a *US-Licensed CS Affiliate*. Clients who change their status and become *US Persons* by moving to the United States on anything other than just a temporary basis (i.e., a stay or vacation lasting up to 4 months) must be transferred to a *US-Licensed CS Affiliate* or be discontinued, unless an exception below applies. Exceptions exist for the two categories of relationships set out below in 1.2.2 and 1.2.3, which are limited to Credit Suisse AG (Switzerland) (CS AG). *Non-US Licensed CS Affiliates* other than CS AG are not permitted to open or maintain any such relationships. If you have any questions about whether a particular non-US Person client has become a *US Person* (e.g. due to obtaining information that may indicate that such Non-US Client has changed status) or as to whether a client is present in the US on just a temporary basis, please contact US Legal Matters within Advisory & Control Group PB Switzerland (for Switzerland) or local LCD at the respective *Non-US Licensed CS Affiliate*.

Note: *US-Licensed CS Affiliates* will only accept as new clients high net worth individuals (HNWIs) and legal entities who satisfy certain minimum asset and other eligibility requirements.

1.2.2 *Exception 1: Special Service Offering (SSO) within CS AG for existing Swiss citizen clients and US Assignees*

The *Special Service Offering* (SSO) client unit within Private Clients International (SLIA 3) at CS AG provides a limited range of *Banking Services* (described below) to (a) existing natural person clients who are Swiss citizens and who subsequently relocate to the US or a US Territory, and (b) *US Assignees*, who must provide the SSO client unit a copy of their Swiss employment contract.

The SSO is not available for existing or prospective clients of CS AG who are neither Swiss citizens nor *US Assignees*. Relationships with existing clients who relocate to the United States, but who are either not eligible for the SSO or are seeking a range of services broader than the SSO, must be transferred to a *US-Licensed CS Affiliate* or be discontinued. Note: *US-Licensed CS Affiliates* only accept as new clients high net worth individuals (HNWIs) and legal entities who satisfy certain minimum asset and other eligibility requirements.

The following restrictions apply to SSO clients:

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- Only the following, limited range of *Banking Services* (referred to as the "*SSO Services*") may be made available to SSO clients on a *Reverse Solicitation* basis:
  - Cash accounts, current accounts
  - Debit cards only (no credit cards)
  - 2nd pillar vested benefit accounts and 3rd pillar pension savings accounts (to maintain Swiss retirement schemes)
  - Mortgages on Swiss real estate, on a case-by-case basis as decided by the SSO client office
  - *FX Spot Transactions* only, i.e., with a value date no later than the second business day after the transaction is entered into, but no other foreign exchange transactions
- During their stay in the US, SSO clients who are interest holders in any existing 2nd pillar vested benefits safekeeping accounts and 3rd pillar securities pension accounts (BVG-Mixta) are permitted to retain such interests but may not acquire any new interests in such accounts. The type of instructions that can be accepted from such clients and the types of communications that can/must be sent to these clients with respect to such existing accounts are governed by separate guidelines (cf. point 10 below).
- No *Securities Services* or *Securities-Related Advice* is permitted, and the loading of a safekeeping account block is mandatory.
- SSO clients must provide asssurance of their US tax compliant status in accordance with the General Condition set out in 1.1.

1.2.3 *Exception 2: Custodial clients of CS AG who are clients of a US-Licensed CS Affiliate*

CFEs at the Administrative Desk within Private Banking Latin America (SALN 4) at CS AG are permitted to maintain custodial accounts for and provide *Banking Services* and *Pure Custody Services* to *US Persons* who are clients of a *US-Licensed CS Affiliate* and who have authorized CS AG to communicate with the *US-Licensed CS Affiliate* in this respect, provided that the following restrictions are observed:

- No instructions may be accepted that relate to *Restricted FX/Precious Metal Transactions* unless the *US Person* client has confirmed the client's status as an "eligible contract participant" (cf. Appendix 3) on Bank form 105413;
- No *Securities-Related Advice* may be provided;
- The *Securities Services* that are provided must be limited strictly to *Pure Custody Services*;
- The *US Person* custodial clients must provide asssurance of their US tax compliant status in accordance with the General Condition set out in 1.1; and
- Separate guidelines issued by the General Counsel department from time to time governing the activities and services of the Administrative Desk must be observed.

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1.2.4 *Overview of general rule and exceptions*
The permitted relationships and services below are in each case subject to the condition that assurance of US tax compliant status is obtained in accordance with point 2.1 above:

Client Type / Natural Persons		Type of Services	Allowed? (New and existing relationships)
US Natural Person	***US Person*** **(resident in US or US territory)**. NOTE: CONFIRMATION OF US TAX COMPLIANT STATUS MUST BE OBTAINED AS REQUIRED IN POINT 1.1	*Banking Services*	YES, if *SSO Services* only for SSO clients at CS AG (exception 1) and if custodial clients of CS AG (exception 2)*
		Securities Services	YES, if custodial clients of CS AG and services are limited to *Pure Custody Services* (exception 2)

* Note, however, that *Restricted FX/Precious Metals Transactions* are not allowed for SSO clients, and only allowed for custodial clients who provide Bank form 106413.

1.3 Natural persons who are US citizens and (known) green card holders (*US Taxpayers*) resident outside the US/US Territories

1.3.1 *General rule*
Both *Banking Services* and *Securities Services* are permitted to be provided to clients who provide assurance of their US tax compliant status in accordance with the General Condition set out in 1.1, subject to the restrictions set out in 1.3.2 below and the cross-border rules of the client's respective country of residence (cf. Global Policy GP-00225, "Cross-Border Business Activities").

1.3.2 *Restrictions on services to US citizens and (known) green card holders resident outside the US/US Territories*

Two restrictions apply on the provision of relationships and services to US citizens and (known) green card holders resident outside the US:

- Any applicable US sales restrictions – applicable to US citizens or (known) green card holders (*US Taxpayers*) - on the purchase of investment products must be complied with. Certain types of investment products are prohibited for sale to US citizens or (known) green card holders (*US Taxpayers*) (wherever resident). In particular, sales of non-US investment funds (including non-US CSAM funds) to US citizens or (known) green card holders are prohibited. In terms of other investments, the pertinent sales restrictions are (for PB booking center Switzerland) reflected in the VV40 pages on the HOST mainframe or the relevant "Restrictions" page of the VDPS system - an "F" restriction indicates that the prohibition applies to US citizens and US green card holders, wherever resident. CFEs at the respective *Non-US Licensed CS Affiliate* should contact their local LCD officer if they have any question about the applicable sales restrictions on any investment product for a client who is a US citizen or US green card holder. Overrides of US sales restrictions are strictly prohibited.
- As from June 30, 2012, no new relationships for US citizens or (known) green card holders resident outside the US/*US Territory* may be opened at any Credit Suisse PB booking center that has been defined as a FATCA "opt-out location" within the scope of the PB project to

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implement the Foreign Account Tax Compliance Act ("PB FATCA Project"), unless the relationship is a Shared Relationship with a Credit Suisse PB booking center that has been defined as an "opt-in" location for purposes of FATCA. Currently, for purposes of the PB FATCA Project, the following PB booking centers are defined as ***FATCA opt-out locations***:

EMEA	Americas	APAC
Austria	Bahamas (Wealth Management)	China
France	Brazil	
Germany		
Gibraltar		
India		
Italy		
Monaco		
Moscow		
Spain		
UK		

and the following PB booking centers have been defined as ***FATCA opt-in locations***:

EMEA	Americas	APAC
Guernsey	Bahamas (Private Banking)	Australia
Luxembourg	Mexico	Hong Kong
Switzerland	USA	Japan
		Singapore

FATCA opt-out locations will be provided specific guidance on the handling of existing relationships with such clients within the scope of the PB FATCA project. Further information concerning FATCA project can be found at: http://csintra.net/gc/fatca/en/index.html

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1.3.3 Overview of general rule and restrictions

The permitted relationships and services below are in each case subject to the condition that assurance of US tax compliant status is provided by the client in accordance with the General Condition in point 1.1 above:

Client Type / Natural Persons		Type of Services	Allowed? (New openings)	Allowed? (New openings from June 30, 2012)	Allowed? (Existing clients)
US Natural Person	**US citizen or (known) green card holder resident outside US and US Territories** NOTE: CONFIRMATION OF US TAX COMPLIANT STATUS MUST BE OBTAINED AS REQUIRED IN POINT 1.1	*Banking Services*	YES	YES, if ***FATCA opt-in location*** or shared relationship with ***FATCA opt-in location***	YES
		*Securities Services***	YES, if US sales restrictions do not prohibit purchase of investment product.*	YES, if (a) ***FATCA opt-in location*** or shared relationship with ***FATCA opt-in location***, and (b) US sales restrictions do not prohibit purchase of investment product	YES, if US sales restrictions do not prohibit purchase of investment product.*

* For ***FATCA opt-out locations***, subject to future guidance on the handling of existing relationships within the scope of the PB FATCA project.

** Solicitations of *Securities Services* aimed at identifiable groups of US citizens residing outside the US, such as US military and US diplomatic personnel, however, are not permitted.

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1.4 Relationships with non-US natural persons who have *US Persons/ US Taxpayers* as beneficial owners ("BOs")

1.4.1 *General rule: Not permitted*
Relationships with non-US natural persons who are acting as agent (i.e., 'straw man') on behalf of any *US Person* or *US Taxpayer* or non-US domiciliary structure with any *US Person* or *US Taxpayer* as BO, as identified pursuant to applicable know-your-customer ("KYC") rules, are not permitted. Therefore, as a general rule, client relationships with non-US natural persons, where the BO is a *US Person* or *US Taxpayer*, are not permitted.

1.4.2 *Exception 1: Commercial Escrow Accounts*

An exception exists in cases where the account is an escrow account (e.g., an account of a Swiss attorney) opened in connection with a commercial transaction involving the Solution Partners or Corporate & Institutional Clients business unit (C&IC), provided that:

- The services in question are strictly limited to *Banking Services*;
- The US tax compliance on the part of the US BO is reviewed and approved by outside legal counsel; and
- The relationship opening is authorized in writing by US Legal Matters within Advisory & Control Group PB Switzerland (for Switzerland) or local LCD at the respective *Non-US Licensed CS Affiliate*.

No evidence as to the US tax compliance on the part of the US BO is required if the US BO is a US operating company or a domiciliary structure that is part of an operating group.

1.4.3 *Exception 2: US BO is natural person resident outside the US who is a minor*
Another exception exists in cases where the US BO is a minor resident outside the US and the US Territories and the account is opened in the name of the minor's (non- US) legal guardian. In such cases, *Banking Services* only may be provided, subject to the prior approval of US Legal Matters within Advisory & Control Group PB Switzerland (for Switzerland) or local LCD at the respective *Non-US Licensed CS Affiliate*.

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1.4.4 Overview of general rule and exceptions

Client Type / Natural Persons		Type of Services	Allowed?
Non-US Natural Person with US Beneficial Owner (BO)	**BO is natural person resident in US/US Territory (*US Person*)**	*Banking Services*	[redacted]
			YES, if escrow account related to commercial transaction (exception 1)*
		Securities Services	[redacted]
	BO is a US citizen/green card holder resident outside US/US Territories	*Banking Services*	[redacted]
			YES, if escrow account related to commercial transaction (exception 1)* or US BO is a minor (exception 2)**
		Securities Services	[redacted]
	BO is US operating company	*Banking Services*	[redacted]
			YES, if escrow account related to commercial transaction (exception 1)**
		Securities Services	[redacted]

* Subject to case-by-case prior approval by LCD and external counsel review and approval of BO's US tax compliance.
** Subject to case-by-case prior approval by LCD.

2. Relationships with entities that are *US Persons* (organized in the US or a US Territory)

Relationships with legal entities that are *US Persons* because they are organized or incorporated under the laws of a United States jurisdiction or a *US Territory* may be opened and/or maintained within the Credit Suisse Private Banking Division only as set forth in this point 2.

2.1 US Financial Institutions

Relationships may opened and maintained with *US Financial Institutions* within the Corporate & Institutional Clients business unit within the Private Banking Division of Credit Suisse AG, on condition that no *Securities-Related Advice* is provided.

2.2 US operating companies, US domiciliary structures forming part of an operative group

Relationships may be opened and maintained with US operating companies and US domiciliary structures forming part of an operative group provided the relationship is opened within the Corporate & Institutional Clients business unit within the Private Banking Division of CS AG and provided further that:

- The services in question are strictly limited to *Banking Services*, which may only be provided on a *Reverse Solicitation* basis;
- With respect to any *Restricted FX/Precious Metal Transactions* the US client must provide form 105413, confirming the client's status as an *Eligible Contract Participant* (cf. Appendix 3);
- No *Securities Services* whatsoever may be provided.

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2.3 US domiciliary structures (not forming part of an operating group)

2.3.1 **General rule**
Relationships with US domiciliary structures (that do not form part of an operating group) may only be opened/maintained within the Credit Suisse Private Banking Division through a *US-Licensed CS Affiliate*, subject to three exceptions below.

2.3.2 *Exception1: Custodial client of CS AG who is a client of a US-Licensed CS Affiliate*
Notwithstanding point 2.3.1 above, CFEs at the Administrative Desk within Private Banking Latin America (SALN 4) at CS AG are permitted to open and maintain new custodial accounts for and provide *Banking Services* and *Pure Custody Services* to US domiciliary structures, including structures with a *US Person* or *US Taxpayer* as beneficial owner, if the custodial clients are clients of a *US-Licensed CS Affiliate* (cf. point 1.2.3), provided that the following restrictions are observed:

- No instructions may be accepted that relate to *Restricted FX/Precious Metal Transactions* unless the US client has confirmed the client's status as an "eligible contract participant" (cf. Appendix 3) on Bank form 105413;
- No *Securities-Related Advice* is provided;
- The *Securities Services* that are provided are limited strictly to *Pure Custody Services*; and
- Separate guidelines issued by the General Counsel department from time to time governing the activities and services of the Administrative Desk are observed.

2.3.3 *Exception 2: No US Person/US Taxpayer as beneficial owner and Banking Services only*

Notwithstanding point 2.3.1 above, relationships with US domiciliary structures not forming part of an operating group (cf. point 2.2 above) may also be opened/maintained within a *non-US Licensed CS Affiliate* provided that the following conditions are met on a cumulative basis:

- There is no beneficial owner (BO), as identified pursuant to applicable know-your-customer ("KYC") rules, who is a *US Person* or a *US Taxpayer*. See GP-00047 and GP-00054 for the applicable KYC identification rules for beneficial owners;
- The relationship is limited to *Banking Services* only, with a safekeeping account block loaded for the relationship;
- No instructions may be accepted that relate to *Restricted FX/Precious Metal Transactions* unless the US client has confirmed the client's status as an "eligible contract participant" (cf. Appendix 3) on Bank form 105413;
- The US domiciliary structure provides either an IRS form W-9 or, in the case of a US LLC that has not made a check-the-box election to be treated as a "corporation" under US tax law, the non-US owner of the assets held by the LLC provides an IRS form W-8BEN, in his capacity as beneficial owner for US tax purposes of these assets;
- Specific approval for the account opening is given by US Legal Matters within the Advisory & Control Group PB Switzerland (for Switzerland)[3] or by responsible LCD at the respective *Non-US Licensed CS Affiliate*; and
- All applicable cross-border restrictions of the country of residence of the BO are complied with.

US domiciliary structures that meet all of the above requirements are to be managed and monitored by the respective country desk of the underlying non-US BO.

[3] The approval form for Switzerland is available at the US Legal Matters Intranet site:
http://[illegible]

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2.3.4 *Exception 3: Grandfathering rule for existing relationships with US domiciliary structures organized as US LLCs*

Notwithstanding point 2.3.1 above, *Non-US Licensed CS Affiliates* are permitted to provide both *Banking Services* and *Securities Services* to US domiciliary structures that are organized in the form of a US limited liability company (LLC) if the relationship was opened prior to the effective date of this Policy and provided that the following conditions are met on a cumulative basis:

- The LLC has one single owner (i.e., is owned by one single person); such an LLC qualifies as "disregarded entity" under the US Internal Revenue Service default rules;
- There is no beneficial owner (BO) who is either a *US Person* or a *US Taxpayer*. See GP-00047 and GP-00054 for the applicable KYC identification rules for beneficial owners;
- The relationship does not have any other US nexus (among other things, no US address for correspondence, no US phone number and no US-based authorized agent or signatory) and the client is serviced exclusively without the use of any US jurisdictional means. In particular, CFEs must ensure that all dealings with and services to US LLCs and persons holding a power of attorney or signatory power over the relationship occur exclusively outside the US, without the use of any US jurisdictional means (e.g. mail, telephone, facsimile, e-mail, telex, etc. in or from the US or a US Territory);
- All applicable cross-border restrictions of the country of residence of the BO are complied with;
- *Securities Services* may continue to be provided with respect to any safekeeping account for the LLC opened prior to the effective date of this Policy, provided that the non-US owner of the assets held by the LLC provides a form W-8BEN, in his capacity as beneficial owner for US tax purposes of these assets; and
- Applicable *US Person* (US residence) sales restrictions are adhered to at all times, since US LLCs - even those with a non-US owner - are *US Persons* within the meaning of this Policy and US securities laws. Note that many investment products – in particular non-US investment funds - are subject to *US Person* sales restrictions and will therefore not be available for investment to US LLCs.

US LLCs that meet all these requirements are to be managed and monitored by the respective country desk of the underlying non-US owner.

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2.4 **Overview of rules and exceptions: Legal entities that are *US Persons* (organized in the US or a US Territory)**

Client Type / US Entities (Operating)		Type of Services	Allowed?
Within Corporate & Institutional Clients business unit of Credit Suisse AG	US Financial Institution	*Banking Services* and *Restricted FX/Precious Metals Transactions*	[redacted]
		Securities Services, excl. Securities-Related Advice	[redacted]
		Securities-Related Advice	[redacted]
	US operating entity/US domiciliary structure that is part of operative group (BO is operating company)	*Banking Services*	YES, if provided on a *Reverse Solicitation* basis
		Restricted FX/Precious Metals Transactions	[redacted] YES, on condition the client provides Bank form 105413
		Securities Services	[redacted]

Client Type / US Entities (Domiciliary Structures)		Type of Services	Allowed?
US domiciliary structure with BO who is a US Person/US Taxpayer	US domiciliary structure (LLC, Inc., etc.) not part of an operative group	*All Services*	[redacted] YES, if custodial client of CS AG (exception 1)* and services are limited to *Banking Services* and *Pure Custody Services**
US domiciliary structure with BO who is not US Person or US Taxpayer	US domiciliary structure (LLC, Inc., etc.) not part of an operative group	*Banking Services*	[redacted] YES, if custodial client of CS AG (exception 1)* or if conditions under 2.3.3 are met (exception 2)**
		Securities Services	[redacted] YES, if custodial client of CS AG and *Securities Services* are limited to *Pure Custody Services* (exception 1)* or if relationship with US LLC existing at the time of effective date of Policy and all conditions in 2.3.4 are met (exception 3)**

* However, *Restricted FX/Precious Metals Transactions* are only allowed for custodial clients who provide Bank form 105413. Compliance with all applicable cross-border restrictions of the country of residence of the BO is also required.

** ***FATCA opt-out locations*** to receive specific guidance on the handling of existing relationships within the scope of the PB FATCA project.

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3. Relationships with non-US domiciliary structures whose beneficial owners are *US Persons / US Taxpayers*

See GP-00047 and GP-00054 for the applicable KYC identification rules for beneficial owners. The requirements set out below also apply when existing relationships with non-US domiciliary structures undergo mutations in terms of beneficial ownership. General reminder: CFEs should never deal directly with the beneficial owners of domiciliary structures unless the beneficial owners are duly authorized to represent the structure, e.g., as director or trustee.

3.1 Non-US domiciliary structures with beneficial owners who are *US Persons* (residence US or US Territory)

3.1.1 General rule

Relationships with clients or prospective clients that are non-US domiciliary structures (e.g., BVI, Cayman, Panama, Hong Kong, etc.), non-US trusts, foundations (e.g., Liechtenstein, Panama, etc.) or other offshore structures or combinations of structures, with any beneficial owner, as identified pursuant to applicable know-your-customer ("KYC") rules, who is a *US Person* for purposes of this Policy, are not permitted to be opened and/or maintained through any *Non-US Licensed CS Affiliate*, subject to the exception below.

3.1.2 Exception 1: US Financial Institution or US Operating Company as beneficial owner

Notwithstanding 3.1.1 above, relationships with non-US domiciliary structures may be opened and maintained if the *US Person* beneficial owner is either a

- *US Financial Institution*; or
- US operating company or a US-listed company,

provided in either case that specific approval for the account opening has been given by US Legal Matters within the Advisory & Control Group PB Switzerland (for Switzerland)[3] or by responsible LCD at the respective *Non-US Licensed CS Affiliate*.

With respect to non-US domiciliary structures where the *US Person* beneficial owner is a US operating company or US-listed company (but not a *US Financial Institution*), contacts and communications with any *US-Based Contact* relating to *Securities Services* are not permitted. If the *US Person* beneficial owner is a *US Financial Institution*, contacts and communications with a *US-Based Contact* with respect to *Securities Services* are permitted to the extent that such contacts and communications do not constitute *Securities-Related Advice* (no *Securities-Related Advice* may be provided or sent into the US). For further details, see point 4 below, where the restrictions on dealings and communications with *US-Based Contacts* are set out in full,

3.1.3 Exception 2: Custodial clients of CS AG who are clients of a US-Licensed CS Affiliate

Notwithstanding 3.1.1 above, CFEs at the Administrative Desk within Private Banking Latin America (SALN 4) at CS AG are permitted to open and maintain new custodial accounts for and provide *Banking Services* and *Pure Custody Services* to non-US domiciliary structures, including structures with a *US Person* as beneficial owner, if the custodial clients are clients of a *US-Licensed CS Affiliate* (cf. point 1.2.3), provided that the following restrictions are observed:

- No instructions may be accepted that relate to *Restricted FX/Precious Metal Transactions* unless the US client has confirmed the client's status as an "eligible contract participant" (cf. Appendix 3) on Bank form 105413;
- No *Securities-Related Advice* is provided;

[3] The approval form for Switzerland is available at the US Legal Matters Intranet site:
http://c.sctra.net/gs/switzerland/en/legal/us_legal_matters/us_law.html

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- The *Securities Services* that are provided are limited strictly to *Pure Custody Services*; and
- Separate guidelines issued by the General Counsel department from time to time governing the activities and services of the Administrative Desk are observed.

3.2 Non-US domiciliary structures with beneficial owners who are US citizens or (known) green card holders resident outside the US

3.2.1 General rule
Relationships with clients or prospective clients that are non-US domiciliary structures (e.g., BVI, Cayman, Panama, Hong Kong, etc.), non-US trusts, foundations (e.g., Liechtenstein, Panama, etc.) or other offshore structures or combinations of structures, with any beneficial owner, as identified pursuant to applicable know-your-customer ("KYC") rules, who is a US citizen or (known) green card holder (*US Taxpayer*) resident outside the US and US Territories, are not permitted to be opened and/or maintained through any *Non-US Licensed CS Affiliate*, subject to the exceptions below.

3.2.2 Exception 2: Custodial clients of CS AG who are clients of a US-Licensed CS Affiliate
Exception 2 as set out in 3.1.3 above also applies in the case of custodial accounts and *Banking Services* and *Pure Custody Services* at CS AG for non-US domiciliary structures with a *US Taxpayer* as beneficial owner, where the CS AG custodial clients are clients of a *US-Licensed CS Affiliate*.

3.2.3 Exception 3: US Tax Compliance of beneficial owner is confirmed by outside legal counsel
As an exception, relationships referred to in point 3.2.1 above may be opened/maintained through a *Non-US Licensed CS Affiliate* on condition that evidence of US tax compliance on the part of the US BO has been presented to and reviewed by outside legal counsel, and outside legal counsel has affirmed such US tax compliance. All costs of such external review must be borne by the respective Business unit. For details or clarifications concerning the external counsel review process, CFEs should consult their responsible Business Risk Management (BRM) or local Compliance officer. Details of the specific process for CS AG can be found on the US Legal Matters Intranet site:
http://csintra.net/gc/switzerland/en/legal/us_legal_matters/us_law.html

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3.3 Overview of rules and exceptions: Non-US domiciliary structures with *US Person / US Taxpayer* BOs

Client Type / Non-US Entities (Domiciliary Structures)		Type of Services	Allowed?
Non-US Domiciliary Structure with US Beneficial Owner (BO)	**BO is a natural person resident in US/US Territory (*US Person*)**	*Banking Services*	[redacted]
			YES, if custodial clients of CS AG (exception 2)*
		Securities Services	[redacted]
			YES, if custodial client of CS AG and *Securities Services* are limited to *Pure Custody Services* (exception 2)*
	BO is US operating company	*Banking Services*	[redacted]
			YES, if "US operating company" status of BO has been reviewed and approved by LCD (exception 1)**
		Securities Services	[redacted]
			YES, if "US operating company" status of BO has been reviewed and approved by LCD (exception 1)**
	BO is a US citizen/green card holder resident outside US/US Territories	*Banking Services*	[redacted]
			YES, if custodial clients of CS AG (exception 2)* or if US tax compliance of BO is approved by outside legal counsel (exception 3)
		Securities Services	[redacted]
			Yes, if custodial clients of CS AG and *Securities Services* are limited to *Pure Custody Services* (exception 2)* or if US tax compliance of BO is approved by outside counsel (exception 3)

* However, *Restricted FX/Precious Metals Transactions* are only allowed for custodial clients who provide Bank form 105413. Compliance with all applicable cross-border restrictions of the country of residence of the BO is also required.

** However, in case there is any *US-Based Contact* for the relationship, point 4 below must be observed in terms of the type of communications with/instructions that are permitted with such person.

4. Communications with *US-Based Contacts* of non-US clients

4.1 General rule

CFEs at *Non-US Licensed CS Affiliates* within the Credit Suisse Private Banking Division are prohibited from communicating about *Banking Services* and/or *Securities Services* with any *US-Based Contact*, i.e., any person or entity resident in the US or a US Territory who is an authorized signatory (e.g., manager, director) and/or who holds a limited or general power of attorney over the relationship of a non-US Person client, subject to the exceptions set out below in 4.2.

The restrictions on communications with *US-Based Contacts* in this point 4 apply to all client relationship setups entered into after the effective date of this Policy. These restrictions also

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apply to client relationship setups in existence before this Policy came in effect. Unless one of the exceptions below applies, affected clients should be informed that Credit Suisse will no longer accept new or honor existing powers of attorney or signatory powers in favour of *US-Based Contacts* and be asked to make alternative arrangements.

CFEs are nonetheless permitted at the non-US Person client's request to send the client's account statements into the US to a third party resident in the US or a *US Territory* (e.g., the client's US-resident relative), provided such third party is not a *US-Based Contact*, the correspondence sent into the US is limited to account statements and statements of investment only and the CFE does not otherwise have any contact or communications with the third party regarding the relationship of the non-US Person.

4.2 **Exception 1: *US-Based Contacts* who are representatives of *US Financial Institutions***
CFEs at *Non-US Licensed CS Affiliates* are permitted to engage in communications relating to both *Banking Services* as well as *Securities Services* (excluding *Securities-Related Advice*) with *US-Based Contacts* who are representatives of *US Financial Institutions*.

4.3 **Exception 2: *US-Based Contacts* who are employees/officers/directors of the non-US client or a US affiliate**
CFEs at *Non-US Licensed CS Affiliates* are permitted to engage in certain communications with *US-Based Contacts* who are officers/employees of non-US clients or the non-US client's US affiliate and who manage or supervise assets of the client under a duty of loyalty and care, provided that such communications are limited to *Banking Services*. Examples include employees, officers or directors of the non-US client or of a US affiliate of the client who work in a CFO, finance, accounting or treasury department function. To properly document their status and the status of the non-US client, these US-based persons must complete a client status representation form (for Switzerland, Bank form 105418).

4.4 **Exception 3: *US Fiduciaries* of non-US clients**
CFEs at *Non-US Licensed CS Affiliates* are permitted to engage in certain communications with *US-Based Contacts* who **professionally manage assets** on behalf of other persons under a duty of loyalty and care, in particular US-registered advisers. To properly document their status and the status of the non-US client, *US Fiduciaries* must complete a client status representation form (for Switzerland, Bank form 105423).

The types of permitted communications consist of the following:

- Communications relating to *Banking Services* on condition that the *Banking Services* are provided on a *Reverse Solicitation* basis only;
- Communications relating to *Non-US Securities*, excluding *Securities-Related Advice*, on condition that any resulting transactions in *Non-US Securities* are effected outside the US;
- Communications relating to *US Securities*, excluding *Securities-Related Advice*, but only if the communications strictly relate to DVP/RVP arrangements (i.e., delivering securities against payment of funds, and delivering cash against receipt of securities), solely upon the *US-Based Person*'s instructions, and only if the related *US Securities* transaction (including a transaction in *US Securities* in the context of the exercise of a corporate action) is effected by a third party broker and not by the *Non-US Licensed CS Affiliate*.

No *Securities-Related Advice*, and no electronic tools making such Advice accessible, are permitted to be made available to the *US Fiduciary*.

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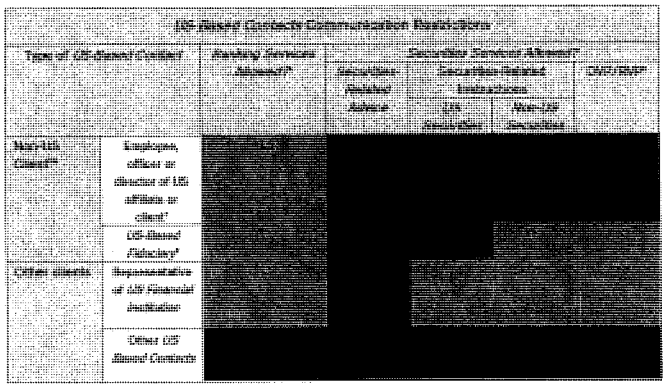
4.5 Overview of rule and exceptions: US-Based Contacts

US-Based Contacts Communication Restrictions						
Type of US-Based Contact		Banking Services Allowed[a]	Securities Services Allowed[b]			
			Securities-Related Advice	Securities-Related Instructions		DVP/RVP[c]
				US Securities	Non-US Securities	
Non-US Client[d]	Employee, officer or director of US affiliate or client[e]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
	US-Based Fiduciary[f]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Other clients	Representative of US Financial Institution	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
	Other US Based Contacts	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]



5. Communications with non-US Persons temporarily in the United States

5.1 Communications about *Banking Services*

CFEs of *Non-US Licensed CS Affiliates* may communicate with non-US Person clients and prospects that are temporarily in the United States concerning *Banking Services* on a *Reverse Solicitation* basis.

5.2 Communications about *Securities Services*

CFEs of *Non-US Licensed CS Affiliates* are not permitted to communicate with non-US Person prospects about *Securities Services* when they are physically present in the US, even when these prospects are present in the US on just a temporary basis.

CFEs of *Non-US Licensed CS Affiliates* may communicate about *Securities Services* with existing non-US Person clients when they are physically present in the US, provided that all of the following conditions are fulfilled:

- The client is present in the US on just a temporary basis (i.e., a stay or vacation lasting up to 4 months);
- The client is not a *US Taxpayer;*
- The client established a bona fide pre-existing account relationship with the *Non-US Licensed CS Affiliate* before they entered the US;
- No *Securities-Related Advice* is given or sent into the US;
- The communication is on a *Reverse Solicitation* basis; and

[a] Banking Services may be provided on a *Reverse Solicitation* basis only.
[b] Delivery versus payment ("DVP") / Receipt versus payment ("RVP")
[c] „Non-US client" as defined in the Client Status Representation forms (Bank forms 105418 and 105420).
[d] Who has signed Bank form 105418, Client Status Representation by a US-Based Contact who is an Employee or Affiliate of the client.
[e] Who has signed Bank form 105420, Client Status Representation by a Third Party US-Based Fiduciary

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- No term sheets or brochures relating to products are forwarded to the client into the US.

If you have any questions about whether a particular non-US Person client is present in the US on just a temporary basis, please contact US Legal Matters within Advisory & Control Group PB Switzerland (for Switzerland) or local LCD at the respective *Non-US Licensed CS Affiliate*.

6. **Transfer / discontinuation of relationships**

To the extent that a transfer or discontinuation of an existing relationship is required under this Policy (e.g., due to the relocation of a client to the United States, a change in the beneficial owner of a domiciliary structure to a *US Person* or *US Taxpayer* or other reason), CFEs may communicate with the affected clients, including into the United States, for the limited purpose of informing the client of the situation and asking for corresponding instructions from the client to discontinue the relationship or to transfer the relationship to a *US-Licensed CS Affiliate* within a certain timeframe. Client requests for cash withdrawals, or for the purchase of physical precious metals or other physical assets, followed by a withdrawal of the same, in the context of a transfer or discontinuation of an existing relationship under this Policy, can be complied with only up to an aggregate amount not exceeding CHF 100,000 or its equivalent in another currency. Communications in this regard should be strictly limited to communications about the possibility of transferring the relationship to a *US-Licensed CS Affiliate* and/or the process for such transfer or discontinuation and the acceptance and processing of instructions to liquidate or transfer positions, in accordance with the termination guidelines that are available from the responsible BRM. Note: No instructions may be processed from such clients that are not in furtherance of discontinuing their account relationships, e.g., no new funds or securities may be accepted for delivery-in, no payment instructions may be carried out nor may any new investments or securities positions be entered into. In case of questions as to whether instructions are in furtherance of this process, please contact US Legal Matters within Advisory & Control Group PB Switzerland (for Switzerland) or local LCD at the respective *Non-US Licensed CS Affiliate* before taking any action or effecting transactions in regard to such instructions.

For CS AG (Switzerland), the US Client Task Force located within Investigations & Dormant Accounts / Client-ID Switzerland/ Central Compliance Group handles existing account relationships at CS AG that have already been terminated by the responsible CFE, but where:

- The client has failed to provide a transfer or closing instruction within the given timeframe, despite a reminder notice;
- The client cannot be contacted,
- The client holds illiquid or non-transferable products, and/or
- The relationship is subject to official measures, legal disputes or similar constraints.

Going forward, existing relationship with clients within CS AG (Switzerland) that are required to be transferred or discontinued under this Policy (e.g., due to mutations) must be transferred by the responsible CFE to the Client Task Force (initiation via the CUBA tool) once the CFE has terminated the relationship, provided a reminder notice and, if no transfer or closing instructions are received within the given timeframe or one of the other conditions specified above is met, has cancelled all services and agreements to the extent possible. Prior to transferring the relationship to the Client Task Force, the CFE must first make all necessary mutations (e.g. domicile code change) and load the "no service" code (3506). The Client Task Force will handle these relationships in accordance with this Policy and progress with the discontinuation (or transfer) of the relationship and the issue of a check in accordance with Article 12 of CS AG's General Conditions.

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7. New mandatory non-US person status declaration for natural persons from June 30, 2012

To support the correct segmentation of new relationships with natural persons and to ensure compliance with applicable legal and regulatory requirements, as from June 30, 2012, a mandatory non-US person status declaration form (Bank form 125368) will be required in connection with the account opening for any new account holder (CIF level) who is a natural person. If the new account holder is a US person for US tax purposes (*US Taxpayer*), that person will be required as from June 30, 2012 to submit an IRS Form W-9 (Bank form 125408). Credit Suisse PB booking centers other than Switzerland will be provided specific guidance on the introduction of this form at their respective locations within the scope of the PB FATCA project. Further information concerning FATCA project can be found at: http://csintra.net/gc/fatca/en/index.html

8. Changes in client domicile, US nationality and US green card holder status

8.1 Changes in client domicile

CFEs are reminded of their responsibility under GP-00054 to obtain and verify specific identifying information, including the permanent domicile of the client, as part of the account opening process. Changes in client domicile are to be immediately recoded in Credit Suisse's systems to reflect the proper client status for purposes of ensuring that the client is subject to the applicable restrictions for that client category. If a prospective or existing client indicates that he is resident outside the United States but other information provided to the CFE indicates that the prospect or client may actually reside in the US (e.g., US address for correspondence, US telephone number, etc.), the CFE is required to exercise heightened due diligence and escalate the matter to Compliance for further review. Please contact US Legal Matters within Advisory & Control Group PB Switzerland (for Switzerland) or local LCD at the respective *Non-US Licensed CS Affiliate* if you have any questions about whether a particular Non-US Client is "temporarily present" in the United States (e.g., due to obtaining information that may indicate the client has changed domicile status).

8.2 Changes in US nationality

CFEs who become aware of the fact that clients have US nationalitiy (including in addition to another nationality or nationalities) are required to enter such (additional) US nationality in the respective client data base immediately, in order to reflect the proper client status and ensure that the client is subject to the applicable restrictions for that client category. Clients who claim that they have relinquished their US citizenship and who ask their CFE to update their client information accordingly must submit a copy of the relevant Certificate of Loss of Nationality (Form DS 4083, or "CLN"), stamped by the US Department of State, which the CFE should then submit to the Formalities department for its review.

8.3 Changes in US green card holder status

CFEs who become aware of the fact that a particular client holds a US green card are required to update the client's information accordingly, to reflect the proper client status and to ensure that the client is subject to the applicable restrictions for that client category. Clients who claim that they relinquished their US green card and who ask their CFE to update their client information accordingly must submit a copy of the Form I-407, "Abandonment of Lawful Permanent Resident Status", countersigned by the corresponding US authority (typically, the US consulate), which the CFE should then submit to the Formalities department for its review.

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9. Prohibition against assisting in tax offences and providing tax advice

It is the US clients'/prospects' obligation to fulfil their individual tax obligations and to comply with the laws and regulations applicable to them. Nonetheless, CFEs may neither encourage nor assist US clients or prospects, directly or indirectly, to avoid their legal obligations, including US tax obligations. Similarly, under no circumstances may products or services be promoted or offered to US clients or prospects in any manner intended to encourage and/or assist them, directly or indirectly, in not complying with their US tax obligations. Under no circumstances should US tax advice be provided to US or non-US clients or prospects - if specific US tax advice is sought, clients and prospects should be advised to consult with their own independent qualified US legal or tax advisors.

Should a CFE have knowledge or become aware that a *US Person/US Taxpayer* client is not in compliance with a confirmation of US tax compliant status previously provided by the client (e.g., point 1.1) or is otherwise not in compliance with his/her US tax obligations, the CFE shall be required to promptly discontinue the relationship and advise the client to seek external US tax advice.

10. Travel to the United States

10.1 Visits with existing *US Person* clients and with (US or non-US) prospects

CFEs within the Private Banking division of *Non-US Licensed CS Affiliates* are not permitted to travel to the United States to visit *US Person* clients or to visit prospects of any type (US or non-US). An exception exists for travel by CFEs within the Corporate & Institutional Clients business unit within the Private Banking division of CS AG, to the extent that the following conditions are complied with on a cumulative basis:

- The visit is with a client or prospect that is an either operating company or financial institution (bank or broker-dealer);
- The visit was initiated exclusively at the client or prospect's request, and the CFE documents this in FrontNet or in another appropriate fashion;
- The CFEs may not enter into or conclude any contracts on behalf of the *Non-US Licensed CS Affiliate* while they are in the US; and
- If the visit is with an operating company that is not a financial institution (bank or broker-dealer), the travel relates to *Banking Services* only.

Travel to the United States is also permitted by CFEs who have obtained Rule 15a-6 approval and who conduct their travel and activities in strict compliance with Policy P-30131, "SEC Rule 15a-6 – Contacts Between Non-US Sales Personnel and US Persons".

10.2 Visits with existing non-US Person clients

CFEs within the Private Banking division of *Non-US Licensed CS Affiliates* may travel to the United States to visit existing non-US Person clients under the following cumulative conditions:

- The visit was initiated exclusively at the existing non-US Person client's request, and the CFE documents this in FrontNet or in another appropriate fashion;
- The purpose is purely and exclusively social in nature (baptism, wedding or the like);
- While in the US, the CFE does not hand out any business cards or provide his/her contact details to anyone (other than other CS employees);
- During the visit, the CFE does not provide the client any *Securities-Related Advice* or discuss any *Securities Services* or *Banking Services*;
- The CFE does not solicit the client or anyone else for any business whatsoever on behalf of any CS affiliate;
- The CFE does not transport to the US any client-related data, information or assets or any Bank-related marketing materials; and

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- The CFE complies with all necessary travel prerequisites specified in Global Policy GP-00225, "Cross-Border Business Activities", including approval of the travel through the GTMT (Global Travel Management Tool) and obtaining any required training.

11. Relationships exempted from this Policy / Special guidelines

Special guidelines issued or to be issued by the General Counsel Department apply to the following categories of relationships, which are exempted from this Policy to the extent not dealt with herein:

- CS staff employee accounts at CS AG and other *Non-US Licensed CS Affiliates*:
  Banking Services for CS staff employees who are assigned to the US are permitted. However, any existing safekeeping accounts held by the staff employees assigned to the US for more than six months must be closed or transferred, with such employees being offered the possibility to open a safekeeping account with Credit Suisse Securities (USA) LLC (PB USA). All CS staff employees who are to be assigned to the US will be informed about these restrictions in advance by HR International Assignment Management (HR IAM) within the scope of the assignment process, who will also inform such client's current relationship managers about the restrictions. To the extent the CS employees are to be assigned to the US under a Swiss employment contract for more than six months, their relationships must be centralized with the SSO client unit within Private Clients International (SLIA 3). More detailed information in this regard is available at the US Legal Matters Intranet site: http://csintra.net/gc/switzerland/en/legal/us_legal_matters/us_law.html.
- Custodial clients at CS AG who are clients of a *US-Licensed CS Affiliate;*
- Trusts classified as "foreign grantor trusts" under US tax law that are administered by CS Trust AG (or one of its affiliates) as trustee, provided that and for so long as the primary beneficiary - who is still alive - is a non-US Person/non-US Taxpayer, and the only US Person/US Taxpayer identified as beneficial owner for purposes of applicable KYC rules is a (secondary, tertiary, or further) beneficiary with no right to any distributions during the lifetime of the primary beneficiary. The special guidelines applicable to this category of relationships (e.g. monitoring and reporting obligations on the part of CS Trust) are defined in CS Trust's own directives.
- Dormant account relationships (e.g. «NARILO» in booking center Switzerland);
- Account relationships opened under a retirement scheme (e.g., second and third pillar accounts at booking center Switzerland); and
- Any other client category or specific client as approved in writing from time to time by the General Counsel Department.

12. External asset managers and discretionary portfolio management agreements

The restrictions on relationships set out in this Policy apply irrespective of whether the client or prospective client is the client of an External Asset Manager (EAM) and irrespective of whether a discretionary portfolio management agreement is involved.

13. Further information / US Legal Matters Intranet site

The US Legal Matters website acts as a gateway for information about this Policy and many of the processes to be followed in connection with requirements hereunder (e.g. US tax compliance certification process, termination letters, FAQs, etc.). See: http://csintra.net/gc/switzerland/en/legal/us_legal_matters/us_law.html

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14. Disciplinary measures for non-compliance

Failure to comply with the rules set forth herein may result in a violation of US securities, US banking and/or other US laws, may result in substantial civil, administrative and criminal sanctions against Credit Suisse and/or the relevant CS employee; may cause substantial reputational damage for Credit Suisse, and may permit clients to seek rescission of their securities transactions with the relevant *Non-US Licensed CS Affiliate*. **Strict adherence to this Policy is required. Infringements of this Policy can have an important impact on compensation and other personnel decisions and may subject the responsible CFE to disciplinary action, up to and including dismissal in appropriate cases.**

Hans-Ulrich Meister
CEO Private Banking & CEO Credit Suisse Switzerland
sig.

Romeo Cerutti
General Counsel
sig.

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GLOSSARY OF TERMS

For purposes of this Policy, the following terms are defined as follows:

Banking Services:

These services include, in particular, cash and fiduciary deposit-taking, trade finance, consumer and commercial lending and OTC foreign currency ("FX") and precious metal transactions, including *Restricted FX/Precious Metal Transactions*. The term also does, however, not include dual currency options in the form of FINERs, which instead constitute *Securities Services*.

This list is not intended to be exhaustive and is for general informational purposes only. Products not referred to herein may be subject to special restrictions and should be evaluated on a case-by-case basis. If you have any questions about a particular product or service, please contact US Legal Matters within Advisory & Control Group PB Switzerland (for Switzerland) or local LCD at the respective *Non-US Licensed CS Affiliate*.

Eligible Contract Participants:

Means persons and entities who fit within one of the categories set out in Appendix 3.

FATCA opt-in location:

Any Credit Suisse PB booking centers that has been defined as an "opt-in" location within the scope of the PB project to implement the Foreign Account Tax Compliance Act. Currently, the following PB booking centers are defined as ***FATCA opt-in locations***:

EMEA	Americas	APAC
Guernsey	Bahamas (Private Banking)	Australia
Luxembourg	Mexico	Hong Kong
Switzerland	USA	Japan
		Singapore

FATCA opt-out location:

Any Credit Suisse PB booking centers that has been defined as an "opt-out" location within the scope of the PB project to implement the Foreign Account Tax Compliance Act. Currently, the following PB booking centers are defined as ***FATCA opt-out locations***:

EMEA	Americas	APAC
Austria	Bahamas (Wealth Management)	China
France	Brazil	
Germany		
Gibraltar		
India		
Italy		
Monaco		
Moscow		
Spain		
UK		

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FX Spot Transaction:
Means a foreign exchange transaction with a value date no later than the second business day after the transaction is entered into (T+2).

Non-US Licensed CS Affiliate:
Refers to any Credit Suisse affiliate within the PB Division that does not hold a US broker-dealer and/or investment advisor license. Currently includes all Credit Suisse affiliates within the PB Division other than Credit Suisse Securities (USA) LLC (Private Banking Division) (PB USA), Credit Suisse Private Advisors in Switzerland (CSPA) and JO Hambro Investment Management Ltd. in London (which holds an advisor license only).

Non-US Securities:
Securities issued by an issuer that is organized or incorporated under the laws of some jurisdiction other than the United States when the transaction is not effected on a US exchange and not in the United States, as well as debt securities issued by an issuer organized or incorporated under US law in connection with a distribution outside the United States pursuant to Regulation S under the US Securities Act of 1933 and not part of a "global offering" involving a registered offering in the United States.

Pure Custody Services:
Means services provided by CS AG to clients of a *US-Licensed CS Affiliate* that are limited to the following:

- DVP/RVP arrangements, i.e., delivering securities against payment of funds, and delivering cash against receipt of securities, upon the custodial client's instructions and under circumstances where the related securities transaction is effected by the client's US-licensed broker-dealer;
- Facilitating the clearance and settlement of securities transactions effected by the custodial client through his/her US-licensed broker-dealer, including participation in the trade confirmation, clearance and settlement process;
- Informing custodial clients of corporate actions, including transmitting issuer communications to such clients and collecting income and dividends (in cash, stock or otherwise) for or on behalf of such clients; however, if the response to the corporate action or other instruction from the client requires the purchase or sale of securities from or to third parties (*e.g.*, exercise a warrant and sell the securities received on exercise), such subsequent purchase or sale must be effected by the custodial client's US-licensed broker-dealer; and
- Extending credit for securities transactions, to custodial clients, provided that the related securities transaction is in each case intermediated and effected on behalf of the custodial client through the client's US licensed broker-dealer.

Restricted FX/Precious Metal Transactions:
These transactions consist of:

- OTC FX futures contracts, FX options (other than options traded on a US exchange), options on FX futures, cash-settled forwards in FX and so-called "rolling spot" FX transactions (that do not settle within two days); and
- Any OTC precious metal transactions, with the exception of metals transactions that result in actual, physical delivery of the metal traded within 28 days or metals transactions that are not leveraged or financed in any way by CS (e.g., through a Lombard loan or credit line facility).

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Reverse Solicitation:

Reverse Solicitation occurs when the client or prospect directs a request to the CFE of the *non-US Licensed CS Affiliate* on his own initiative and without prior solicitation or marketing by the *non-US Licensed CS Affiliate*. Requests of clients/prospects which can be defined as *Reverse Solicitation* must be documented in the client data base (e.g., Frontnet).

Securities-Related Advice:

Includes but is not limited to communications about the advisability of purchasing, selling or holding, or about the value of, any particular security or securities in general (including indirect recommendations through the provision of information such as quotes), providing analyses or research reports concerning securities, allowing access to Internet sites or tools that contain such information.

Securities Services:

Services involving:

- Solicitations, purchases, sales, exchanges and redemptions of, inter alia, stocks, bonds, mutual funds, other investment contracts (including, in particular, dual currency option transactions in the form of FINERs) and any communications and/or activities related thereto; and/or
- The provision of any *Securities-Related Advice*.

Special Service Offering (SSO):

Relationships for a limited range of *Banking Services* (*SSO Services*) provided by the SSO client office within Private Clients International (SLIA 3) at CS AG to:

- existing natural person clients who are Swiss citizens and who subsequently relocate to the US or a US Territory, and
- *US Assignees*, who must provide the SSO client unit a copy of their Swiss employment contract.

SSO Services:

Consists of the following services, on a *Reverse Solicitation* basis:

- Cash accounts, current accounts
- Debit cards only (no credit cards)
- 2nd pillar vested benefit accounts and 3rd pillar pension savings accounts (to maintain Swiss retirement schemes)
- Mortgages on Swiss real estate, on a case-by-case basis as decided by the SSO client office
- *FX Spot Transactions* only, i.e., with a value date no later than the second business day after the transaction is entered into, but no other foreign exchange transactions

Special rules apply with respect to existing 2nd pillar vested benefits safekeeping accounts and 3rd pillar securities pension accounts (BVG-Mixte). No *Securities Services* or *Securities-Related Advice* is permitted, and the loading of a safekeeping account block is mandatory.

US Assignee:

A natural person (of any nationality) who is assigned to work in the US by his/her Swiss-based employer, under a Swiss employment contract.

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US-Based Contact:
Any person (or entity) **resident** in the US or a US-Territory who is an authorized signatory (e.g., manager, director) or holds a (limited or general) power of attorney over the relationship of a non-US Person client.

US Fiduciary:
Any *US Based Contact* (person or entitly resident in the US or a US Territory) holding a limited power of attorney or signatory power over the relationship of a non-US Person client who **professionally manages assets** on behalf of another person under a duty of loyalty and care. Includes, in particular, US advisers registered with the US Securities and Exchange Commission (SEC) or a US state securities authority as well as US-licensed trust companies.

US Financial Institution:
Any SEC-registered broker-dealer or US-regulated banks/bank branch acting in a broker-dealer capacity.

US Person:
Any US person for US securities law purposes. Natural persons are "*US Persons*" for purposes of this Policy only if they are resident in the US or a *US Territory*. US citizens (including dual citizens) and US green card holders not actually resident in the US or a US Territory are not considered *US Persons* for these purposes. Partnerhips, corporations and LLCs are *US Persons* if they are organized or incorporated under US law. For the exact definition of who is a *US Person* for purposes of this policy (as compared to who is a *US Taxpayer*), see Appendix 2.

US-Licensed CS Affiliate:
As of the date of this Policy, within the Private Banking Division, refers to Credit Suisse Securities (USA) LLC (Private Banking Division) (PB USA), Credit Suisse Private Advisors in Switzerland (CSPA) (until mid-2012 only)[1] and JO Hambro Investment Management Ltd. in London.

US Securities:
All securities that do not constitute *Non-US Securities*.

US Taxpayer:
For purposes of this Policy, any US persons for US tax purposes (broad definition including not just US residents/US companies, but also US (dual) citizens and green card holders, regardless of actual residence). For the exact definition of who is a *US Taxpayer* for purposes of this policy (as compared to who is a *US Person*), see Appendix 2.

US Territory:
US Territories consist in relevant part of the jurisdictions set out in Table 1 below:

US Territory	ISO Code	Country Code
American Samoa	AS	968
Guam	GU	855
Northern Mariana	MP	879
Puerto Rico	PR	853
US Virgin Islands	VI	904

Table 1

[1] CSPA is scheduled to be dissolved in mid-2012.

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To: Jaffe, Richard <richard.jaffe@credit-suisse.com>
From: Martin, James </O=CREDIT-SUISSE/OU=GL/CN=RECIPIENTS/CN=JMARTI28>
Cc:
Bcc:
Received Date: 2012-03-20 10:30:01 EST
Subject: RE: [redacted] Contracts and Next Steps

Agreed

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Sent with Good (www.good.com)

-----Original Message-----
From: Jaffe, Richard
Sent: Tuesday, March 20, 2012 11:22 AM Eastern Standard Time
To: Martin, James
Subject: RE: [redacted] Contracts and Next Steps

He is probably just distracted.

From: Martin, James
Sent: Tuesday, March 20, 2012 10:09 AM
To: Jaffe, Richard
Subject: FW: [redacted] Contracts and Next Steps

Would have thought this would have triggered a response. Still waiting. In NY today if you think I should see anyone.

Sent with Good (www.good.com)

-----Original Message-----
From: Martin, James
Sent: Monday, March 19, 2012 11:17 AM Eastern Standard Time
To: [redacted]
Subject: [redacted] Contracts and Next Steps

[redacted]

My understanding is that you had a productive call on Friday and [redacted] sent you a copy of the agreement with the revisions requested by Tim and yourself. Please let me know if that is not the case and if you need anything else you need from us to finalize the "contract" phase.

Assuming we have addressed the custody services agreement, I assume we would need to address the following issues in the very near future;

1) New Account Forms to [redacted] to transfer the shares to be exchanged for her personal account, the [redacted] and the [redacted] and the [redacted] I would be happy to meet with [redacted] to assist

Received by the Permanent Subcommittee on Investigations

with the process and to reintroduce her to the team at Credit Suisse and can bring the appropriate senior management team with me to assist with this process.

2) Merger Payment Discussion and Game Plan - Detailed analysis of payment day process and short term cash reinvestment strategy.

3) Longer Term Investment Strategy - While I understand the longer term reinvestment plan will be evolutionary in nature and may involve a yet-to-be-identified investment professional, I think we should address the charitable entities investment strategy due to the fiduciary aspects of these assets. We have done a lot of work on the DAF strategy that is modeled after some of the better know and better performing Foundations and Endowments and we would appreciate the opportunity of sharing some of our recommendations with the appropriate people.

Best Regards,

Jim Martin

James F. Martin, Director
Private Banking USA
300 Conshohocken State Road, Suite 600
West Conshohocken, PA 19428
HYPERLINK "mailto:james.martin@credit-suisse.com"james.martin@credit-suisse.com
610-397-7166 (office)
610-397-7066 (desk fax)
[redacted] (cell)

==========

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As provided for in Treasury regulations, advice (if any) relating to federal taxes that is contained in this communication (including attachments) is not intended or written to be used, and cannot be used, for the purpose of (1) avoiding penalties under the Internal Revenue Code or (2) Promoting, marketing or recommending to another party any plan or arrangement addressed herein.

==========

To: [redacted]
From: Martin, James </O=CREDIT-SUISSE/OU=GL/CN=RECIPIENTS/CN=JMARTI28>
Cc: Graham, Colleen <colleen.graham@credit-suisse.com>; Gentin, Pierre <pierre.gentin@credit-suisse.com>; Gottstein, Thomas <thomas.gottstein@credit-suisse.com>; Weibel, Roger <roger.weibel@credit-suisse.com>
Bcc:
Received Date: 2012-01-05 07:50:06 EST
Subject: CS Legal Team Call - Thursday, January 5th @ 11:30AM EST

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Joe,

Pierre Gentin, Global Head of Litigation and directly handling the DOJ case, and **Colleen Graham**, PBUSA Chief of Staff with significant legal & compliance responsibilities for PBUSA, will call you directly at 11:30 AM to discuss your concerns with respect to question D.1 of [redacted] recent request for additional information from Credit Suisse. ***Can you please confirm that the current proceedings between your bank and the IRS will not impact your ability to provide investment services to the [redacted] no matter which country they are a resident of?"***

While I would be happy to participate in the call if you request, I thought a direct discussion with our senior legal team directly involved with the matter may be a more productive alternative given the legal content of the call. Let me know if you disagree and would like me to participate to facilitate the discussion and coordinate any needed follow up.

I have attached brief bios of Pierre & Colleen for your information.

Best Regards,

Jim Martin

Pierre Gentin is a Managing Director of Credit Suisse, based in New York. He is Global Head of Litigation in the General Counsel division and Head of Reputational Risk for the Americas.
Mr. Gentin joined Credit Suisse in 1998 from the US Department of Justice, where was an Assistant U.S. Attorney for the Southern District of New York. Prior to that, he practiced law at Dewey & LeBoeuf.
Mr. Gentin holds a J.D. from Columbia Law School and an A.B., magna cum laude, Phi Beta Kappa, from Princeton University

Colleen A. Graham is a Managing Director of Credit Suisse and Chief of Staff for Private Banking Americas, based in New York. Her primary responsibility is to proactively manage evolving risk by aiding in the development and execution of strategy for the PB Americas business from a control perspective. Ms. Graham is a member of several committees including the Credit Suisse Strategic Speakers Network, America's CEO Management Committee, The Private Banking Global Executive Council and the Private Banking Americas Management Committee.

From January 2006 through May 2010, Ms. Graham served as the Regional Head of Compliance for Credit Suisse in the Americas. In that role, she had responsibility for advising the Investment Bank, Asset Management and the Private Bank in the Americas on compliance-related matters..
Ms. Graham joined Credit Suisse First Boston in August 1996 as a Senior Attorney in the Legal Department, advising the Commercial and Residential Mortgage, Asset Backed and Conduit businesses for the Investment Bank. She joined Credit Suisse from Thacher Proffitt and Wood LLP, where she practiced law specializing in Mortgage and Asset Backed Securities.
Ms. Graham holds a B.S. in Finance and Marketing from Boston College School of Management and a J.D. from St John's University School of Law. She is married with 4 children

[redacted] = Redacted by the Permanent Subcommittee on Investigations

James F. Martin, Director
Private Banking USA
300 Conshohocken State Road, Suite 600
West Conshohocken, PA 19428
james.martin@credit-suisse.com
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610-397-7066 (desk fax)
[redacted] (cell)

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As provided for in Treasury regulations, advice (if any) relating to federal taxes that is contained in this communication (including attachments) is not intended or written to be used, and cannot be used, for the purpose of (1) avoiding penalties under the Internal Revenue Code or (2) Promoting, marketing or recommending to another party any plan or arrangement addressed herein.

==========

To: Skoglund, Peter <peter.skoglund@credit-suisse.com>
From: Studer, Adrian </O=CREDIT-SUISSE/OU=GL/CN=RECIPIENTS/CN=ASTUDER>
Cc:
Bcc:
Received Date: 2012-04-17 21:27:54 EST
Subject: Re: [redacted] Allocation

Hi Pete

Thanks for your response. We will execute as agreed and find a better time slot.

Best regards
Adrian

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Adrian Studer
Managing Director
Private Banking
Credit Suisse

Tel +1 212 325 2892
Mobile [redacted]

From: Skoglund, Peter
To: Studer, Adrian
Sent: Tue Apr 17 20:43:37 2012
Subject: RE: [redacted] Allocation

I agree....sorry I was swamped. I look forward to catching up with you.

-----Original Message-----
From: Studer, Adrian
Sent: Tuesday, April 17, 2012 02:39 PM Eastern Standard Time
To: Skoglund, Peter
Subject: [redacted] Allocation

Hi Pete,

I understand that you are not available for our catch up later today. We will find a better slot to guide you through the Q1 NNA/AUM developments for Q1.

Even before we meet in person, I would like to brief you on the [redacted] situation. The decision has been taken by senior management and formally approved by Group Controlling to convert about $4.7bn of [redacted] custody assets to NNA/AUM. 50% of NNA and 100% of AUM will be shown in PB USA and 50% of NNA in PBS.

[redacted] = Redacted by the Permanent Subcommittee on Investigations

I would like to confirm with you the allocation of the $2.3bn in NNA and the DAF assets ($1.2bn) between the branches. It has been proposed by Rich Jaffe to allocate DAF and NNA from the [redacted] relationship 50/50 between NY and PHI in line with the split between Garrity, Martin and Joffe. Dale is ok with this approach. Consistency with revenue reporting should also be ensured.

Do you agree with this approach? Please let me know if you want to discuss and I can stop by your office this afternoon.

Best regards

Adrian

Adrian Studer

CREDIT SUISSE AG

CREDIT SUISSE | Business Information Americas

Eleven Madison Avenue | 10010-3629 New York | United States

Phone +1 212 325 2892 | Fax +1 212 322 1833 | Mobile [redacted]

HYPERLINK "mailto:adrian.studer@credit-suisse.com"adrian.studer@credit-suisse.com | HYPERLINK "http://www.credit-suisse.com/"www.credit-suisse.com

To: *old_042413_DeChellis, Anthony <adechell@excham.csfb.com>; Miller, Dale <dale.miller@credit-suisse.com>; Skoglund, Peter <peter.skoglund@credit-suisse.com>
From: Studer, Adrian </O=CREDIT-SUISSE/OU=GL/CN=RECIPIENTS/CN=ASTUDER>
Cc:
Bcc:
Received Date: 2013-01-16 08:21:00 EST
Subject: [redacted] reclass

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Tony, Pete, Dale,

Based on notification from Zurich, the [redacted] assets reclassification of $1.0bn effective December 2012 has been approved by Group Controlling.

NNA for PB USA thus stands at $10.9bn for FY 2012, of which $6.8bn from [redacted] Approximately $900mm of [redacted] assets continue to be classified as custody, earmarked for tax payments.

Best regards

Adrian

Adrian Studer

Managing Director

Private Banking Americas

+1 212 325 2892 (*105 2892)

From: Studer, Adrian
Sent: Wednesday, January 09, 2013 8:51 AM
To: DeChellis, Anthony
Cc: Miller, Dale; Skoglund, Peter
Subject: PB USA NNA for Q4 2012

Dear Tony,

Based on a decision by Rolf Boegli and confirmation that policies and regulations have been adhered to, we have been instructed to reclassify CHF 900 million in [redacted] assets resulting in PB Americas NNA for the 4th quarter of approximately CHF3.7bn up from an estimated CHF 2.8bn.

The reclassification will also potentially impact the NNA Award scheme, increasing the payouts.

We plan to execute this reclassification today.

I would appreciate if you could let me know if you disagree with the outlined course of action or have questions.

Best regards

Adrian

To: Studer, Adrian <adrian.studer@credit-suisse.com>
From: *old_042413_DeChellis, Anthony </O=CREDIT-SUISSE/OU=GL/CN=RECIPIENTS/CN=ADECHELL>
Cc: Bögli, Rolf <rolf.boegli@credit-suisse.com>
Bcc:
Received Date: 2012-07-07 05:46:48 EST
Subject: RE: Q2 NNA

Ok with me

[redacted] = Redacted by the Permanent Subcommittee on Investigations

-----Original Message-----
From: Studer, Adrian
Sent: Friday, July 06, 2012 04:18 PM Eastern Standard Time
To: DeChellis, Anthony
Subject: Q2 NNA

Dear Tony,

As per earlier discussion, and backed by information from the frontline, we deem it appropriate to include an incremental CHF 450 – CHF 500mm in NNA for the [redacted] relationship in Q2. This will reduce the custody balance to approximately CHF 1.9 bn.

I trust you are in agreement with this. Please let me know if you have questions.

Best regards

Adrian

Adrian Studer

Managing Director

Business Information & Systems PB Americas

+1 212 325 2892 (*105 2892)

From: Studer, Adrian <adrian.studer@credit-suisse.com>
Sent: Friday, October 5, 2012 7:53 AM
To: Späh, Roland <roland.spaeh@credit-suisse.com>; Parekh, Minesh <minesh.parekh@credit-suisse.com>
Cc: Staas, Carsten <carsten.staas@credit-suisse.com>
Subject: RE: Q3 [redacted] Adjustment

Noted, thanks

From: Späh, Roland
Sent: Friday, October 05, 2012 7:49 AM
To: Studer, Adrian; Parekh, Minesh
Cc: Staas, Carsten
Subject: FW: Q3 [redacted] Adjustment

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Hi Adrian, Hi Minesh

FYI: NNA numbers from the Int'l locations looks currently better than expected. Therefore, my suggestion is to keep the additional 0.3bn in the pocket at the moment.
If the situation changes beginning of next week I will inform you to discuss the next steps.

Best regards
Roland

From: Späh Roland (SOIF 22)
Sent: Donnerstag, 4. Oktober 2012 19:51
To: Studer Adrian (CS); Parekh Minesh (CS)
Cc: Staas Carsten (SOIF)
Subject: RE: Q3 [redacted] Adjustment

Hi Adrian,

Thank you for this information. That's fine for me – I will prepare the respective posting on BA Others Americas which is only relevant for the external view but not for the internal performance measurement.

FYI: It currently looks like that we would need the additional 300m reserve. It depends on the exact numbers delivered/processed from the Int'l locations over the night. Assuming that the forecasted numbers were on the higher end, the request for additional NNA will follow by tomorrow with very high probability.

Best regards from Zurich
Roland

From: Studer Adrian (CS)
Sent: Donnerstag, 4. Oktober 2012 17:01
To: Späh Roland (SOIF 22); Parekh Minesh (CS)
Cc: Staas Carsten (SOIF)
Subject: RE: Q3 [redacted] Adjustment

Hi Roli,

Thanks for your feedback. I spoke with Tony in the meantime. The agreement between Rolf and Tony is that it doesn't negatively impact any of the scorecards, either at RM, Branch, PB USA or Americas level. This means that there are no

changes in the MIS figures within Americas and the correction should be similar to the earlier case a top side only (external view). Consequently, it is our preference (in coordination with Zollinger from FM) to make this adjustment only at the Americas level as a BA level adjustment.

Regards
Adrian

[redacted] = Redacted by the Permanent Subcommittee on Investigations

From: Späh, Roland
Sent: Thursday, October 04, 2012 10:39 AM
To: Studer, Adrian; Parekh, Minesh
Cc: Staas, Carsten
Subject: RE: Q3[redacted] Adjustment

Hi Adrian,

I had a short discussion with Minesh a few minutes ago.

From my point of view it is the question whether this should be allocated on RM-level. Given the fact that this decision is driven by the management it would be a suitable solution to only reflect this on an aggregated (e.g. Branch, PB USA or even Americas) level.

The only restriction we have is that the debit of the CHF 1.6bn must be reflected within Americas.

This split is reflecting current practice, especially when it comes to globally acting clients belonging to the billionaire segment. The main argument for this split is that the client coverage is done by both sides, PB USA as well as Private Banking Switzerland.

Best regards
Roli

From: Studer Adrian (CS)
Sent: Donnerstag, 4. Oktober 2012 14:17
To: Späh Roland (SOIF 22); Parekh Minesh (CS)
Cc: Staas Carsten (SOIF)
Subject: RE: Q3[redacted] Adjustment

Hi Roli,

Thank you for the information. I expect to get confirmation from Tony later this morning. This change is likely to impact a number of regional performance metrics and scorecards and it will potentially also impact individual RMs incentive rewards.

Can you please let me know your conclusion of the assessment that we are in full compliance with rules and regulations with this adjustment across regions.

Best regards
Adrian

From: Späh, Roland
Sent: Thursday, October 04, 2012 7:09 AM
To: Studer, Adrian; Parekh, Minesh
Cc: Staas, Carsten
Subject: Q3[redacted] Adjustment

Adrian, Minesh

Please be informed that the YTD 2012 NNA number of [redacted] will be split 50/50 between Americas and PBS.

The amount of this adjustment is CHF 1.6bn. As a direct consequence the Q3 NNA number for Americas will be reduced by this amount.

Based on the e-mail below, Rolf Bögli and Tony DeChellis had a discussion about this case two days ago.

Best regards
Roland

[redacted] = Redacted by the Permanent Subcommittee on Investigations

PS: Please find enclosed how the CHF 1.6bn is calculated:

Total NNA for [redacted] in 2012	CHF 7.6bn
50% of this amount	CHF 3.8bn
Already reflected in PBS	*CHF 2.2bn (Q1 reclass)*
Adjustment for Sep	CHF 1.6bn

Von: Bögli Rolf (SO)
An: Egli Kehrle Christian (SOFP)
Cc: Schüepp Patrick (SOF); Bluntschli Thomas (SOI)
Gesendet: Wed Oct 03 15:53:10 2012
Betreff: AW: [redacted] Varianten mit 0.9bn und 1.6bn transfer

Habe eben arthur vayloyan bestätigt, dass wir [redacted] mit 1.6bn machen werden. Gruss
Rolf Bögli

Von: Bögli Rolf (SO)
An: Egli Kehrle Christian (SOFP)
Cc: Schüepp Patrick (SOF); Bluntschli Thomas (SOI)
Gesendet: Wed Oct 03 14:24:00 2012
Betreff: AW: [redacted] - Varianten mit 0.9bn und 1.6bn transfer

Chris,
Habe gestern mit Toni DeChellis gesprochen. Er wäre im Notfall einverstanden mit beiden Varianten, allerdings nur unter der Voraussetzung, dass ein solches Vorgehen keine Richtlinien verletzt.
Benötigen wir hierzu das ok von Group Finance oder kann ich das unterschreiben?
In einem nächsten Schritt möchte ich asap eine Beurteilung von Thomas Bluntschli, dass wir das so machen können.

Danke und Gruss
Rolf

To: Martin, James <james.martin@credit-suisse.com>
From: Buergi, Sandra </O=CREDIT-SUISSE/OU=GL/CN=RECIPIENTS/CN=SBUERGI>
Cc:
Bcc:
Received Date: 2011-12-13 08:22:06 EST
Subject: Re: [redacted] DAF DONE!

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Thanks for feedback. This is great. Was thinking of you this morning.
Hope the presentation went well and you won!!!
Do you know which route they are taking - [redacted]

From: Martin, James
To: DeChellis, Anthony; Skoglund, Peter; Jaffe, Richard; Petrucci, Sam; Woodson, Bill; Graham, Colleen; Garrity, Jim; Almy, Maura; Buergi, Sandra; Tryon, Mary; 'Keith Joffe' <keithJ35@verizon.net>; Brenner, Stewart
Sent: Tue Dec 13 06:57:09 2011
Subject: [redacted] DAF DONE!

I am delighted to inform you that I have received the signed paperwork to open the DAF for [redacted] and transfer [redacted] for a total value of $1.2 Billion (give or take $100m). Slight problem of how to scan and send the docs, but working with the Geneva office to try and get it done.

I believe the custody meeting went very well and I will let you what the decision is for the remaining piece when I hear but looking pretty good.

On behalf of Jim Garrity and myself, we would like to thank everyone for thier tremendous efforts on this huge win.

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Group FP&A, TAR

Meeting Minutes

Present		
	Thomas Bluntschli	C
	Phil Bruno	P,C
P = Prep Meeting	Monique Coulin	P,C
C = Committee Meeting	Valentina Innamorato	P,C
S = Special Meeting	Christian Egli Kehrle	P,C
	Sumit Khanna	P,C
	Bruno Meyer	P,C
	Carlos Onis	C
	Mike Rongetti	C
	Melanie Schellhammer	P,C
	Roland Späh	P,C
	Noel von Däniken	P,C

Prepared by Monique Coulin
TARR 4
044/332 44 16
monique.coulin@credit-suisse.com

[redacted] = Redacted by the Permanent Subcommittee on Investigations

c.c.

Date April 27, 2012

Classification For internal use only

☐ Memorandum ☐ Invitation
☒ Minutes ☐ Order

Re **Monthly AuM Review Committee**
Preparation Meeting (P) on April 02, 2012
Committee Meeting (C) on April 04, 2012

Version: Final (no changes to draft version)

Content

1. Preparation meeting
2. Committee meeting
3. List of references

1. Preparation meeting

Cases	Decisions
PB USA: Project [redacted] – reclassification of CHF 4.3bn from AuC to AuM. (refer to "120320 [redacted] v2.ppt") Longstanding and strategic client relationship with Credit Suisse which now has new dynamics with the [redacted] into investable assets. • CHF 1.1bn are already classified as AuM. • PB USA jointly with PBS, IB CH, IB US and Solution Partners provided wide-ranging advisory services in 1Q12. • Strategic relevance of the client and further client potential with intention to invest the assets. • 10-15 bps margin compared to less than 1bp in prior years on custody assets. PB requests to count CHF 4.3bn NNA out of the total anticipated proceeds of CHF 6.4bn for 1Q12. PB argues that the assets are already in house (AuC). The deal has been announced and there were significant discussions with the client on investing the [redacted]	• To be discussed in Committee meeting. Subject to obtaining the signed client agreement by 1Q12 close (latest before Earnings Release on April 25).

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Cases	Decisions
PB: policy review – Life insurance products (LIP) (refer to "120319 Policy review classification Institutional Clients.ppt" and "120323 Financials impact analysis_AM transfer and LIP.ppt" • After the CL integration the LIP business is the only residue within PBs manufacturing view. Currently, the AuM are counted as advisory and manufacturing view • This business has been transferred from Winterthur Group to PB in 2005 (including the AuM reporting). • Policy paragraph in question: 5.1 – own insurance policies: "insurance policies issued by a CSG subsidiary are counted in the client's safekeeping account and reported as insurance AuM for the respective subsidiary" • Discontinuance of LIP business would increase the WMC gross margin by 3 bps and reduce AuM by 20bn CHF. PB is currently reviewing the potential for a policy review case.	• Information only. • Pension Advisory assets to stay in AuM for 1Q12
PB: policy review – Potential Market exit strategy (refer to "20120309_Ch.Egli to B.Meyer_Market Exit-Future PB.msg" and "120227 Exit of markets v3.ppx"). In conjunction with the "PB future program" PBMC needs to decide on how it will treat unprofitable smaller markets in the future. In this context it requires guidance on asset outflow treatment of closed markets, i.e. transparency under which conditions outflows are reported as a NNA neutral effect or as negative NNA. PB requests the approval from Group FP&A for the following rules: • Active exit strategy: communication to client that market will be closed without any alternative or reduced offering to him. -> structural effect • Passive exit strategy: long-term exit of the market through 'out-pricing' the client (pricing measures). -> NNA outflow	• To be approved in Committee Meeting

2. Committee meeting

Cases	Decisions
PB USA: Project [redacted] reclassification of CHF 4.3bn from AuC to AuM. (refer to "120320 [redacted]2.ppt")	• Approved • Confirmation from Rolf Bögli that the clients family office has signed the mandate, followed after the meeting on April 23, 2012 (refer to email "20120423_R.Bögli to D.Mathers_sign-off [redacted]_NNA split CH USA.msg") • The NNA is shown 50% USA and 50% Switzerland reflecting the advice and support from the RM's in both organisations during the past month.
PB: policy review – Potential Market exit strategy (refer to "20120309_Ch.Egli to B.Meyer_Market Exit-Future PB.msg" and "120227 Exit of markets v3.ppx").	• Group FP&A approved the two rules of AuM treatment for active and passive exit strategies.

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3. List of references

Item	Storage
▪ 120320 [redacted] /2.ppt ▪ 120319 Policy review classification Institutional Clients.ppt ▪ 120323 Financials impact analysis_AM transfer and LIP.ppt ▪ 20120423_R.Bögli to D.Mathers_sign-off [redacted] NNA split CH USA.msg	P:\TA_GROUP_CONTROLLING\TAR\AuM + NNA\AuM_NNA_Review_Committee_Meetings\2012_meetings\05 Meeting_201204_02_04

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CREDIT SUISSE GROUP
Group FP&A, TAR

Meeting Minutes

Present	Bluntschli Thomas	S	Prepared by	Monique Coulin
	Coulin Monique	P		TABD 3
P = Prep Meeting	Innamorato Valentina	P,S		044/332 44 16
C = Committee Meeting	Khanna Sumit	P		monique.coulin@credit-suisse.com
S = Special Meeting	Kremsler Marc	P		
	Onis Carlos	S		
	Schellhammer Melanie	P		
	Späh Roland	P,S		
	Von Däniken Noel	P,S		
	Win Mya	S		

c.c.	Bruno Phil	Date	February 11, 2013
	Meyer Bruno	Classification	For internal use only
	Rongetti Mike		
	Staas Carsten		
	Von Grünigen Marineta	☐ Memorandum	☐ Invitation
		☒ Minutes	☐ Order

Re **Monthly AuM Review Committee**
Preparation Meeting (P) on January 04, 2013
Committee Meeting (C) on January 07, 2013 – has been cancelled
Special Meeting (S) on January 10, 2013

Version: Final (no changes to draft version)

Content

1. Preparation meeting
2. Special meeting
3. List of references

CREDIT SUISSE

1. Preparation meeting

Cases	Decisions
PB Switzerland: Reclassification P-client group – AuM increase of ~ CHF 1.4bn (Refer to "20121221_PB Reclass P-client group.xls" and "20121221_R.Späh_PB Reclassification Request Q4-relevant.msg" A strategic client relationship which started in 2006 has initially been classified as AuC since 100% of the assets consisted of a restricted single stock position. Assets were kept with PB for custody purposes only. In 2012, the restricted single stock position became transferable and in November 2012, client group has sold 65% of the initially restricted single stock position (triggering event). Client group has confirmed that assets will stay with the bank for investment purposes and PB has been mandated to work on different investment opportunities/strategies based on the client needs. Further cash events are expected for 2013. PB requests to reclassify the client group from AuC to AuM	• Approved prior to the meeting by Carlos Onis (Refer to "20121221_C.Onis_Approval PB Reclassification Request Q4-relevant")
PB Switzerland: Reclassification M-client – AuM increase of ~ CHF 566m (Refer to "20121228_PB Reclass M-client.xls" and "20121228_R.Späh_PB Reclassification Request M-client_Q4-Event.msg" PB requests the reclassification of a long-term client relation within PB Switzerland (M-client) for December close. The initial asset classification was AuM, reclassified to AuC in 2003 due to the single stock position. This classification as Custody was confirmed in 2008 since the former RM has left Credit Suisse and most of the family members transferred their assets to Bank Julius Bär. In the meantime, the new RM was able to convince the client to stay with Credit Suisse. More than 50% has been sold and re-invested into various Swiss Blue Chips Stocks based on active advice and portfolio diversification strategy. Further reduction of single stock position in 2013 expected. Given that special terms and tariffs (STT) were granted to this client, it is not expected that the overall profitability will change significantly.	• Approved

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2. Special meeting (Call)

Cases	Decisions
PB USA: Reclassification of [redacted] - AuM Increase of USD 1bn (Refer to "20130110_R.Späh_PB Americas_Reclassification Q4 - [redacted] case.msg) Long term and strategic client relationship (since 2002) with currently total assets of USD 9.5bn with PB USA (o/w USD 7.5bn classified as AuM – actively advised - and USD 2.0bn classified as AuC) Whereas about half of the custody leg of USD 2.0bn is foreseen for future tax payments and therefore likely to leave the bank in the first semester, the remaining USD 1.0bn /CHF 0.9bn are investible assets for which the client will use advisory services from Credit Suisse. These 50% of the USD 2.0bn custody position is to be reclassified from AuC to AuM in 4Q12. This results in NNA of USD 1.0bn / CHF 0.9bn. Rationale for 4Q12 event: • In 1Q12 when the USD 4.4bn were reclassified from custody to AuM, it has been decided that USD 2bn remained classified as custody assets due to the potential for the client to withdraw assets to diversify their risk (classification following the principle of prudence). This has not materialized. • There is clarification about future cash needs. There is now more information available on the future tax liability. • The client informed Credit Suisse that the remaining investible assets shall be invested (change in clients intention) • The relationship is covered by two senior relationship managers, who perform comprehensive advisory services with the client and the clients representatives. • Significant revenue generation across the client relationship (14bps)	• Approved

3. List of references

Item	Storage
• 20121221_PB Reclass P-client group.xls • 20121221_R.Späh_PB Reclassification Request Q4-relevant.msg • 20121228_PB Reclass M-client.xls • 20121228_R.Späh_PB Reclassification Request M-client_Q4-Event.msg • 20130110_R.Späh_PB Americas_Reclassification Q4 - [redacted] case.msg	P:\TA_GROUP_CONTROLLING\TAR\AuM + NNA\AuM_NNA_Review_Committee_Meetings\2013_meetings\01 Meeting_201301_04

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Financial Results 4Q12

PB&WM Coverage MC

January, 2013

PB OLD December 2012

PB US GAAP Overview

in CHF m	YTD Dec-12	Change Dec-11	Change Bdg 12	QTD 4Q12	QTD 3Q12	MTD Dec-12	MTD Nov-12	Change Nov-12
Net revenues	10'6[illegible]	-1%	-4%	2'677	2'591	910	880	30
Provision for credit losses	82	67%	-35%	68	36	30	28	2
Operating expenses	7'694	-8%	-3%	1'890	1'866	617	627	-10
Pre-tax income	**2'769**	**22%**	**-2%**	**719**	**689**	**263**	**225**	**38**
Underlying Pre-tax income [1]	2'6[illegible]	-3%	n.a.	659	689	238	190	48

Key Indicators

AuM, in CHF bn	1'022	7%	1%	1'022	1'024	1'022	1'020	2.2
Cost / income ratio, in %	71.9	-5.7pps	+0.3pps	70.6	72.0	67.8	71.2	-3.4pps
Gross margin WMC, in bps	110.1	-7.3pps	-6.8pps	107.9	106.6	108.1	108.0	+0.1pps
Pre-tax income margin, in %	26.4	+5.0pps	+0.5pps	26.9	26.6	28.9	25.6	+3.3pps
Net new assets, in CHF bn	**20.5**	**-52%**	**-62%**	**4.0**	**5.2**	**-0.4**	**0.7**	**-1.1**

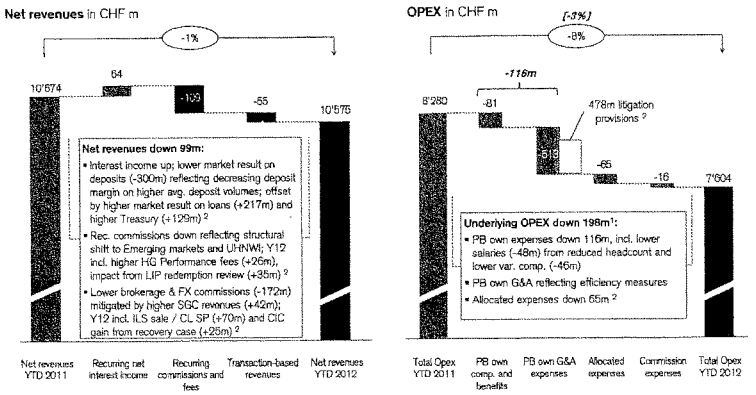
1. 2012 PTI excluding +41m ILS sale (2Q12), +35m LIP redemption review (Nov 12), +26m gain from recovery case (Dec 12); FY11 excluding -478m litigation provisions

Confidential Treatment Requested by Credit Suisse CS-SEN-00453668

PB OLD December 2012

Year-on-Year trend in CHF m

Continued revenue decline more than offset by benefits from efficiency measures



1 Excluding 478m litigation provisions in 2011
2 Reflected in Block II/non-steerable part of P&L

Confidential Treatment Requested by Credit Suisse CS-SEN-00453669

PB OLD December 2012

Key Profit Indicators

However performance relevant income down by 6%

PRI after CoC in CHF m	YTD Dec 12	YTD Bdg 12	Change Bdg 12 [1]	Year-on-Year trend in %	Year-on-Year trend in CHF m
Client Business Areas					
CIC	860	806	6%	1%	+9m
PCS	556	654	-15%	-14%	-94m
PBS	968	1'076	-10%	-8%	-81m
EEMEA	593	673	-12%	-5%	-29m
Western Europe	766	893	-14%	-19%	-185m
APAC	354	362	-2%	14%	+45m
Americas	497	519	-4%	10%	+45m
NAB	137	150	-8%	-12%	-18m
Private Banking [2]	**4'795**	**5'201**	**-8%**	-6%	-300m

1 ▣ > + 5% ▢ between +5% and -5% ■ -5%

2 Excl. non-client and Technical BAs

Confidential Treatment Requested by Credit Suisse CS-SEN-00453670

PB OLD December 2012

Key Profit Indicators

Expense reduction driven by central benefits from CL integration

Managed Expenses in CHF m [1]	YTD Dec-12	YTD Dec-11	Change Dec-11	Change vs. YTD budget in %	Change vs. YTD budget in CHF m
CIC	308	301	3%	2%	+7m
PCS	458	451	2%	0%	-2m
PBS	306	317	-3%	-7%	-22m
EEMEA	201	210	-4%	-9%	-20m
Western Europe	466	484	-4%	2%	+9m
APAC	216	208	3%	-3%	-8m
Americas	286	269	6%	4%	+10m
NAB	133	129	4%	1%	+2m
Client Business Areas	**2'378**	**2'369**	**0.3%**	-1%	-25m
ISP	252	297	-15%	-2%	-4m
Global Research	43	56	-24%	-4%	-2m
Solution Partners	31	30	3%	1%	0m
COO [2]	189	195	-3%	-1%	-3m
HR	32	35	-8%	-3%	-1m
Non Client Business Areas	**547**	**613**	**-11%**	-2%	-9m
Client / Non Client BAs	**2'922**	**2'982**	**-2%**	-1%	-34m
Others [3]	200	282	-29%	-3%	-6m
Private Banking	**3'122**	**3'265**	**-4%**	-1%	-40m

1 According to PMS managed expenses definition; excl. reclass
2 Excluding Marketing expenses
3 Including technical BAs, impact from Clarden Leu and Marketing expenses COO

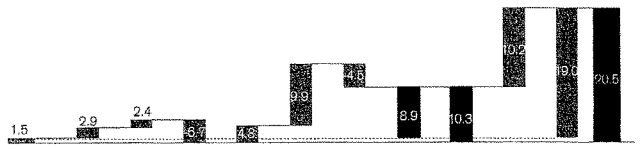
Confidential Treatment Requested by Credit Suisse CS-SEN-00453671

PB & WM Coverage

2013 Outlook

Slow NNA start into 2013

FY 2012
in CHF bn



	CIC	PCS	PBS	Western Europe	EEMEA	APAC	Others[1]	WM Coverage proxy	PB&WM Coverage proxy	Region Americas[3]	WMC old	PB old YTD 2012
NNA growth 12	**0.7%**	5.1%	1.3%	-4.5%	4.4%	11.7%	-15.2%	**1.5%**	**1.1%**	7.1%	**2.5%**	**2.2%**
4Q12	**1.1**	-0.3	0.4	-3.8	1.9	1.7	-0.7	**-0.7**	**0.4**	3.7	**2.9**	**4.0**
MTD Jan 13[2]	**0.6**	-0.5	-0.6	-0.2	-0.2	0.5	0.0	**-1.0**	**-0.4**	0.3	**-0.8**	**-0.1**

2012 **net new assets growth rate of 5.1%**, when adjusted for 1H12 outflows related to Clariden Leu integration and from Western European domiciled clients booked in Switzerland

1 Including NAB, SX and Technical BAs, excluding America others
2 Based on actuals reported by BI&S as per 19th January 2013
3 Including Americas Others (FY12: -2.8bn)

Confidential Treatment Requested by Credit Suisse CS-SEN-00453672

First indication for 2013

Significant contribution from various initiatives required to meet FY targets

P&L in CHF m [1]	FC MTD Jan-13	MTD Bdg-13 [2]	FC vs. Bdg-13
Recurring net interest income	351	343	8
Recurring commissions & fees	261	278	-27
Trans.- & perf.-based revenues	150	172	-22
Other revenues	-2	0	-2
Net revenues	**750**	**793**	**-43**
Provision for credit losses	**15**	**28**	**-14**
Direct expenses	337	294	43
Allocated expenses	190	190	0
Variable compensation	38	38	0
Total operating expenses	**565**	**522**	**43**
Income before taxes	**171**	**243**	**-72**
Normalized income bef. taxes	**200-220m**		

1 Including PB excl. Region Americas but incl. ISP/GR/SP charges; based on budget assumption
2 Straight line

Revenues below target:

- January benefiting from **strong brokerage & product issuing** and **lagging replication impact**, compensating for seasonally low SGC revenues
- Impact from **UHNWI & growth initiatives** including **pricing measures** to gradually improve revenues in 2013
- **Sales excellence** crucial to meet revenue target and to compensate for any potential revenue shortfalls (e.g. lower client activity):
  - Decreasing attractiveness of holding high liquidity portions both from client perspective (deposit client rate reductions; equity market performance) as well as for CS (continued replication effect)
  - Repositioning client portfolios (leading to higher client activity) will be key going forward

OPEX above target:

- January affected by several **one-off items** including higher regulatory costs and commission expenses related to EAM
- **OPEX to remain above target** as currently defined efficiency measures broadly offset by growth initiatives and regular salary increase and inflation
- **Further efficiency measures required** to meet top-down stretch yet to be initiated:
  - As indicated in the BA 2013 budget confirmation, 3–4% of the BA cost budgets have to be kept centrally on BA level
  - An immediate non-RM hiring freeze is imposed, all exceptions are subject to BA head approval. The PBMC will receive a monthly non-RM development reporting, indicating the success of the measure
  - A centrally driven, external review of support functions in client BAs will be conducted in February/March 2013

Confidential Treatment Requested by Credit Suisse CS-SEN-00453673

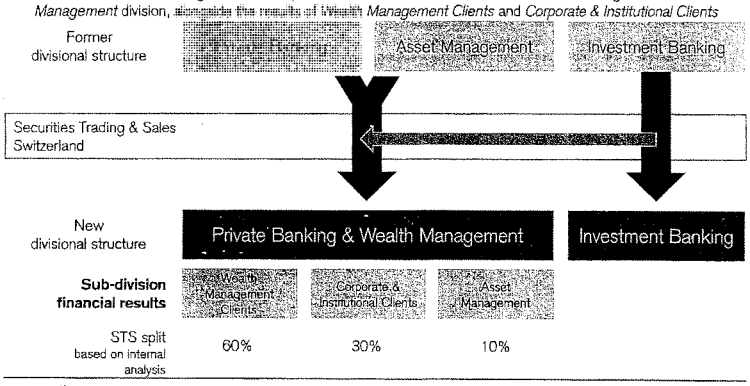
PB & WM - EXTERNAL

4Q12 External Reporting

PB&WM reporting along three new sub-segments

Key facts about the restatement

- No change to consolidated historic financial results for Credit Suisse or Core Results
- *Investment Banking* historic financial results only reflect impact from the business transfer in Switzerland
- The results of *Asset Management* will be presented as a sub-division within the *Private Banking & Wealth Management* division, [illegible] *Management Clients* and *Corporate & Institutional Clients*



Confidential Treatment Requested by Credit Suisse CS-SEN-00453674

PB & WM - EXTERNAL

4Q12 External Reporting

PB&WM revenues reporting aligned between 'old' PB and AM

	WMC	CIC	AM	STS
Net interest income	**Net interest income** (as is)	**Net interest income** (as is)	**n.a.**	Net interest income (substantial)
Recurring comm. & fees	**Recurring comm. & fees** excluding HG performance fees (3)	**Recurring comm. & fees** (as is)	**AM fees** (as is)	Account Fees (marginal)
Transaction- & performance-based revenues	**Transaction-based rev.** (as is) plus HG performance fees **STS share** (netted revenue share as separate line item)	**Transaction-based rev.** (as is) excluding Clock transactional revenues (2) **STS share** (netted revenue share as separate line item)	• **PTO fees** (as is) • **Performance fees** (as is) • **Carry & EQ income** (as is) **STS share** (netted revenue share as separate line item)	Trading Revenues (substantial) **Netting of all revenue categories** (4)
Other revenues		**Clock transactional rev.**	**Investment related gains** **Equity participations** **Other gains/losses**	
	One-off revenues (1)	**One-off revenues**	**One-off revenues**	

CREDIT SUISSE Divisional Finance, SOPF January 2013 9

4Q12 External Reporting (draft)

PB & WM - EXTERNAL

Private Banking & Wealth Management with significantly more resilient close to 2012

in CHF mn	4Q12	3Q12	4Q11	2012	2011
Net revenues	**3,334**	**3,310**	**3,087**	**13,541**	**13,447**
of which significant items[1]	*(67)*	*102*	*(7)*	*320*	*8*
Provision for credit losses	68	35	74	182	111
Compensation and benefits	1,293	1,329	1,375	5,561	5,729
Other operating expenses	1,062	1,010	1,106	4,023	4,646
of which litigation provision	–	–	-	–	*478*
Total operating expenses	**2,355**	**2,339**	**2,481**	**9,584**	**10,375**
Pre-tax income	**911**	**936**	**532**	**3,775**	**2,961**
of which WMC	*490*	*498*	*271*	*2,021*	*1,446*
of which CIC	*238*	*214*	*171*	*944*	*921*
of which AM	*183*	*224*	*90*	*810*	*594*
Underlying pre-tax income[2]	**978**	**834**	**539**	**3,455**	**3,431**
Underlying pre-tax income margin[2]	29%	26%	17%	26%	26%
Net new assets in CHF bn	6.8	5.3	4.5	10.8	46.6
Assets under management in CHF bn	1,251	1,251	1,185	1,251	1,185

- **New PB&WM division with FY 2012 PTI of 3.8bn:**
  - o/w WMC 2.0bn
  - o/w CIC 0.9bn
  - o/w AM 0.8bn
- **PB&WM ambition for 2015 of 4.8bn**

1 Includes Aberdeen gains of CHF 140 mn, CHF 16 mn, CHF 384 mn and CHF 16 mn in 3Q12, 3Q11, 2012 and 2011, respectively, a Wincasa gain of CHF 45 mn in 4Q12 and 2012, AMF write downs of CHF (30) mn, CHF (38) mn, CHF (7) mn, CHF (68) mn and CHF (7) mn in 4Q12, 3Q12, 4Q11, 2012 and 2011, respectively, private equity valuation losses of CHF (82) mn in 4Q12 and 2012, and a gain from the sale of a non-core business of CHF 41 mn in 2Q12 and 2012. 2 Excludes significant items and litigation provision shown separately

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4Q12 External Reporting (draft)

Clear benefits from new division

PB & WM - EXTERNAL

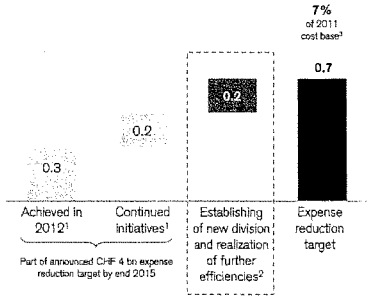
Details subject to final decisions; target increased from 0.2 to 0.6bn in 2015

Profitability drivers

- **Reduced time-to-market** for product launches through an optimized value chain
- **Value chain alignment** leading to streamlined offering and elimination of redundancies
- **Better cross-divisional and cross-regional collaboration** leading to reduced complexity
- **Consolidation of purchase order origination** results in volume and IT infrastructure bundling
- **Mid/back office and shared services streamlining** incl. continued efficiency improvement

Establishing of new combined division and realization of further efficiencies

Private Banking & Wealth Management expense reduction target by end 2015 in CHF bn



Target a 35% pre-tax margin

1 Excluding infrastructure savings
2 Including infrastructure savings
3 Excluding litigation provision of CHF 478 mn

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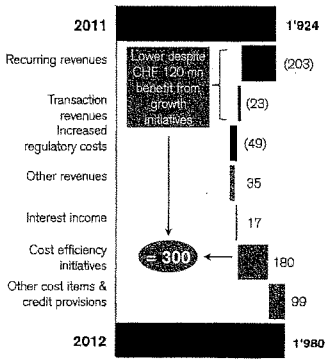
PB & WM - EXTERNAL

Wording TBC by PB&WM management team

4Q12 External Reporting (draft)

2012 pre-tax income improvement in Wealth Management Clients business reflecting benefits from strategic initiatives

Pre-tax income progression[1] in CHF mn



Benefits from profitability initiatives and business growth more than compensate impact from increased market headwinds

- Initiatives delivered **CHF 300 mn** benefit in 2012
- Target cumulative benefit **of CHF 800 mn** in 2014

1 Excluding 3Q11 litigation provisions of CHF 478 mn and 2Q12 gain related to the sale of a non-core business of CHF 41 mn

Confidential Treatment Requested by Credit Suisse CS-SEN-00453678

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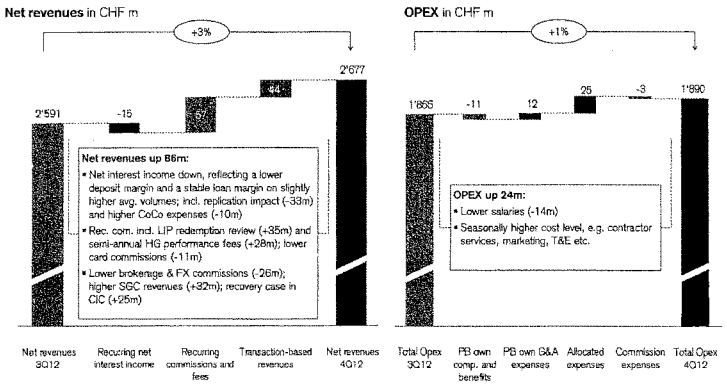
Appendix

Quarter-on-Quarter trend in CHF m

PB OLD December 2012

Underlying net revenues stable



Confidential Treatment Requested by Credit Suisse CS-SEN-00453680

Credit volume & balance sheet assets PB OLD December 2012

B/S Assets per December 2012 CHF 3.5bn below Q4 limit

Credit Volume (excl. banks) in CHF bn	Dec-12	Dec-11	Change Dec-11	Actuals vs. Adjusted Budget 2012 in CHF bn: Dec-12 vs. Adj. Budget	MoM
Private Banking					
CIC	59.0	55.5	6%	4.5	+0.2
PCS	50.3	47.8	5%	0.3	+0.2
PBS	37.7	35.4	6%	1.6	-0.0
EEMEA	6.9	6.4	10%	-0.9	-0.1
Western Europe	8.7	8.4	3%	-1.4	-0.1
APAC	14.0	12.4	18%	0.7	-0.3
Americas	6.6	6.1	8%	-1.0	+0.4
NAB	19.2	18.5	4%	0.5	+0.0
Recovery and others	1.0	1.8	-41%	-2.3	-0.0
Total Credit Volume	203.4	194.4	5%	2.1	+0.3
Non-Credit Volume Related B/S items					
CS Insurance (Life & Pensions)	20.0	20.7	-4%	2.3	-0.9
Precious metals	5.8	5.7	1%	2.1	+0.1
Others assets	9.8	16.0	-42%	-7.6	-1.5
Total B/S Assets	241.5	236.8	2%	-1.2	-1.9

Details for CARMC Limit

- Divisional Q4 CARMC limit for total assets is **CHF 245.0bn**, actuals per December are **CHF 3.5bn** below Q4 limit
- Main Q4 movements: Loan book increase of CHF 1.7bn (net of CHF -1.5bn FX impact); decrease in CS Insurance assets of CHF 1.5bn

Confidential Treatment Requested by Credit Suisse CS-SEN-00453681

Fully loaded Basel 2.5 RWA

PB OLD December 2012

RWA per November 2012 CHF 1.0bn below Q4 limit

RWA in CHF bn	Nov-12	Nov-11	Change Nov-11	Actuals vs. Adjusted Budget 2012 in CHF bn: Nov-12 vs. Adj. Budget	MoM
Private Banking					
CIC	32.6	31.9	2%	1.5	-1.8
PCS	7.9	7.7	3%	0.1	-0.0
PBS	8.4	7.9	7%	-0.7	-0.1
EEMEA	3.5	2.5	38%	-0.5	+0.0
Western Europe	6.5	4.0	61%	0.1	-0.2
APAC	4.3	2.9	47%	-0.1	-0.2
Americas	4.5	3.2	41%	-0.2	+0.1
NAB	5.7	5.9	-3%	-0.1	-0.0
Recovery and others	1.1	1.9	-41%	-1.0	+0.0
Pure Basel 2.5 RWA	74.5	67.9	10%	-0.9	-2.2
Deductions	3.6	3.2	11%	-0.1	-0.0
Fully loaded Basel 2.5 RWA	78.0	71.1	10%	-1.0	-2.2

Details for CARMC Limit

- Divisional Q4 CARMC limit for RWA (fully loaded, B2.5) is **CHF 79.0bn**, actuals per November are **CHF 1.0bn** below Q4 limit
- Q4 limit supports underlying credit volume growth of CHF 2.2bn from September to December 2012 and considers RWA reductions of CHF -2.0bn (LGD4RWA, RWA pooling project and a transfer of Cash & Due from Banks)

Confidential Treatment Requested by Credit Suisse CS-SEN-00453682

Net Revenues

PB OLD December 2012

Driver-based breakdown according to Product P&L

Product P&L in CHF m	YTD Dec-12	YTD Dec-11	YTD Bdg 12	Change Dec-11	Change Bdg 12	MTD Dec-12	MTD Nov-12	Change Nov-12
Recurring interest-based income	**4'569**	**4'505**	**4'442**	**1%**	**3%**	**373**	**372**	**0%**
o/w Market result on loans	2'224	2'057	2'152	11%	6%	197	201	-2%
o/w Market result on deposits	788	1'088	911	-28%	-14%	45	49	-8%
o/w Treasury (incl. TS)	1'457	1'318	1'311	10%	10%	128	116	7%
Recurring commission-based income	**3'644**	**3'753**	**3'804**	**-3%**	**-4%**	**322**	**315**	**2%**
o/w Investment product management fees	922	1'042	957	-12%	-4%	98	71	38%
o/w Discretionary mandate management fees	590	670	662	-12%	-11%	52	42	23%
o/w Investment account & services fees	1'029	1'029	1'032	0%	0%	90	85	6%
o/w Banking services	903	994	1'145	-1%	-14%	74	79	-11%
Transaction-based income	**2'362**	**2'417**	**2'725**	**-2%**	**-13%**	**215**	**193**	**11%**
o/w Brokerage & product issuing fees	1'216	1'361	1'576	-11%	-23%	88	97	-9%
o/w Foreign exchange client business	809	830	911	-3%	-11%	68	63	8%
o/w Corporate advisory fee	238	195	196	22%	21%	32	41	-23%
o/w Clock transactional revenues	5	-17	-27	-112%	-29%	-2	-2	27%
Net revenues	**10'575**	**10'674**	**10'970**	**-1%**	**-4%**	**910**	**880**	**3%**

Confidential Treatment Requested by Credit Suisse CS-SEN-00453583

Operating Expenses

PB OLD December 2012

Managed Expenses slightly lower Year-on-Year

OPEX in CHF m	MTD Dec-12	YTD Dec-11	YTD Bdg 12	Change Dec-11	Change Bdg 12	MTD Dec-12	MTD Nov-12	Change Nov-12
Managed comp	2'131	2'231	2'161	-4%	-1%	174	179	-3%
Other direct comp	904	886	948	2%	-5%	62	58	8%
Direct comp	3'035	3'117	3'109	-3%	-2%	237	237	0%
Allocated comp	1'354	1'391	1'424	-3%	-5%	102	105	-3%
Compensation & benefits	**4'390**	**4'508**	**4'533**	**-3%**	**-3%**	**339**	**342**	**-1%**
Managed NCE	991	1'034	990	-4%	0%	92	86	7%
Other direct non-comp	938	1'424	1'016	-34%	-8%	78	76	3%
o/w Commission expenses	599	616	678	-3%	-12%	50	50	1%
o/w Expense provisions	31	494	24	-94%	31%	1	1	n.a.
Direct non-comp	1'929	2'458	2'007	-22%	-4%	170	163	5%
Allocated non-comp	1'285	1'314	1'310	-2%	-2%	108	122	-11%
Other expenses	**3'214**	**3'772**	**3'316**	**-15%**	**-3%**	**279**	**285**	**-2%**
Total Opex	**7'604**	**8'280**	**7'849**	**-8%**	**-3%**	**617**	**627**	**-2%**
o/w PB own	4'354	5'575	5'115	-11%	-3%	407	399	2%
o/w Managed	3'122	3'265	3'152	-4%	-1%	266	265	0%
o/w Allocated	2'249	2'705	2'734	-2%	-3%	210	227	-8%

Confidential Treatment Requested by Credit Suisse CS-SEN-00453684

DeChellis, Anthony

From:	DeChellis, Anthony
Sent:	Monday, November 05, 2012 10:59 AM
To:	Shafir, Robert
Subject:	Q3
Attachments:	csg_3q2012_slides.pdf; 15_2012_09.pdf

We should discuss today if possible; look at 3rd slide in EIS and Page 10 of Q3 Slides

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Confidential Treatment Requested by Credit Suisse

Performance Reporting – EIS

Business Area Management Reporting	CHAPTER 15: Private Banking Americas
	[illegible]

Contact Person Chapter 15:

Ingo Lange, SOFP 22, x 3 10 57
Urs Rüst, SOFP 2, x 3 05 22

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MY CONTRIBUTION VIEW in CHF m

P&L	YTD Sep-10	YTD Sep-11	YTD Bdg 12	Change Sep-11	Change 1) Bdg 12	Q3 12	Q2 12	Q3 11	Change Q3 12	MTD Sep-12	MTD Aug-12	MTD Bdg 12	Change 2) Aug-12	Change 2) Bdg 12
PR recurring interest based income	118	95	107	20%	10%	40	40	30	0%	13	13	12	4%	9%
PR recurring commission-based income	415	376	418	10%	0%	158	151	130	11%	50	47	45	17%	10%
PR transaction-based income	273	307	306	-11%	10%	90	98	87	3%	32	35	27	4%	14%
Provisions for credit losses (MCP)	2	2	2	35%	27%	1	1	1	23%	0	0	0	33%	7%
PR revenues after credit losses	805	779	850	3%	-5% #	305	289	240	5%	94	95	85	-12% ▼	-12% ▼
Compensation and benefits	302	291	324	3%	-7%	105	98	92	5%	33	34	36	-3%	-8%
General and administrative expenses	70	63	67	11%	14%	26	25	23	1%	8	8	7	-6%	10%
Commission expenses	31	28	31	8%	-1%	10	12	9	-11%	4	4	3	0%	4%
PR costs	403	381	421	5%	-3% #	139	135	123	3%	45	47	47	-3% ▷	-1% ▷
PR income	402	398	429	1%	-6% #	165	154	117	13%	50	48	38	21% ▼	20% ▼
Cost allocation	35	36	42	30%	-17%	12	12	9	6%	4	4	3	0%	7%
PR income after cost allocation	366	362	387	1%	-5% #	152	141	108	16%	54	44	35	23% ▼	21% ▼
General Key Indicators														
PR gross margin, in bps	70	76	76	-7bps	-6bps	65	76	74	-11bps	63	72	78	-9bps	-15bps
o/w recurring based, in bps 3)	49	46	47	3bps	1bps	44	50	47	-6bps	38	45	47	-7bps	-8bps
o/w transaction based, in bps	24	30	30	-5bps	5bps	22	26	27	-1bps	24	26	30	-2bps	6bps
PR cost/income ratio, in %	51	50	49	1bps	3bps	52	48	51	4bps	54	49	49	5bps	5bps
Direct revenues / own FTE (annualized), in CHF k 4)	778	700	748	4%	2%	797	765	838	2%	979	767	748	13%	0%
Assets under Management (AoM), in CHF bn 5) 7)	154	137	144	12%	7%	169	154	139	4%	153	160	144	1%	13%
Credit volume, in CHF bn 5) 7)	6	6	7	-14%	-11%	6	6	6	6%	6	6	7	0%	-4%
Headcount (avg. allocated FTE), in FTE 6)	1,494	1,523	1,535	-2%	-3%	1,494	1,473	1,535	2%	1,498	1,491	1,535	0%	0%
o/w relationship managers (RM), in FTE 4)	643	635	655	1%	-2%	643	638	635	0%	643	639	635	0%	2%
Scorecard Key Indicators														
Net new assets (NNA), in CHF bn 7)	4.2	5.0	4.5	-16%	-44% #	0.4	2.2	1.2	-17%	-0.3	1.6	0.1	-46% ▼	-135% ▼
Discretionary MFs net sales, in CHF bn	1.7	1.3	1.5	-64%	-89% #	-0.2	-0.2	0.2	n.a.	-0.0	0.0	0.1	n.a. ▲	-94% ▼
Advisory MFs net sales, in CHF bn	3.8	3.7	3.3	25%	-15% #	1.0	1.0	0.2	-30%	-0.1	0.7	0.4	n.a. ▼	n.a. ▼

MY BUSINESS VIEW in CHF m

P&L	YTD Sep-10	YTD Sep-11	YTD Bdg 12	Change Sep-11	Change 1) Bdg 12	Q3 12	Q2 12	Q3 11	Change Q3 12	MTD Sep-12	MTD Aug-12	MTD Bdg 12	Change 2) Aug-12	Change 2) Bdg 12
Recurring net interest income	158	134	156	19%	1%	54	53	44	-3%	17	18	15	-9%	10%
Recurring commissions & fees	416	368	418	6%	0%	156	153	131	-11%	49	48	46	-18%	-15%
Transaction based net revenues	268	325	308	-12%	-13%	97	90	101	8%	32	41	38	-22%	-14%
Net revenues	842	847	882	2%	-3%	307	296	306	-4%	98	108	99	-19%	-11%
Provisions for credit losses	5	0	1	n.a.	64%	0	0	0	n.a.	0	0	0	n.a.	n.a.
Total operating expenses 4)	868	1,084	813	22%	6%	276	263	544	-2%	88	93	90	-5%	-3%
Income before taxes	-31	-237	70	n.a.	-61% #	31	18	-238	81%	10	15	9	-34%	10%
General Key Indicators														
Gross margin, in bps	70	83	81	-13bps	-12bps	72	78	82	-10bps	66	80	81	-14bps	-15bps
Cost/income ratio, in %	99	129	91	-30pts	6pts	88	88	206	2pts	90	85	91	10pts	6pts
Net revenues / FTE (annualized), in CHF k 4)	752	756	770	0%	1%	768	814	796	-6%	812	867	778	-11%	4%

1) YTD comparison (long-term view) ▲ > 5% better # -5% to +5% "inline" ■ < 5% worse
2) MTD comparison (short-term view) ▲ > 5% better ▷ -5% to +5% "inline" ▼ > 5% worse
3) Split of recurring interest based and recurring commission based developed on previous page
4) Full year budget
5) Pro rata growth budget
6) PB Americas Total operating expenses includes an ARS impact of CHF +14.6m for Sep YTD / -0.4m for September. Without ARS, YTD losses before taxes and minorities would be CHF -7.7m. In 2011, ARS impact was CHF +63.4m for Sep YTD / CHF +9.7m for September.
Without ARS & special provision impact, 2011 Sep YTD income before taxes and minorities would have been CHF +12.7m.
7) YTD and QTD ended average figures Note: PR stands for "performance related"

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Third Quarter 2012 Results

Presentation to Investor Analysts

October 25, 2012

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Disclaimer

Cautionary statement regarding forward-looking statements
This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve inherent risks and uncertainties, and we might not be able to achieve the predictions, forecasts, projections and other outcomes we describe or imply in forward-looking statements. A number of important factors could cause results to differ materially from the plans, objectives, expectations, estimates and intentions we express in these forward-looking statements, including those we identify in "Risk Factors" in our Annual Report on Form 20-F for the fiscal year ended December 31, 2011 and in "Cautionary statement regarding forward-looking information" in our third quarter report 2012 filed with the US Securities and Exchange Commission and in other public filings and press releases. We do not intend to update these forward-looking statements except as may be required by applicable laws.

Statement regarding non-GAAP financial measures
This presentation also contains non-GAAP financial measures. Information needed to reconcile such non-GAAP financial measures to the most directly comparable measures under GAAP can be found in this presentation and in our third quarter report 2012.

Statement regarding Basel 3 disclosures
As Basel 3 will not be implemented before January 1, 2013, we have calculated our Basel 3 risk-weighted assets, capital and net stable funding ratio (NSFR) for purposes of this presentation in accordance with the currently proposed requirements and our current interpretation of such requirements, including relevant assumptions. We have calculated year-end 2012 capital ratios on a pro-forma basis, assuming successful completion of the capital measures announced in July 2012 and we have calculated NSFR based on the current FINMA framework. Changes in the actual implementation of Basel 3, FINMA rules and regulations or any of our assumptions or estimates would result in different numbers from those shown in this presentation.

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Reviewed with Bob Shafir on Nov. 5, 2012.

Introduction

Lady W. Douglas, Chief Legal Officer

Results review

Consistent financial performance underpinning client momentum

- **Improved underlying pre-tax income of CHF 1.2 bn**, up from CHF 1.1 bn in 2Q12
  - Reported net income of CHF 254 mn included pre-tax charges of CHF 1 bn related to **tightening of credit spreads on own liabilities**
- Stronger and more **consistent earnings in Investment Banking**, particularly in fixed income, with substantially **reduced risks and expenses**
- **Private Banking with resilient revenues** and higher regulatory costs offset by efficiency gains
  - Net new assets of CHF 5.2 bn, driven by **inflows in international booking centers** partially offset by **outflows mainly from Western European mature markets**
  - **AuM for the division exceed CHF 1 trillion** for the first time since 2007
- 9M12 underlying **return on equity of 10%** reflects the environment and approximately **2% drag** from losses in residual wind-down businesses in Investment Banking
  - Maintain **goal of over the cycle return of above 15%**

Strong capital position

- "Look-through" **Swiss core capital ratio improved to 8.2%**
- **Achieved CHF 12.8 bn of targeted CHF 15.3 bn additional capital** as per announcement in July
- Expect "look through" **Swiss core capital ratio to reach 10% by mid 2013 and approach 12% by end 2013** before capital distributions
  - Expect end 2012 **ratio to be around 9.3%** (pro forma)

Underlying results are non-GAAP financial measures. A reconciliation to reported results is included in the supplemental slides of this presentation.

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Continued execution of strategy and adapting the business to the current environment

Cost efficiency

CHF 2 bn expense reduction already achieved:

- CHF 2 bn annualized savings delivered in 9M12, well ahead of original goal

Further savings of CHF 1 bn now increased to CHF 2 bn:

- Accelerated actions to achieve cumulative CHF 3.0 bn savings in 2013 (previously a 2013 'exit run rate' target)
- Additional CHF 1 bn is targeted to deliver cumulative savings of CHF 3.5 bn in 2014 and CHF 4.0 bn in 2015

Capital efficiency

Reduce Basel 3 risk-weighted assets (RWAs):

- Current group-wide RWAs close to end-2012 target of around CHF 300 bn
- Target further ~10% reduction in Investment Banking RWAs to around USD 180 bn by end 2013

Reduce balance sheet:

- Target around CHF 130 bn reduction in total assets to below CHF 900 bn in 2013
- Pro forma improvement of gross balance sheet leverage to 4.9% vs. 3.8% at end 3Q12

All expense reduction targets are measured at constant FX rates against 6M11 annualized total expenses, excluding realignment and other significant expense items and variable compensation expenses

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Financial results

Results overview

Underlying[1] in CHF mn	**3Q12**	2Q12	3Q11	**9M12**	9M11
Net revenues	6,338	6,102	4,978	19,694	19,644
Pre-tax income	1,203	1,148	(34)	3,835	3,346
Net income attributable to shareholders	**891**	**815**	**26**	**2,761**	**2,429**
Diluted earnings per share in CHF	0.57	0.48	0.02	1.89	1.82
Pre-tax income margin	19%	19%	–	19%	17%
Return on equity	**10%**	**9%**	**0%**	**10%**	**10%**
Net new assets in CHF bn	5.3	4.4	8.0	4.0	42.1
of which Private Banking	*5.2*	*3.4*	*7.3*	*16.5*	*35.2*
Reported in CHF mn					
Net revenues	5,766	6,241	6,817	17,885	20,956
Pre-tax income	359	1,111	1,036	1,510	3,747
Net income attributable to shareholders	**254**	**788**	**683**	**1,086**	**2,590**
Diluted earnings per share in CHF	0.16	0.46	0.53	0.71	1.95
Return on equity	**3%**	**9%**	**9%**	**4%**	**11%**

1 Underlying results are non-GAAP financial measures. A reconciliation to reported results is included in the supplemental slides of this presentation.

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Solid Private Banking results despite the continuing challenging environment

in CHF mn	3Q12	2Q12	3Q11	9M12	9M11
Net revenues	**2,591**	**2,704**	**2,600**	**7,899**	**8,120**
of which gain on sale of business	–	*41*	–	*41*	–
Provision for credit losses	36	39	25	115	35
Compensation and benefits	1,049	1,107	1,092	3,350	3,402
Other operating expenses	817	783	1,276	2,364	2,880
of which litigation provision	–	–	*478*	–	*478*
Total operating expenses	1,866	1,890	2,368	5,714	6,282
Pre-tax income	**689**	**775**	**207**	**2,070**	**1,803**
of which WMC	*483*	*551*	*(9)*	*1,420*	*1,093*
of which CIC	*206*	*224*	*216*	*650*	*710*
Pre-tax income margin	27%	29%	8%	26%	22%
Net new assets in CHF bn	5.2	3.4	7.3	16.5	35.2
AuM in CHF bn	1,024	988	917	1,024	917

- **Revenues broadly stable,** excluding 2Q12 one-off gains from Clariden Leu integration and semi-annual performance fees
- Continued very **low transaction levels, conservative asset mix** and **low interest rates**
- **Lower compensation and benefits,** reflecting initial benefits from efficiency initiatives
- **Higher other operating expenses** reflecting increased regulatory requirements and related legal expenses
- **AuM up 12% YoY,** exceeding CHF 1 trillion for the first time since 2007, with conservative asset mix and higher contribution from UHNWI

Prior period results reflect reclassification of CHF 72 mn gain on real estate in 2Q11 from Private Banking to Corporate Center AuM = Assets under Management

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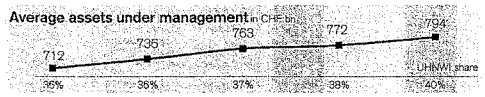
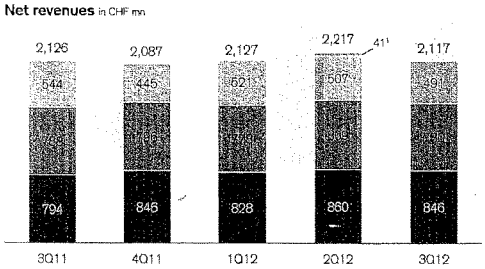
Wealth Management impacted by low client activity





1 Gain related to the sale of a non-core business. 2 Excluding gain related to the sale of a non-core business

Compared to 2Q12

Transaction-based revenues remain at subdued levels further affected by seasonal low client activity

Recurring commissions & fees remained broadly stable when adjusted for semi-annual performance fees of CHF 24 mn in 2Q12

Net interest income slightly lower as higher loan and deposit volumes offset by the impact from low interest rate environment

Reduced **Gross margin** reflecting conservative client asset mix, subdued client activity, low interest rate environment and the higher asset base

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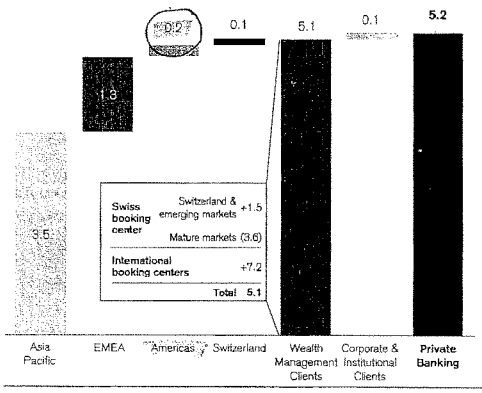
CHF 5.2 bn net assets driven by inflows in international booking centers, predominantly from emerging markets

Private Banking 3Q12 net new assets in CHF bn



- **Strong inflows in Asia Pacific**
- EMEA with strong inflows from Eastern Europe and Middle East markets partly offset by outflows in Western Europe
- **Positive contribution** from Americas and Switzerland albeit seasonal slowdown
- Emerging markets and Ultra-high-net-worth clients with **continued solid growth**

Booking center view:

- **Inflows in international booking centers** partially offset by **outflows on Swiss platform mainly from Western European mature markets**

EMEA = Europe, Middle East and Africa

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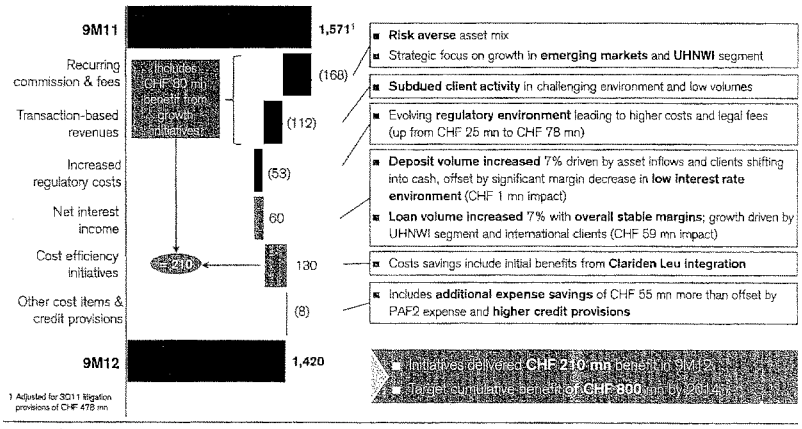
Wealth Management 9M12 vs. 9M11 pre-tax income trends

Pre-tax income in CHF mn



1 Adjusted for 3Q11 litigation provisions of CHF 478 mn

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Corporate & Institutional Clients business continues to deliver strong results

in CHF mn.	3Q12	2Q12	3Q11	9M12	9M11
Net revenues	**474**	**487**	**474**	**1,438**	**1,439**
Provision for credit losses	10	11	5	40	(5)
Total operating expenses	258	252	253	748	734
Pre-tax income	**206**	**224**	**216**	**650**	**710**
Pre-tax income margin	43%	46%	46%	45%	49%
Net new assets in CHF bn	0.1	(2.1)	0.6	0.4	2.7
AuM in CHF bn	220	214	195	220	195

- **Strong pre-tax margin** of 43% in 3Q12 and 45% in 9M12
- **Stable revenues** despite low interest environment
- Continued **low credit provisions** as a result of well diversified credit portfolio and strong risk management

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Investment Banking results demonstrate increased operating and capital efficiencies

in CHF mn	3Q12	2Q12	3Q11	9M12	9M11
Net revenues	**3,296**	**2,909**	**1,981**	**10,364**	**9,885**
Provision for credit losses	5	(14)	59	(15)	55
Compensation and benefits	1,520	1,457	1,463	5,053	5,351
Other operating expenses	1,263[1]	1,083	1,179	3,437[1]	3,508
Total operating expenses	2,783	2,540	2,642	8,490	8,859
Pre-tax income	**508**	**383**	**(720)**	**1,889**	**971**
Pre-tax income margin	15%	13%	–	18%	10%
Basel 3 RWA in USD bn	204	206	295	204	295
Return on Basel 3 capital	9%	5%	–	11%	3%

- Strong and consistent results with **significant improvement in fixed income**
- 9M12 **pre-tax income doubled**
  - return on capital improved to **11%**; normalized return of **16%** excluding losses from wind-down businesses
- Investment Banking **contributes bulk of CHF 2 bn group-wide** expense savings achieved

1 Includes certain significant litigation provisions totaling CHF 136 mn
Note: A calculation of reported return on Basel 3 capital and a reconciliation for normalized after-tax return (based on USD figures) on Basel 3 allocated capital is included in the supplemental slides of this presentation

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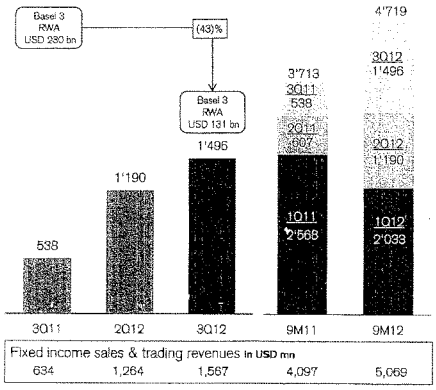
Strong and more consistent Fixed Income performance reflecting increasing revenues, lower risks and a smaller expense base

Fixed income sales & trading revenues in CHF mn



- Strong performance with robust client activity in **Securitized Products**; well-balanced contribution from non-agency RMBS, agency RMBS and asset finance
- **Credit** results reflect uptick in primary activity and increased client demand for yield
- Resilient **Emerging Markets** revenues driven by strong performance in Latin America, offset by seasonally lower client activity
- Improved **Rates and FX** results relative to 2Q12
- Revenue loss of CHF 60 mn from businesses we are exiting vs. loss of CHF 139 mn in 2Q12 and gain of CHF 28 mn in 3Q11

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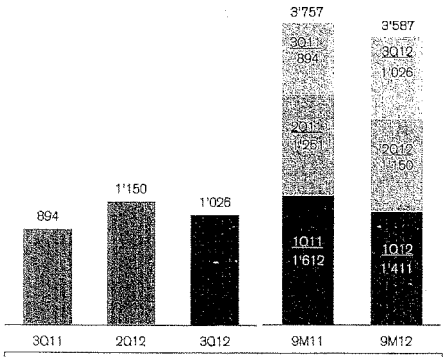
CS-SEN-00454969

Equity sales & trading revenues reflect muted client activity; continued market leading positions

Equity sales & trading revenues in CHF mn



Equity sales & trading revenues in USD mn				
1,082	1,219	1,073	4,285	3,842

- Resilient **Prime Services** performance with continued market share momentum despite decreased client activity
  - Ranked #2 globally with 13.7% market share in the inaugural global market share survey for the prime brokerage industry[1]
- **Cash Equities** revenues reflect continued market leading position, offset by weaker global industry-wide trading volumes
- Lower **Derivatives** results reflect our conservative risk positioning in Asia

1 Source: *Hedge Fund Intelligence*

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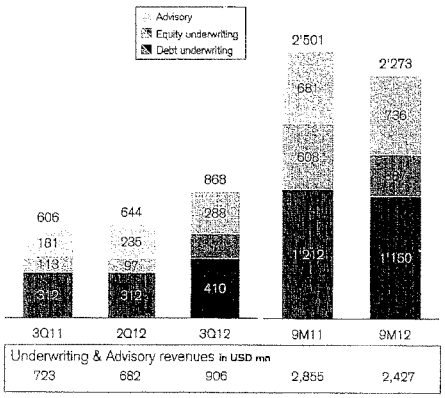
CS-SEN-00454970

Strong underwriting & advisory results driven by robust global debt issuance volumes and market share momentum

Underwriting & Advisory revenues in CHF mn



- **Strongest quarter in 2012**, with solid contribution across both underwriting and advisory
- Robust **debt underwriting** results reflect significant increase in new issue activity in high yield and investment grade
- Resilient **equity underwriting** revenues reflect a higher level of follow-on and convertible offerings, offset by lackluster IPO activity
- Strong **advisory** results due to an increase in M&A and private placement fees despite a decline in industry completed M&A volumes in the quarter
- **Continued market share momentum**
  - Advanced to #3 for completed M&A for 9M12 from #6 for FY11
  - Global High Yield rank increased to #3 in 9M12 from #5 in FY11

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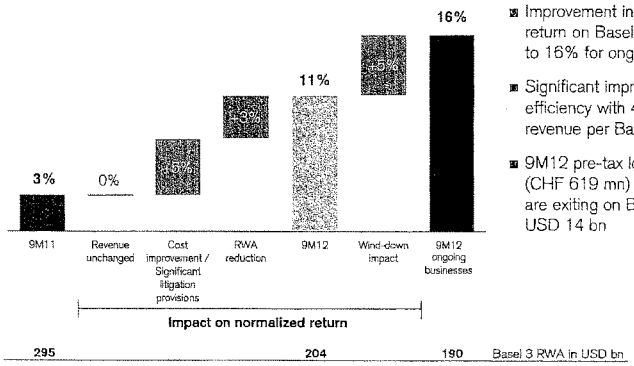
Continued improvement in normalized return driven by increased capital and operating efficiency

Investment Banking normalized after-tax return on Basel 3 allocated capital[1]



- Improvement in normalized after-tax return on Basel 3 allocated capital[1] to 16% for ongoing businesses
- Significant improvement in capital efficiency with 46% increase in revenue per Basel 3 RWA usage[2]
- 9M12 pre-tax loss of USD 667 mn (CHF 619 mn) from businesses we are exiting on Basel 3 RWA of USD 14 bn

1 A reconciliation of normalized after-tax return (based on USD figures) on Basel 3 allocated capital is included in the supplemental slides of this presentation
2 Based on annualized 9M revenue to average Basel 3 RWA balances for the Investment Bank

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Asset Management with higher investment-related gains and gain on sale of stake in Aberdeen

in CHF mn	3Q12	2Q12	3Q11	9M12	9M11
Fee-based revenues	438	478	508	1,343	1,473
Investment-related gains	101	27	(17)	229	299
Other revenues[1]	68	45	2	266	(5)
of which Aberdeen gain & AMF charge	*102*	*66*	*15*	*346*	*15*
Net revenues	**607**	**550**	**493**	**1,838**	**1,767**
Compensation and benefits	237	256	228	763	752
Other operating expenses	148	161	168	466	525
Total operating expenses	**385**	**417**	**396**	**1,229**	**1,277**
Pre-tax income	**222**	**133**	**97**	**609**	**490**
Pre-tax income underlying[2]	**120**	**67**	**82**	**263**	**475**
Fee-based margin in basis points	48	53	56	49	52
Pre-tax income margin	37%	24%	20%	33%	28%
Pre-tax income margin underlying[2]	24%	14%	17%	18%	27%
Net new assets in CHF bn	(0.5)	0.4	1.5	(11.5)	11.9
AuM in CHF bn	369	361	365	369	365

- **3Q12 underlying pre-tax income higher** driven by investment-related gains and reduced expenses partly offset by lower performance fees
- **9M12 underlying pre-tax income lower** as 9M11 included a significant private equity realization
- **Completed sale of Aberdeen** stake with gain of CHF 140 mn in 3Q12 (CHF 384 mn in 9M12)
  - Related Basel 3 RWA reduction of CHF 4.2 bn since end 2011
- **Improved operating efficiency** with lower expenses
- **Net new asset outflows** of CHF (0.5) bn with outflows from traditional investments partially offset by inflows in alternative investments

1 Equity participations and other gains/losses and other revenues 2 Underlying results exclude Aberdeen gain & AMF charge AuM = Assets under Management

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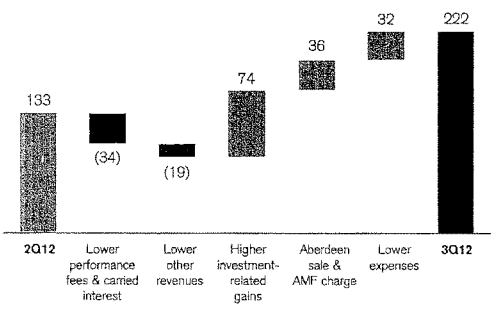
Asset Management with improved pre-tax income

Pre-tax income progression in CHF mn



- Lower **performance fees** reflect recognition of semi-annual performance fees in 2Q12
- Lower other revenues, including reduced **equity participations income** from Aberdeen
- Higher **investment related gains** on private equity and hedge fund investments
- **Expenses** lower by 8%

24% **37%** **Pre-tax income margin**

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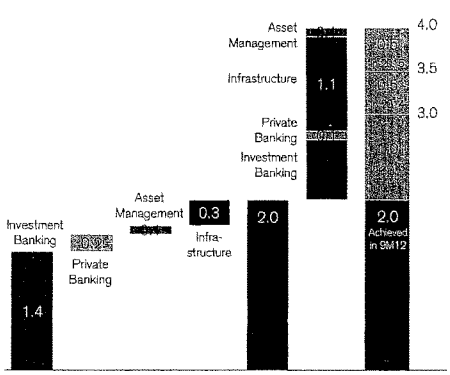
CHF 2 bn expense reduction achieved, with further CHF 2 bn savings targeted by end 2015

Expense reductions target in CHF bn



New and continued initiatives

Investment Banking (CHF 2.1 bn)
- Driving synergies in Equities
- Continue to rationalize businesses in certain geographies in Fixed Income, Underwriting and Advisory

Private Banking (CHF 0.3 bn)
- Streamline front office support functions
- Clariden Leu merger
- Streamline offshore affluent client coverage model

Asset Management (CHF 0.1 bn)
- Simplification of operating platform
- Increased offshoring

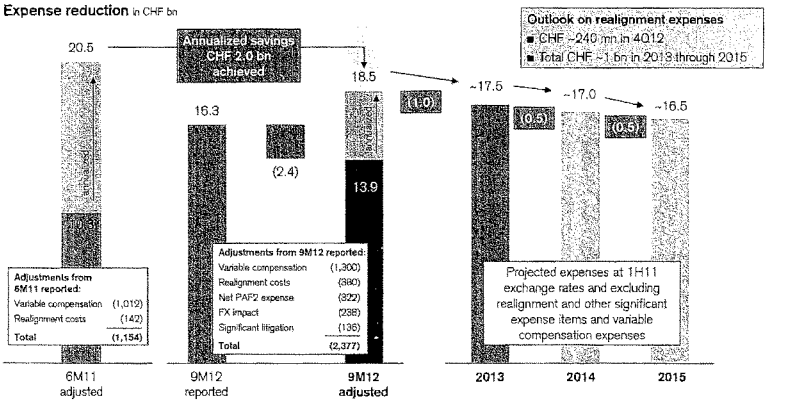
Infrastructure (CHF 1.5 bn)
- Consolidation of fragmented and duplicate shared services
- Continued consolidation of technology applications
- Leverage global deployment opportunities
- Continued efficiency improvement across all shared services

Note: All expense reduction targets are measured at constant FX rates against 9M11 annualized total expenses, excluding realignment and other significant expense items and variable compensation expenses.

Confidential Treatment Requested by Credit Suisse CS-SEN-00454975

9M12 results reflects CHF 2bn of annualized savings

Expense reduction in CHF bn

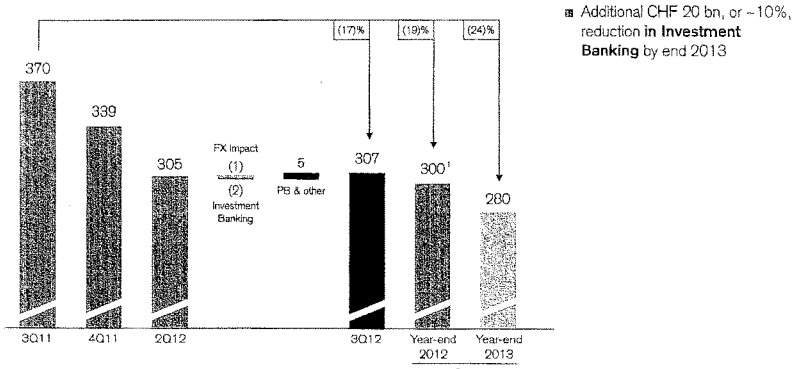


All data for Core Results. The net PAF2 adjustment assumes that share-plan-based awards (with 3-year vesting) had been awarded in lieu of PAF2 awards (with accelerated vesting).
All expense reduction targets are measured at constant FX rates against 6M11 annualized total expenses, excluding realignment and other significant expense items and variable compensation expenses.

Confidential Treatment Requested by Credit Suisse CS-SEN-00454976

Significant reduction in Basel 3 RWA since 3Q11; further CHF 20 bn RWA reduction planned for Investment Banking in 2013

Basel 3 risk-weighted assets (RWA) in CHF bn



Note: End 2012 and end mid-2013 goal reflect current FX rates and estimates for Basel 3 treatment
1 Kept unchanged from guidance made in July 2012, despite having realized RWA-equivalent benefit of CHF 7 bn that was included in capital actions as per July 2012 announcement

Confidential Treatment Requested by Credit Suisse
CS-SEN-00454977

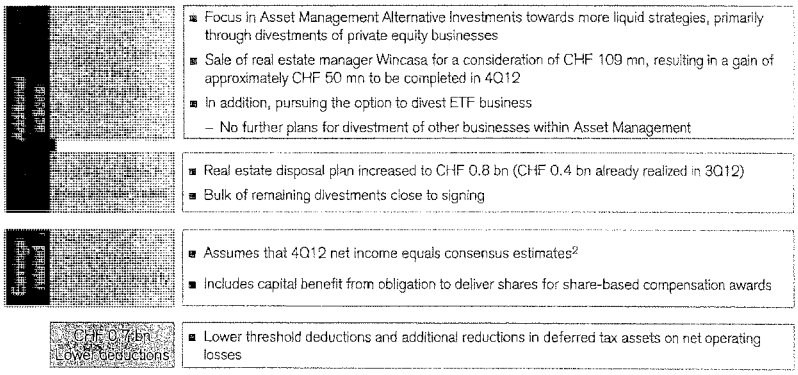
Achieved CHF 12.8 bn of targeted CHF 15.3 bn additional capital as announced in July

1 CHF 1.6 bn Hybrids exchange	▪ Accelerated exchange of some existing Tier 1 capital notes (hybrids) into high trigger Buffer Capital Notes (BCNs)
2 CHF 3.8 bn Mandatory convertible	▪ Will convert into 233.5 million Credit Suisse shares in March 2013 ▪ Fully underwritten by strategic investors; 96.6% of subscription rights take-up
3 CHF 2.3 bn Tier 1 participation securities	▪ Now qualifies as part of the Swiss capital requirement (Swiss core capital ratio)
4 CHF 0.9 bn APPA exchange & debt repurchases	▪ Offer to employees to exchange deferred cash compensation awards (APPA) into shares ▪ Public tender offer to repurchase CHF 4.8 bn in outstanding capital and senior debt securities ▪ Combined capital benefit of CHF 930 mn, exceeding plan by CHF 130 mn
5 CHF 0.2 bn Aberdeen	▪ Sale of the residual 7% stake in Aberdeen Asset Management
6	▪ Primarily related to our investment fund redemptions in Asset Management division
7	▪ Real estate sales to-date from CHF 0.5 bn disposal plan
8 CHF 3.3 bn change in equity & deductions	▪ Changes in equity / earnings related and 3Q12 benefit from lower regulatory deductions

1 Adjusted for FX movement in 3Q and exchange fees 2 Gross of CHF 0.2 bn fees and interest which are deducted from change in equity category (as per July disclosure)
3 Of the CHF 550 mn capital impact from APPA conversion, CHF 50 mn is expected to be realized in 4Q12

Confidential Treatment Requested by Credit Suisse CS-SEN-00454978

On track to deliver residual CHF 2.8 bn capital benefit



- Focus in Asset Management Alternative Investments towards more liquid strategies, primarily through divestments of private equity businesses
- Sale of real estate manager Wincasa for a consideration of CHF 109 mn, resulting in a gain of approximately CHF 50 mn to be completed in 4Q12
- In addition, pursuing the option to divest ETF business
  - No further plans for divestment of other businesses within Asset Management

- Real estate disposal plan increased to CHF 0.8 bn (CHF 0.4 bn already realized in 3Q12)
- Bulk of remaining divestments close to signing

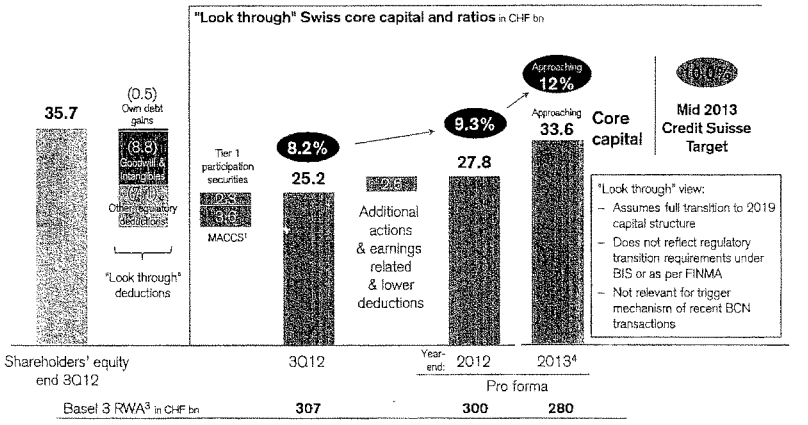
- Assumes that 4Q12 net income equals consensus estimates[2]
- Includes capital benefit from obligation to deliver shares for share-based compensation awards

- Lower threshold deductions and additional reductions in deferred tax assets on net operating losses

1 May be announced but potentially not closed by year-end 2012
2 Bloomberg consensus net income estimate for 2012 (adjusted for actual 9M12 net income and losses on own credit in 3Q12) is not endorsed or verified and is used solely for illustrative purposes. Actual net income may differ significantly.

Confidential Treatment Requested by Credit Suisse CS-SEN-00454979

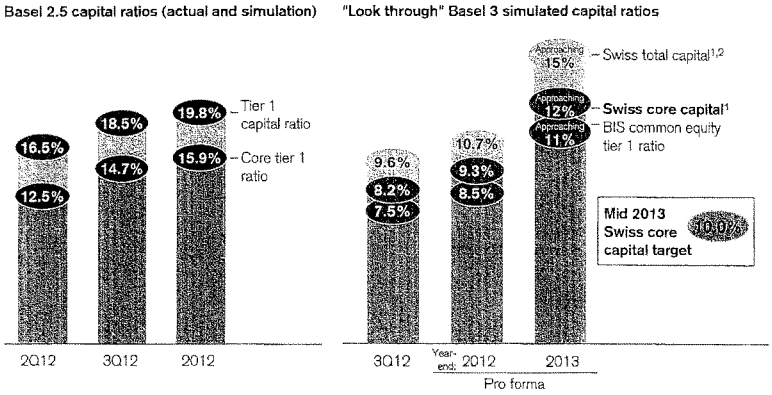
"Look through" Swiss core capital ratio around 9.3% by end 2012 (pro forma)



Note: Based on a pro-forma calculation, assuming successful completion of the announced capital actions. Actual results may differ. Simulation assumes constant foreign exchange rates.
1 Net of fees and interest 2 Excluding RWA-equivalent benefit 3 End 2012 and end 2013 goal reflect current FX rates and estimates for Basel 3 treatment 4 Before capital distributions

Confidential Treatment Requested by Credit Suisse CS-SEN-00454980

Credit Suisse has strengthened its capital position and accelerated its transition to the end 2018 requirements

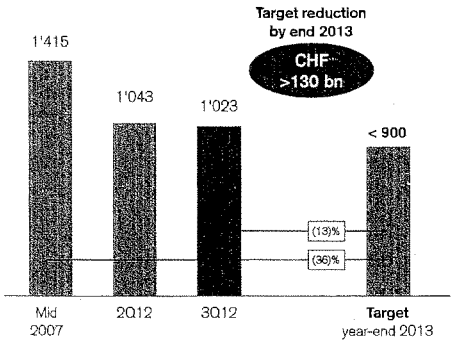


1 Includes existing USD 3 bn Tier 1 participation securities (with a haircut of 20%) as FINMA has ruled that under the Swiss TBTF regime these will qualify as part of the Swiss capital requirement in excess of the Basel 3 G-SIB Common Equity Tier 1 (CET1) ratio
2 Includes issued high-trigger Buffer Capital Notes ("CoCos") of CHF 4.2 bn in 3Q12 and year-end 2012, respectively, and CHF 5.3 bn at year-end 2013

Confidential Treatment Requested by Credit Suisse CS-SEN-00454961

Target further material balance sheet reduction to below CHF 900 bn by end 2013 with limited revenue impact

Total assets in CHF bn



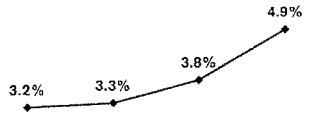
- Further optimize balance sheet allocation to key clients across repo and other businesses
- Limit balance sheet usage in businesses with low return on assets profiles
- Optimization of balance sheet structures and liquidity profile

Note: The end 2013 total asset target and reduction assumes constant FX rates

Confidential Treatment Requested by Credit Suisse CS-SEN-00454982

Capital actions and targeted balance sheet reduction resulting in a significant improvement in our leverage ratio

Leverage ratio (Shareholders' equity / total assets)



3Q12

- The leverage has already improved noticeably to 3.8% following the capital actions (including MACCS conversion)

Pro forma

- The targeted reduction in total assets and a further increase in equity is expected to further improve our leverage metrics

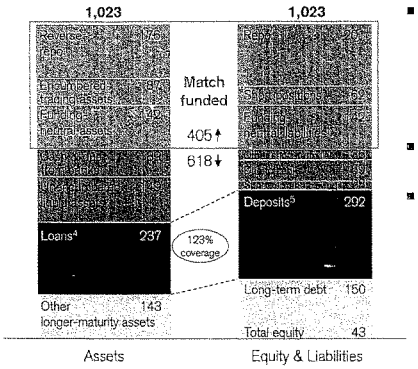
4Q11	2Q12	3Q12[1]	Pro forma	
33.7	34.8	39.3	44.4[2]	Shareholders' equity in CHF bn
1,049	1,043	1,023	< 900	Total assets in CHF bn
31x	**30x**	**26x**	**< 20x**	**Leverage multiple**

1 Includes contribution from CHF 3.6 bn from MACCS conversion
2 Assumes CET1 capital at 10% of CHF 260 bn Basel 3 risk-weighted assets, plus adding back current regulatory deductions of CHF 16.4 bn (goodwill etc)

Confidential Treatment Requested by Credit Suisse CS-SEN-00454983

Strong funding and liquidity

Assets and liabilities by category, end 3Q12 in CHF bn

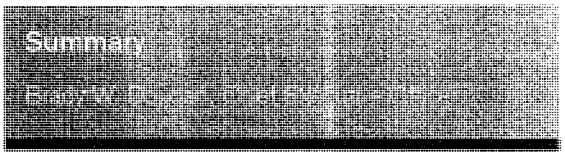


- **Well prepared for Basel 3 liquidity** requirements
  - Basel 3 Net Stable Funding Ratio[6] (1-year) in excess of 100%
  - Short-term (30 days) liquidity under Swiss regulation well in excess of requirement; approach similar to the Basel 3 "Liquidity coverage ratio (LCR)"
- Funding and CDS **spreads remain amongst the lowest** in peer group
- Significant amount of **balance sheet remains unencumbered**; utilized only 14%[7] of Swiss mortgage book for secured long-term funding

1 Primarily brokerage receivables/payables, positive/negative replacement values and cash collateral 2 Primarily includes excess of funding neutral liabilities (brokerage payables) over corresponding assets 3 Primarily includes unencumbered trading assets, investment securities and excess reverse repo agreements, after haircuts 4 Excludes loans with banks 5 Excludes due to banks and certificates of deposits 6 Estimate under current FINMA framework. Basel 3 liquidity rules and FINMA framework are not finalized; amounts and statements and ratios shown here are based on interpretation of current proposals 7 As of 3Q12. Represents ratio of notional amount of covered bonds (incl. Swiss Pfandbrief) issued in relation to notional amount of mortgages outstanding for Credit Suisse AG

Confidential Treatment Requested by Credit Suisse CS-SEN-00454984

CREDIT SUISSE



Summary

Consistent financial performance	■ Improved underlying pre-tax income of CHF 1.2 bn ■ 9M12 underlying return on equity of 10% and maintain over the cycle goal of above 15%
Continued focus on costs	■ CHF 2 bn expense reduction already achieved ■ Cumulative 2015 target increased to CHF 4 bn
Business model [illegible] substantial levels of excess capital	■ Achieved CHF 12.8 bn of targeted CHF 15.3 bn additional capital ■ Expect "look through" Swiss core capital ratio to reach 10% by mid 2013 and approach 12% by end 2013 before capital distributions – Expect end 2012 ratio to be around 9.3% (pro forma) ■ Reduction in total assets will lead to substantial improvement of gross balance sheet leverage

Underlying results are non-GAAP financial measures. A reconciliation to reported results is included in the supplemental slides of this presentation.

Confidential Treatment Requested by Credit Suisse CS-SEN-00454986

Supplemental slides

	Slide
Reconciliation from reported to underlying results 2012 and 2011	33 to 34
Reconciliation to normalized return on Basel 3 allocated capital in Investment Banking	35 to 36
Investment Banking results in USD	37
Fixed Income revenue mix	38
Fixed Income Basel 3 risk-weighted assets reduction	39
Results in the Corporate Center	40
Collaboration revenues	41
Transitional Swiss core capital ratio	42
Adjusted assets leverage	43
Selected European credit risk exposure	44
Loan portfolio characteristics	45 to 46
Libor and US tax matters	47 to 48

Confidential Treatment Requested by Credit Suisse CS-SEN-00454987

Reconciliation from reported to underlying results 2012

CHF mn	Reported			Impact from movements in credit spreads on own liabilities			Business realignment costs			Sale of Aberdeen AM stake			Gain on non-core business sale	AMF write down	Real estate sale	Certain significant litigation provisions in IB	Underlying		
	1Q12	2Q12	3Q12	1Q12	2Q12	3Q12	1Q12	2Q12	3Q12	1Q12	2Q12	3Q12	2Q12	3Q12	3Q12	3Q12	1Q12	2Q12	3Q12
Net revenues	5,878	5,241	5,788	1,554	(39)	1,048	–	7	8	(178)	(68)	(140)	(41)	38	(382)	–	[illegible]	[illegible]	[illegible]
Prov. for credit losses/(release)	34	26	41	–	–	–	–	–	–	–	–	–	–	–	–	–	[illegible]	[illegible]	[illegible]
Total operating expenses	5,804	5,108	5,396	–	–	–	(65)	(176)	(136)	–	–	–	–	–	–	(135)	[illegible]	[illegible]	[illegible]
Pre-tax income	40	(111)	339	1,554	(39)	1,048	68	183	144	(178)	(68)	(140)	(41)	38	(382)	136	[illegible]	[illegible]	[illegible]
Income tax expense/(benefit)	(16)	(31)	101	444	(21)	183	21	43	44	(32)	(8)	(18)	(4)	15	(57)	40	[illegible]	[illegible]	[illegible]
Noncontrolling interests	12	12	4	–	–	–	–	–	–	–	–	–	–	–	–	–	[illegible]	[illegible]	[illegible]
Net income	44	788	234	1,110	(18)	865	47	140	100	(146)	(58)	(122)	(37)	23	(325)	96	[illegible]	[illegible]	[illegible]
Return on equity	0.5%	9.2%	2.8%														[illegible]	[illegible]	[illegible]

CHF mn	Reported	Impact from movements in credit spreads on own liabilities	Business realignment costs	Sale of Aberdeen AM stake	Gain on non-core business sale	AMF write down	Real estate sale	Certain significant litigation provisions in IB	Underlying
	9M12	9M12	9M12	9M12	9M12	9M12	9M12	9M12	9M12
Net revenues	17,885	2,563	15	(384)	(41)	38	(382)	–	[illegible]
Prov. for credit losses / (release)	100	–	–	–	–	–	–	–	[illegible]
Total operating expenses	16,276	–	-380	–	–	–	–	(136)	[illegible]
Pre-tax income	1,510	2,563	395	(384)	(41)	38	(382)	136	[illegible]
Income tax expense	396	605	108	(58)	(4)	15	(57)	40	[illegible]
Noncontrolling interests	28	–	–	–	–	–	–	–	[illegible]
Net income	1,086	1,957	287	(326)	(37)	23	(325)	96	[illegible]
Return on equity	4.2%								[illegible]

IB = Investment Banking

Confidential Treatment Requested by Credit Suisse CS-SEN-00454988

Reconciliation from reported to underlying results 2011

CHF mn	Reported				Impact from movements in credit spreads on own liabilities				Business realignment costs			Real estate sale	Sale of Aberdeen AM stake	Non-credit-related provision	Underlying			
	1Q11	2Q11	3Q11	4Q11	1Q11	2Q11	3Q11	4Q11	2Q11	3Q11	4Q11	2Q11	3Q11	3Q11	1Q11	2Q11	3Q11	4Q11
Net revenues	7,813	6,326	6,817	4,473	703	(104)	(1,824)	(391)	–	–	–	(72)	(15)	–	[illegible]	[illegible]	[illegible]	[illegible]
Prov. for credit losses / (release)	(7)	13	64	97	–	–	–	–	–	–	–	–	–	–	[illegible]	[illegible]	[illegible]	[illegible]
Total operating expenses	5,105	5,227	5,697	5,374	–	–	–	–	(142)	(291)	(414)	–	–	(478)	[illegible]	[illegible]	[illegible]	[illegible]
Pre-tax income	1,625	1,086	1,056	(998)	703	(104)	(1,824)	(391)	142	291	414	(72)	(15)	478	[illegible]	[illegible]	[illegible]	[illegible]
Income tax expense	465	276	332	(397)	166	(29)	(543)	(59)	48	82	76	(12)	(2)	50	[illegible]	[illegible]	[illegible]	[illegible]
Noncontrolling interests	(2)	47	21	56	–	–	–	–	–	–	–	–	–	–	[illegible]	[illegible]	[illegible]	[illegible]
Net income	1,139	769	683	(637)	537	(75)	(1,281)	(332)	94	209	338	(60)	(13)	428	[illegible]	[illegible]	[illegible]	[illegible]
Return on equity	13.4%	9.7%	8.7%	(7.7)%											[illegible]	[illegible]	[illegible]	[illegible]

CHF mn	Reported	Impact from movements in credit spreads on own liabilities	Business realignment costs	Real estate sale	Sale of Aberdeen AM stake	Non-credit-related provision	Underlying
	9M11	9M11	9M11	9M11	9M11	9M11	9M11
Net revenues	20,956	(1,225)	–	(72)	(15)	–	[illegible]
Prov. for credit losses / (release)	97	–	–	–	–	–	[illegible]
Total operating expenses	17,119	–	(433)	–	–	(478)	[illegible]
Pre-tax income	3,747	(1,225)	433	(72)	(15)	478	[illegible]
Income tax expense	1,068	(405)	130	(12)	(2)	50	[illegible]
Noncontrolling interests	89	–	–	–	–	–	[illegible]
Net income	2,590	(819)	303	(60)	(13)	428	[illegible]
Return on equity	10.7%						[illegible]

Note: numbers may not add to total due to rounding

Confidential Treatment Requested by Credit Suisse CS-SEN-00454989

Reconciliation of reported to normalized after-tax return on Basel 3 allocated capital in Investment Banking

Investment Banking in USD bn	9M11	**9M12**
Allocated capital (10% of average Basel 3 RWAs)	31.7	21.7
Investment Banking in USD mn		
Reported pre-tax income	968	2,025
Income tax expense (@ 25% tax rate)	(242)	(506)
Net income	726	1,519
Return on allocated capital	**3%**	**9%**
Investment Banking in USD mn		
Reported pre-tax income		2,025
Net PAF2 expense[1]		262
Certain significant litigation provisions		145
Normalized pre-tax income		**2,432**
Income tax expense (@ 25% tax rate)		(608)
Normalized net income		**1,824**
Normalized return on allocated capital		**11%**

1 This calculation assumes that share-based plan awards (with 3-year vesting) of USD (200) mn had been awarded in lieu of PAF2 awards (with accelerated vesting) of USD (462) mn

Confidential Treatment Requested by Credit Suisse CS-SEN-00454990

Reconciliation of reported to ongoing normalized after-tax return on Basel 3 allocated capital in Investment Banking

Ongoing Investment Banking in USD bn	9M11	**9M12**
Allocated capital (10% of average Basel 3 RWAs)[1]	26.0	19.2

Investment Banking in USD mn		
Reported pre-tax income	968	2,025
Wind-down business pre-tax income	463	667
Net PAF2 expense[2]	—	257
Certain significant litigation provisions	—	145
Ongoing normalized pre-tax income	**1,431**	**3,095**
Income tax expense (@ 25% tax rate)	(358)	(774)
Ongoing normalized net income	**1,073**	**2,321**
Ongoing normalized return on allocated capital	**6%**	**16%**

1 Basel 3 risk-weighted assets for wind-down business pre 3Q11 assumed to be at 3Q11 level
2 This calculation assumes that share-based plan awards (with 3-year vesting) of USD (195) mn had been awarded in lieu of PAF2 awards (with accelerated vesting) of USD (453) mn for ongoing businesses

Confidential Treatment Requested by Credit Suisse CS-SEN-00454991

Investment Banking results in USD

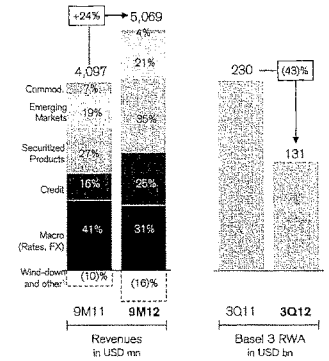
in USD mn	**3Q12**	2Q12	3Q11	**9M12**	9M11
Debt underwriting	429	330	368	1,232	1,374
Equity underwriting	178	103	140	413	701
Advisory and other fees	299	249	215	783	779
Fixed income sales & trading	1,567	1,264	634	5,069	4,097
Equity sales & trading	1,073	1,219	1,082	3,842	4,285
Other	(99)	(78)	(74)	(229)	(106)
Net revenues	**3,447**	**3,087**	**2,365**	**11,110**	**11,130**
Provision for credit losses	5	(15)	67	(17)	63
Compensation and benefits	1,588	1,550	1,748	5,426[1]	6,072
Other operating expenses	1,326	1,150	1,416	3,676	4,028
Total operating expenses	2,914	2,700	3,164	9,102	10,100
Pre-tax income	**529**	**402**	**(866)**	**2,025**	**968**
Pre-tax income margin	15%	13%	–	18%	9%

1 Includes net PAF2 expense of USD 262 mn, assuming that share-plan-based awards (with 3-year vesting) had been awarded in lieu of PAF2 awards (with accelerated vesting)

Confidential Treatment Requested by Credit Suisse CS-SEN-00454992

Increased capital efficiency and more balanced business mix in Fixed Income, reflecting execution of refined strategy

Fixed income sales & trading in USD



- 9M12 revenue increased 24% while **Basel 3 RWA reduced by 43%** over same period
- **Improved capital efficiency with 115%** increase in revenue per Basel 3 RWA usage[2]
- **More diversified revenue contribution** across Macro businesses (Rates, FX), Credit, Securitized Products and Emerging Markets
- **Continued stable inventory levels** to support client flow while minimizing risks

1 Wind-down and other primarily comprises revenues from businesses we are exiting and funding costs
2 Based on annualized 9M revenue to average Basel 3 RWA balances

Confidential Treatment Requested by Credit Suisse CS-SEN-00454993

Fixed Income Basel 3 RWA reduction

	Basel 3 risk-weighted assets in USD bn			
	3Q11	2Q12		**3Q12**
Macro (Rates & FX)	42	41	[redacted]	34
Securitized Products	73	37	–	37
Credit	23	18	–	18
Emerging Markets	19	17	[redacted]	16
Commodities	6	4	–	5
Wind-down	57	14	–	14
Other[1]	10	8	–	7
Fixed Income	**230**	**139**	[redacted]	**131**

1 Includes Fixed Income other, CVA management and Fixed Income treasury

Confidential Treatment Requested by Credit Suisse CS-SEN-00454994

Results in the Corporate Center

CHF mn	1Q11	2Q11	3Q11	4Q11	2011	1Q12	2Q12	3Q12
Reported pre-tax-income / (loss)	(874)	(95)	1,452	(102)	381	(1,818)	(180)	(1,060)
Losses / (gains) from movements in credit spreads on own liabilities	703	(104)	(1,824)	(391)	(1,616)	1,554	(39)	1,048
Business realignment costs	–	142	291	414	847	68	183	144
(Gains) on real estate sale		(72)			(72)			(382)
Underlying pre-tax income / (loss)	(171)	(129)	(81)	(79)	(460)	(196)	(36)	(250)

The underlying Corporate Center pre-tax results reflect:

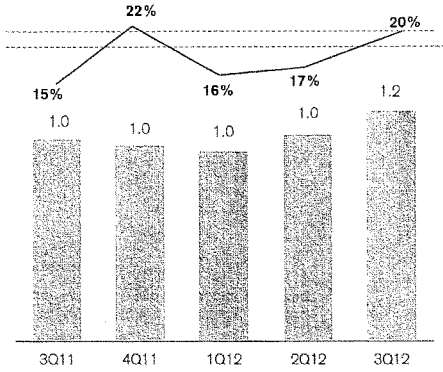
- consolidation and elimination adjustments
- expenses for centrally sponsored projects
- certain expenses and revenues that have not been allocated to the segments

Note: Underlying results are non-GAAP financial measures

Confidential Treatment Requested by Credit Suisse CS-SEN-00454995

Collaboration revenues

Collaboration revenues in CHF bn and as % of net revenues (core results)



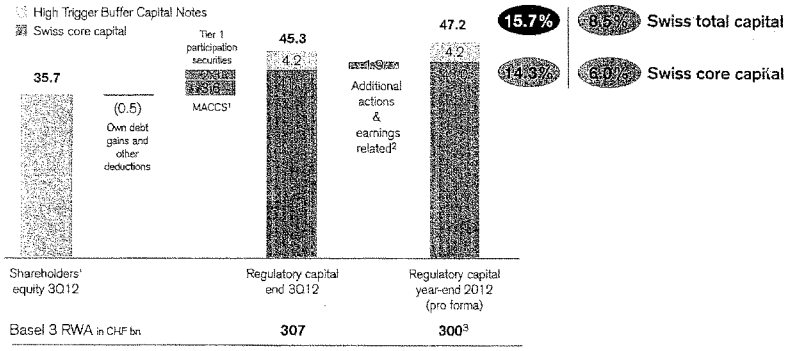
Collaboration revenues target range of 18% to 20% of net revenues

- Resilient collaboration revenues with an increase of 10% in 3Q12
- Strong performance in providing tailored solutions to UHNW clients
- Substantial asset referrals to Private Banking and Asset Management
- Contribution to the bank's overall results continues to be significant

Confidential Treatment Requested by Credit Suisse CS-SEN-00454996

Transitional Swiss core capital ratio of 14.3% at end 2012, substantially in excess of requirement

Transitional Swiss core and total capital simulation in CHF bn



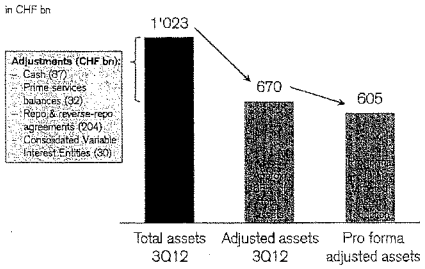
FINMA requirement by end 2012

- 8.5% Swiss total capital
- 5.0% Swiss core capital

Note: Based on a pro-forma calculation, assuming successful completion of the announced capital actions. Actual results may differ. Simulation assumes constant foreign exchange rates.
1 Net of fees and interest 2 Excluding RWA-equivalent benefit and excluding benefit from lower threshold deductions 3 Reflects current FX rates and estimates for Basel 3 treatment

Confidential Treatment Requested by Credit Suisse CS-SEN-00454997

Adjusted assets provides a more meaningful measure of balance sheet leverage



Shareholders' equity[1] in CHF bn	39.3[1]	39.3[1]	44.4[2]
Leverage ratio	**3.8%**	**5.9%**	**7.3%**
Leverage multiple	**26x**	**17x**	**14x**

- Calculating a leverage multiple based on an adjusted asset amount that excludes low-risk assets is **a more meaningful measure** of balance sheet leverage than a gross leverage multiple using total assets
- The adjusted asset number accounts for **65% of our total asset balance**
- Credit Suisse's **gross leverage multiple of 26x** reduces to **17x using adjusted assets**
- The targeted balance sheet reduction results in a **pro forma adjusted assets leverage of 14x, or 7.3%**

Adjusted assets is a non-GAAP financial measure and is presented solely to demonstrate an alternative way we look at our balance sheet and leverage
1 Includes contribution from CHF 3.6 bn from MACCS conversion
2 Assumes CET1 capital at 10% of CHF 280 bn Basel 3 risk-weighted assets, plus adding back current regulatory deductions of CHF 16.4 bn (goodwill etc)

Confidential Treatment Requested by Credit Suisse CS-SEN-00454998

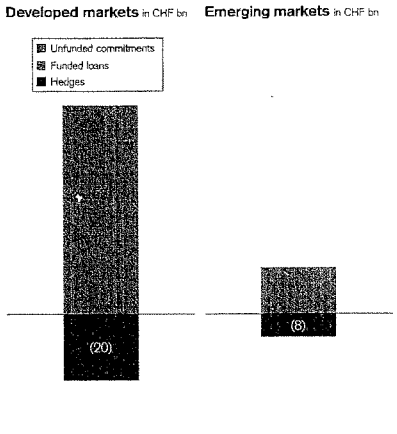
Selected European credit risk exposure at end 3Q12

Exposure in EUR bn		Total	Italy	Spain	Portugal	Greece	Ireland
Sovereigns	Gross	**4.2**	3.7	0.1	0.1	0.2	0.1
	Net	**0.8**	0.7	0.1	0.0	0.0	0.0
	whereof inventory	0.1	0.0	0.1	0.0	0.0	0.0
Financial institutions	Gross	**6.0**	2.6	1.6	0.3	0.1	1.4
	Net	**2.1**	1.0	0.8	0.1	0.0	0.2
	whereof inventory	1.0	0.2	0.6	0.1	0.0	0.1
Corporates & other	Gross	**6.4**	2.6	2.0	0.2	0.5	1.1
	Net	**2.6**	1.0	1.0	0.1	0.1	0.4
	whereof inventory	0.5	0.2	0.2	0.0	0.0	0.1

Confidential Treatment Requested by Credit Suisse CS-SEN-00454999

Investment Banking loan book

- Corporate loan portfolio is 73% investment grade, and is mostly (75%) accounted for on a fair value basis
- Fair value is a forward looking view which balances accounting risks, matching treatment of loans and hedges
- Loans are carried at an average mark of approx. 99% with average mark of 98% in non-investment grade portfolio
- Continuing good performance of individual credits: no specific provisions during the quarter



- Well-diversified by name and evenly spread between EMEA, Americas and Asia and approx. 65% accounted for on a fair value basis
- Emerging market loans are carried at an average mark of approx. 98%
- No significant provisions during 3Q12

Average mark data is net of fair value discounts and credit provisions. Average marks and composition of the loan portfolio is based on gross amounts

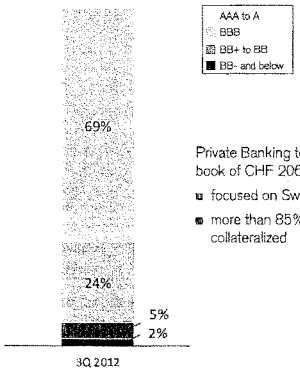
Confidential Treatment Requested by Credit Suisse CS-SEN-00455000

Private Banking loan book

Wealth Management Clients (CHF 145 bn)

- Portfolio remains geared towards **mortgages** (CHF 97 bn) and **securities-backed lending** (CHF 41 bn)
- Lending is based on well-proven, **conservative standards**
- Lombard lending with excellent credit quality despite increased market volatility
- Real estate prices are under special focus; first signs of market relief due to new self regulation in Switzerland

Portfolio ratings composition, by transaction rating



Private Banking total loan book of CHF 206 bn

- focused on Switzerland
- more than 85% collateralized

Corporate & Institutional Clients (CHF 61 bn)

- **Over 65% collateralized** by mortgages and securities
- Counterparties **mainly Swiss corporates** incl. real estate industry
- **Sound credit quality with low concentrations**

Confidential Treatment Requested by Credit Suisse

CS-SEN-00455001

Libor matter

- Regulatory authorities in a number of jurisdictions have for an extended period of time been investigating the setting of LIBOR and other reference rates.
- Credit Suisse, which is a member of only three rate-setting LIBOR panels (US Dollar LIBOR, Swiss Franc LIBOR and Euro LIBOR), is cooperating fully with these investigations.
- Credit Suisse has done a significant amount of work over the last two years to respond to regulatory inquiries.
- Based on our work to date, we do not currently believe that Credit Suisse is likely to have material issues in relation to LIBOR and we have shared these findings with the relevant regulators; of course, our review in response to ongoing regulatory inquiries is continuing.
- In addition Credit Suisse has been named in various civil lawsuits filed in the United States relating to LIBOR. These lawsuits are factually and legally meritless with respect to Credit Suisse and we will vigorously defend ourselves against them.

Confidential Treatment Requested by Credit Suisse CS-SEN-00455002

US tax matter

- The matter is a complex situation that Credit Suisse takes very seriously, and we are cooperating with the US and Swiss authorities.
- At this point we cannot give you any information on timing as the matter is complex and obviously directly dependent on the discussions between the US and the Swiss governments.
- The cross-border business with US clients was comparatively small in relation to our overall wealth management business as we significantly exited the US offshore business beginning back in 2008.
- We continue to build our US onshore franchise and we have made significant progress over the last years as the US remains a significant wealth management market that we want to be present in.
- We do not see a direct impact from this matter on our ability to generate asset inflows; however, we will incur legal and other expenses related to resolving this matter
- We reserved USD 325 mn for this matter in 3Q11.

Confidential Treatment Requested by Credit Suisse CS-SEN-00455003

Confidential Treatment Requested by Credit Suisse

CREDIT SUISSE

Check against delivery

Annual General Meeting of CREDIT SUISSE GROUP AG
Zurich, April 27, 2012

Speech by Brady W. Dougan
Chief Executive Officer

Dear Shareholders
Ladies and Gentlemen

Welcome to our Annual General Meeting. I would like to address three topics today. First, I would like to review our results for 2011 in the context of the challenging macro and operating environment. Second, I will look at the significant steps we took in 2011 to prepare Credit Suisse for the new business and regulatory environment. And third, I would like to provide you with some highlights on our good start to 2012.

2011 was another challenging year for the world economy, job growth and the markets. The financial services industry faced not only these issues, but also a set of challenges that were industry-specific:

- the evolving regulatory environment which affected every aspect of our business.
- the ongoing industry-wide litigation and regulatory enforcement issues following the market disruption of 2008.
- the lack of trust by the general public and the continuing controversy over compensation practices.

For our clients, shareholders, employees and the general public, it has been very difficult to interpret the impact of these challenges on our business and the industry.

For Credit Suisse, 2011 also was a year of transition. We took decisive steps in the second half of the year to further evolve our integrated bank model. And we made significant progress in adapting the business to the new market and regulatory environment. While these actions had a negative impact on our financial results, we are confident that adapting our business model will position us for improved profitability and more sustainable returns.

I will cover these actions in greater detail, but first, I want to discuss our financial performance in 2011.

Against the challenging global economic backdrop that characterized 2011, we achieved a solid result for the year, reporting net income of CHF 2.0 billion, and underlying net income of CHF 2.4 billion.

This equates to a reported return on equity of 6.0%, which is well below our target level, and an underlying return on equity of 7.4%. We generated strong net new assets of more than CHF 40 billion and improved our capital position, as I will discuss further in a moment. We are recommending a distribution of CHF 0.75 per share, which you can elect to receive either as cash payment or in the form of Credit Suisse Group shares.

Overall, the measures we took to swiftly adapt our business model had a negative impact of approximately CHF 1.8 billion on our results in 2011. They included a reduction of about 7% of jobs at Credit Suisse. We did not take these job reductions lightly and endeavored to approach them in the most fair and appropriate way possible. However, we are convinced that the action we took was necessary and will create stable and high-quality earnings, benefitting our shareholders, clients and other stakeholders in the long term.

Taking a closer look at our 2011 results…

In Private Banking, pre-tax income amounted to CHF 2.3 billion, with an overall pre-tax income margin of 21.6%, reflecting a continued weak environment with low client activity and the adverse impact from the strengthening Swiss franc. We recorded solid Private Banking net new assets of CHF 44.5 billion in 2011, including strong contributions from ultra-high-net worth individuals and the emerging markets.

The Wealth Management Clients business achieved pre-tax income of CHF 1.5 billion, reflecting subdued client activity, continued low interest rates and lower assets under management. Despite these challenges, we grew net new assets by 4.7% during the year, driven by well diversified inflows across all regions.

Our Swiss Corporate and Institutional Clients business, an important provider of financial products and services in Switzerland, continued to deliver strong results with pre-tax income of CHF 880 million and a 48% pre-tax income margin in 2011.

2011 2012

In November we announced the merger of Clariden Leu into Credit Suisse, which took place on April 2nd. Clariden Leu had a proud history going back to 1755. We weighed which would be the best way forward for our independent private bank. In view of the far reaching changes which affect the entire private banking industry, we are convinced that combining Clariden Leu with our existing Private Bank is the best way forward for clients, shareholders and employees, even though this meant reducing headcount both at Clariden Leu and at Credit Suisse.

The Investment Bank delivered a disappointing performance in 2011, reporting pre-tax income of CHF 79 million. Results were adversely impacted by difficult trading conditions, losses from businesses we are exiting and from the accelerated reduction of Basel 3 risk-weighted assets. However, we are confident that the aggressive risk reduction measures that we undertook during the second half of 2011 will strongly position us to deliver solid returns in a Basel 3 environment. I will touch on this in more detail in a moment.

In Asset Management, we achieved pre-tax income of CHF 553 million in 2011. This improved performance, a 10% increase compared to 2010, was driven by higher fee-based revenues and significantly lower operating expenses, as we continued to realize platform efficiencies and exit subscale businesses. Our pre-tax income margin in this business improved to 26% in 2011. We also experienced strong underlying inflows in 2011, primarily in higher-margin alternative investments.

As one of the best capitalized banks in the industry, we reported a Basel 2.5 total capital ratio of 20.1% at the end of 2011. In addition, we have already exceeded our 3.0% high-trigger contingent capital minimum requirement as per the draft Swiss capital adequacy ordinance which is particularly relevant for senior debt holders, depositors and counterparties. This was achieved through Buffer Capital Notes raised in February 2011 and again in March 2012. Our Basel 2.5 tier 1 ratio increased by 1.0 percentage point to 15.2% at the end of the year, and our Basel 2.5 core tier 1 ratio also increased by 1.0 percentage point to 10.7% during 2011. We also have one of the most secure funding profiles in the industry with a Net Stable Funding Ratio of 98% by year-end of 2011, which we further increased to 100% by the end of the first quarter 2012 and an extremely high asset quality balance sheet with minimal exposure to Eurozone sovereigns.

During the second half of 2011, we significantly accelerated the reduction of our Basel 3 risk-weighted assets, primarily in the Investment Bank. Our group-wide Basel 3 risk-weighted assets were CHF 294

billion at the end of 1Q12, meaning that we are already very close to the ambitious year-end 2012 target we have set for ourselves of CHF 280 billion. Assuming we meet analyst consensus estimates, we expect to achieve a 13.1% Basel 3 Common Equity Tier 1 ratio by the end of 2012.

Subsequent to year-end, in March 2012, we took further actions to proactively align our capital structure with the proposed Swiss and Basel 3 regulations, issuing CHF 700 million of Tier 2 Buffer Capital Notes at a 7.125% coupon. Furthermore, we repurchased CHF 4 billion of outstanding Tier 1 and Tier 2 securities, which over time will be replaced by new capital instruments.

Our leading Private Banking franchise also demonstrated strength and resilience under adverse operating conditions during the year with continued strong asset inflows. In 2011, Private Banking generated net new assets of CHF 44.5 billion, of which CHF 37.8 billion came from the Wealth Management Clients business. Over the past 4 years, our Wealth Management Clients business has generated CHF 162 billion of net new assets, CHF 100 billion more than any of our peers. This is a testament to the stability we maintained during the financial crisis and the level of trust we have built with our clients. We are focused on continuing to provide the best possible service to our clients and maintaining our status as a premier global private banking franchise.

Turning now to compensation…

We are committed to attracting, developing and retaining talented people; this is critical to our ability to sustain our success. An important element in attracting and retaining the best people is compensation. I recognize that this can be a very controversial topic. However, having the right policies and structures in place is particularly important for a global bank, which is dependent on experienced and highly qualified people.

We have tried to take a forward-looking and responsible approach to compensation. This has served us well over the past few years and helped us manage through the crisis. We have endeavored to strike the right balance between paying our employees competitively, doing what is right for our shareholders and responding appropriately to regulatory initiatives as well as political and public concerns.

Mr. Syriani will provide you with further details in his presentation, but I would just like to quickly highlight a few of the actions we have taken as part of this effort. In 2011, we materially reduced variable

incentive compensation awards, reflecting lower operating performance, and increased our compensation cost flexibility going into 2012 by reducing senior level headcount. Group-wide variable compensation was down 41% compared to 2010, aggregate variable compensation for Executive Board members was down 57% on the prior year, and CEO variable compensation was down 69%. Furthermore, all Executive Board variable compensation was deferred and linked to performance metrics and the stock price – no unrestricted variable cash compensation was awarded to Executive Board members.

And consistent with our overall strategy to reduce risk, we also modified our compensation structure to deliver deferred compensation awards to senior staff through the Partner Asset Facility 2, also known as PAF2. This instrument allowed us to achieve two strategic priorities for the cost of one: first, it reduced risk-weighted assets and second, at the same time, compensated our employees responsibly. By transferring the risk to our employees through the PAF2 compensation instrument, we effectively eliminated the cost typically associated with the disposal of risk-weighted assets by expensing it as compensation, a charge we would have incurred either way. Overall, this innovative instrument improved our regulatory capital position and better aligned risk-reward for our employees with that of our shareholders.

We will continue to listen to our shareholders and improve our compensation systems. Our duty is to ensure that we "pay for performance"; what we pay our people must create value for our clients and shareholders.

Despite the challenges we faced in 2011, we continue to produce best-in-class results relative to our peers. From 2009 to 2011, we generated an average return on equity of 12.9%, the highest level among our competitors. We maintain one of the lowest levels of risk on an absolute basis, as defined by risk-weighted assets. And, as I mentioned earlier, our total capital ratio is the highest among the peer group at 20.1%.

Now, I would like to give you some additional details on the ways in which we have been adapting our business to the new environment.

In 2011, we took resolute and decisive action to adapt our business model to the new environment. We reoriented our franchise dramatically, particularly in Investment Banking, focusing on our client business, while exiting proprietary trading, long-dated derivatives and highly capital intensive businesses under

Basel 3. We have taken these steps ahead of the rest of the industry because I am convinced that being a first mover will continue to be a distinct advantage for Credit Suisse. These actions will enable our firm to excel and thrive in the new environment, offer the best service to our clients and generate attractive returns for our shareholders.

We made significant progress in the following three areas:

- First: risk-weighted asset reductions in the Investment Bank
- Second: expense reduction initiatives across the Group and
- Third: early progress on initiatives aimed at bolstering the profitability of the Private Bank.

In the second half of 2011, we accelerated the reduction of our Basel 3 risk-weighted assets in the Investment Bank, reducing them from USD 331 billion at the end of the second quarter to USD 248 billion by the end of the year. This amounts to an aggregate reduction of USD 83 billion during the second half of 2011, USD 47 billion of which was accomplished in the fourth quarter. During the first quarter of 2012, we achieved an additional USD 38 billion reduction, bringing us to USD 210 billion of Basel 3 risk-weighted assets in the Investment Bank.

This aggressive reduction in risk-weighted assets in Investment Banking allowed us to exceed our previous year-end 2012 goal, nine months early. And we now expect to achieve risk-weighted assets of USD 190 billion in the Investment Bank by year-end 2012, USD 39 billion lower than our original target.

Second, we significantly reduced our expense base and improved our cost flexibility. We completed aggressive measures to achieve targeted group-wide expense run-rate reductions of CHF 1.2 billion from the start of 2012 (excluding expenses related to PAF2 awards granted in the first quarter). In fact, we exceeded that target by 25% in the first quarter of 2012 with an announced annualized run-rate reduction of CHF 1.5 billion. We are well on track to achieve our target of CHF 2.0 billion in group-wide cost reductions by the end of 2013.

And third, in the Private Bank, we are already seeing early signs of progress from the steps we have taken to achieve enhanced profitability. The integration of Clariden Leu is well advanced, we acquired an onshore platform in Japan and we see continued momentum in our ultra-high-net-worth market share. We are targeting an CHF 800 million improvement to Private Banking pre-tax income in 2014, and we plan to achieve this enhanced profitability while maintaining our industry-leading franchise momentum.

Given their relevance for our bank and the public discussion in Switzerland, I would like to address some of the issues related to the legacy cross-border wealth management business. As you know, in September 2011, we reached an agreement with the German authorities to resolve charges of possible tax evasion by Credit Suisse clients and alleged assistance by Credit Suisse employees. The US investigations of Swiss bank legacy cross border businesses are still ongoing and remain a matter that we, together with governmental authorities, are working to resolve. With regard to this issue we have delivered data as directed by the Swiss Government. According to the recent decision of the Swiss Federal Council, we provided the US authorities directly with information. We take this issue very seriously and are strongly supportive of a resolution acceptable to the U.S. and Switzerland. We continue to cooperate with the authorities, both in the US and Switzerland, to resolve this matter in a responsible manner that complies with our legal obligations.

These issues highlight that responsible behavior in our core banking business and beyond ultimately creates the trust with stakeholders, which is necessary to successfully run our bank. Therefore I want to spend a moment on our approach to corporate responsibility, and how we endeavor to engage responsibly with society, regulators and in the communities in which we operate.

As a systemically relevant bank, we play a crucial role in the global economy – providing financial advice, managing assets, steering capital flows and assessing risks. For example, we provide businesses with vital access to capital to help finance their expansion and foster innovation, thus driving economic growth.

We take our diverse responsibilities as a financial institution very seriously and are mindful of them when conducting our business. This includes our responsibility to help build a more robust financial system.

Following the 2008 credit crisis, we recognized that our industry needed to change. A return to "business as usual" was not an option. Credit Suisse was at the forefront of this transformation process: we swiftly adapted our business model, reduced risk exposures, exited businesses that were no longer viable and profitable, strengthened our capital base and positioned our company to be an industry leader in liquidity management. We worked closely with regulators to develop new rules for the banking sector that will create a more stable system and, at the same time, safeguard competitiveness. We worked on bail-in plans that allow for the orderly wind-down of failed banks without the need for direct government aid. As I mentioned earlier, we were the first global bank to issue so called "contingent convertible capital" that can help to swiftly strengthen a bank's capital position in a crisis situation. And we are continuing to

assume this responsibility through our strict compliance culture and the prudent management of our risk exposures, which includes assessments of environmental and reputational risks.

Trust is the cornerstone of our business. Clients entrust their assets to us and they trust us to give them sound financial advice. We want to act in a way that helps us to earn their trust day after day. We know that we will not always get everything right, and we are committed to taking the necessary steps to correct our mistakes and to learning lessons so that we can improve.

As both a globally active bank and a leading financial institution in our Swiss home market, we know the importance of a stable social environment for our long-term success. We therefore strive to help build strong communities where individuals and businesses can thrive. Credit Suisse is a major employer, especially in Switzerland, where we are also proud to offer attractive apprenticeships for more than 600 young people every year. We have continued our efforts to address youth unemployment and to provide risk capital to small and medium-sized Swiss businesses.

Our social commitments also go beyond our core banking business. For many years, we have been helping disadvantaged people around the world through our work with partner organizations in two main fields: education and microfinance. Many of our people have also made a personal contribution by volunteering their skills and expertise: in 2011, over 17,400 Credit Suisse employees volunteered a total of around 189,000 hours to help others.

I believe that we can make a meaningful difference for our clients, our shareholders, our employees and for the communities in which we operate. The measures we are taking to proactively evolve our business model will position Credit Suisse for success in the new industry environment and enable us to continue to build on the confidence and pride that our stakeholders have in Credit Suisse.

We had a good start to 2012 with a normalized after-tax return on equity of 16% for the quarter. Our results benefited from the measures we announced in mid-2011 to evolve our business model and cost structure to the new environment. We reported robust revenues on substantially reduced risk-weighted assets and a lower cost base. We reduced our annualized expense run-rate by over CHF 1.5 billion from the first half of 2011, exceeding our original goal by 25%. We further reduced Basel 3 risk-weighted assets in the first quarter and are on track to achieve our year-end 2012 target.

In Private Banking, we continued to make progress on the strategic realignment we launched during the second half of last year to optimize the business portfolio and enhance profitability. ~~We attracted net new~~ assets of CHF 8.4 billion in the first quarter 2012

In Investment Banking, we made significant progress in executing our strategy to improve capital and operating efficiency, while at the same time achieving continued market share momentum. Most of the risk-weighted asset reductions mentioned earlier occurred in the Investment Bank, where we reduced risk-weighted assets by USD 38 billion, or 15%, in the quarter. And while we reduced risk-weighted assets by 33% compared to the first quarter 2011 and as a result, recorded lower revenues, our normalized after tax-return in the investment bank increased from 15% to 19%. First quarter results reflect a more balanced risk - revenue contribution and improved profitability across our major businesses.

Our first quarter financial performance underscores the strength of our client-focused, capital-efficient franchise and is indicative of what our business model is capable of. The steps we have taken to adapt our business model are already demonstrating their potential to deliver improved profitability and sustainable returns in the new environment.

To sum up, 2011 was a transitional year for Credit Suisse. We took decisive and far-reaching steps to evolve our business model and made significant progress in adapting to the new market and regulatory environment. We reduced risks and costs in the second half of the year, redeploying resources to our client-focused growth businesses. We took these steps because we are convinced they will benefit our clients, reward shareholders in the long term and position us to achieve superior returns.

While our 2011 financial performance was clearly impacted by these actions, we were able to take these measures while maintaining our industry-leading capital position and strong client franchise. In fact, despite these costs, we further strengthened key financial and capital ratios over the past half year. In the first quarter of 2012 our Basel 2.5 core tier 1 capital ratio improved from 10.7 to 11.8%. Our client-focused strategy, coupled with a strong capital base, our conservative funding and liquidity, and clean balance sheet, position us to pursue and gain market share across our businesses.

I want to take the opportunity to thank our fifty thousand employees for the dedication and commitment they have shown toward Credit Suisse in what has been another challenging year for our industry. Whether in our Swiss home market or one of the other major financial centers around the world, our

people enable us to provide our clients with sustainable solutions to their financial needs and generate lasting value.

I also want to thank our shareholders for their trust and support. The opinion of every single one of our shareholders matters greatly to me.

In summary, we aspire to be an institution that does a great job for our clients, provides superior returns to our shareholders, is a great place to work for our employees and is a responsible member of society. To that end, we remain focused on delivering consistent, industry-leading returns to our shareholders and ensuring that Credit Suisse maintains its strong franchise, improves profitability and continues to grow. We are confident that the measures we are taking to proactively evolve our business model will strongly position Credit Suisse to thrive in the new environment. We see this as an inherent part of our responsibility as a company and as a reliable partner to our clients, shareholders and employees.

Thank you for your attention Ladies and Gentlemen. We greatly value your continued support.

...

[redacted] = Redacted by the Permanent Subcommittee on Investigations

To: Mathers, David <david.mathers@credit-suisse.com>
From: Onis, Carlos </O=CREDIT-SUISSE/OU=GL/CN=RECIPIENTS/CN=CONIS>
Cc:
Bcc:
Received Date: 2013-01-15 05:42:07 EST
Subject: RE: Flash 2 / December 2012

David – yes. To be clear, the 1bil has been in the numbers from Flash 1, so it is not "extra" vs what you have seen to date. PB included it in their numbers from the beginning of the reporting cycle, it would have had to have been reversed it if we had not agreed to it.

The transaction is a reclass of 1bil from Custody Asset to AuM. I spoke directly with DeChellis last night and he confirmed that we are providing investment advice on the full amount of assets being held for [redacted]

The facts are as follows:

The is a total of $9.5 bil of [redacted] related assets we have in house. $1.8 bil of that came into the Firm into his daughter's account in Q2. The remainder is composed of $1.3bil is held in a charity vehicle which CS created in a Trust Structure. In the beginning of the year we agreed on $4.4 bil proceeds from the sale of the [redacted] shares to be added to AuM, that left $2bil in custody assets pending understanding of what was going to be done with those assets. Of the $2bil, $1 bil is being left as custody as it will be required by settle tax liabilities and will not be subject to investment. The last $1bil is what is being reclassed this quarter.

In looking at the financial data supporting the reclass we have earned app 12 bps (PB – additional FX revs in IB) on the assets (PB will say they earned more as they included the full fx in their math), the 12 bps on the asserts held is consistent with the projected earning we anticipated earlier in the year when we agreed on moving the $4.4 bil into AuM upon the sale of [redacted] Based on this fact pattern I think it is appropriate to include the additional 1bil as AuM

CO

Carlos Onis

+1 212 325 7023 (*105 7023)

From: Mathers, David
Sent: Tuesday, January 15, 2013 11:03 AM
To: Onis, Carlos
Subject: FW: Flash 2 / December 2012

Carlos

Did you approve the extra PB Americas NNA?

David

From: Buckle Claude (TABD 2) On Behalf Of GG Group Finance
Sent: 15 January 2013 00:27
To: Mathers David R. (T)
Cc: Onis Carlos (CS); Win Mya (CS); von Däniken Noel (TABD); Strauss Jason (TABD 2); Marcus Jessica (CS); Hefti Michel (TABD 2); Innamorato Valentina (TABD 2); Niazi Sehar (TABH 21); Tan Peck-Hoon (TABE)
Subject: Flash 2 / December 2012

Dear David,

Please find below the Credit Suisse results for Flash 2 / December 2012.

Profitability

Redacted by the
Permanent Subcommittee on Investigations

Growth

Redacted by the
Permanent Subcommittee on Investigations

Risk & Capital

Redacted by the
Permanent Subcommittee on Investigations

Please do not hesitate to contact us with any questions.

Contacts

For queries regarding this report or access requests for the EIC, please contact HYPERLINK "mailto:noel.vondaeniken@credit-suisse.com"Noel von Däniken , HYPERLINK "mailto:lionel.moisson@credit-suisse.com"Lionel Moisson or HYPERLINK "mailto:jason.strauss@credit-suisse.com"Jason Strauss .

For escalation, please contact HYPERLINK "mailto:mya.win@credit-suisse.com"Mya Win .

CREDIT SUISSE | FINANCIAL SERVICES

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Scope:	CSFS Directive		D-0025
☐ whole BU CSFS or ☒ Private Banking International ☒ Private Banking Switzerland ☒ Corporate & Retail Banking ☐ Insurance ☐ Life & Pensions ☒ Finance & Products ☒ Investment Management ☒ Technology & Operations ☒ CFO Division/ HR/ MKT/ CM/ CC incl. ☒ Subsidiaries in Switzerland ☒ Subsidiaries/ Branches abroad ☒ Product Centers ☒ Representative Offices	Valid from:	26.11.2002	Replaces:
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Re: Bank relationships with US Persons, US Taxpayers and EAMs that are located in the US or have clients who are US Persons and/ or US Taxpayers ("US Person Directive")

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Re: Bank relationships with US Persons, US Taxpayers and EAMs that are located in the US or have clients who are US Persons and/or US Taxpayers ("US Person Directive")

1 Basis

This Directive is based upon:

- D-0002 „Legal & Compliance in the Credit Suisse Financial Services Business Unit (BU CSFS)"
- United States laws administered and enforced by the US Securities and Exchange Commission ("SEC"), the US Commodity Futures Trading Commission ("CFTC") and the US Internal Revenue Service ("IRS")

2 Content and purpose

This Directive governs our business policy with regard to bank relationships with US Persons, US Taxpayers, and External Asset Managers ("EAMs") that are located in the United States ("US EAMs") and EAMs that have any US Person and/or US Taxpayer as a client.

The purpose of this Directive is to avoid regulatory and reputational risk and to ensure uniform adherence to the restrictions applicable under US law to bank relationships with US Persons and US Taxpayers. A further aim is to ensure that there is a uniform standard for establishing and maintaining such relationships.

If other CSFS directives on specific US-related products or areas apply (e.g., D-0202/ W-0133/ W-2245, "Sale of CSAM Funds to US clients", D-0098, "Client business in US financial futures and options on US financial futures"), these directives shall take precedence.

3 Scope

This Directive applies to all organizational units of the CSFS BU in Switzerland and abroad, with the exception of the Life & Pensions and Insurance divisions. It applies *mutatis mutandis* to all other legally autonomous domestic and foreign companies and foreign branches and representative offices of the CSFS BU in accordance with their circumstances and local regulatory framework. Subsidiaries holding licenses from the SEC and/or CFTC are not required to adhere to restrictions under this Directive on activities or products permitted to them under such licenses or to comply with 8.1 or 8.2.

4 General Rule

4.1 "US Person" defined for purposes of D-0025

The definition of "US Person" is crucial to this Directive. "US Persons" generally include (subject to exceptions):

- Individuals: if **resident** in the United States or its territories (Puerto Rico, Guam, Samoa)
- Partnerships, corporations or LLCs: if **organized** under US law
- US EAMs, even if their clients are non-US Persons
- Trusts and estates: if any trustee (trust) or executor/administrator (estate) is a US Person
- For **full definition**, see Appendix 1

Important exception: assets of US Persons that are managed by non-US financial intermediaries on a **fully** discretionary basis (e.g., Discretionary Mandates in accordance with D-0069) qualify for treatment as non-US Persons.

4.2 General Rule

Communications by mail, telephone, telex, telefax, internet or e-mails into or from the United States, or visits or meetings in the United States, may **not** be used to provide **Investment Advice or Solicitation**, as defined below.

4.3 "Investment Advice" defined

- any discussion or comments on the advisability of investing in or the value of various investments or securities in general or of specific securities
- providing analyses or research reports concerning securities
- any buy, sell or hold recommendations relating to securities, including indirect recommendations through the presentation of information (for example, providing quotes)
- allowing US Persons access to internet sites which contain such securities-related information
- assisting in the preparation of contracts or forms for discretionary mandates or related safekeeping accounts

4.4 "Solicitation" defined

- any affirmative effort to induce transactional securities business for the bank or affiliates - whether to induce a single securities transaction, to develop customer goodwill or to make the bank known in the US
- any communication to encourage the execution of securities transactions through the bank
- providing securities quotes, even if time delayed
- sending printed or electronic advertising materials into the US other than Credit Suisse Group's annual report or Fact Sheets with general descriptions of the bank
- conducting promotional seminars (i) in the US or (ii) outside the US targeted to US Persons
- advertising broker-dealer services on a radio or television broadcast into the US or in a printed publication of general circulation in the US
- providing research, even if the recipient has actively sought out and requested the research
- allowing US Persons access to internet sites which contain any of the above information
- allowing US Persons to purchase or sell securities through an internet site

5 Permissible accounts, services and contacts with US Persons

5.1 Discretionary mandates signed outside the US and with retained mail or non-US address

5.1.1 Account opening

5.1.1.1 Discretionary mandates can only be signed/granted outside the US.
5.1.1.2 Discretionary mandates must have retained mail or mail/communications sent to a non-US address. No mail may be sent into the US to US Persons with discretionary mandates.
5.1.1.3 Account opening formalities must be completed as described in Appendix 2.

5.1.2 Relationship/ contacts with US Person clients with discretionary mandates

5.1.2.1 All contacts into the US are strictly prohibited. If the client meets the relationship manager outside the United States, advice and information can be given at that time. Follow-ups into the United States are not allowed.
5.1.2.2 Wherever possible, US Persons should be encouraged to provide discretionary mandates to the bank. Because the portfolio of a fully discretionary mandate is not treated as a US Person, the range of securities products available for the portfolio will be much broader. See section 6.2.

5.2 Safekeeping accounts on "execution only" basis / no Solicitation of account or subsequent orders

5.2.1 Account opening

5.2.1.1 Contact with client to open the account must be unsolicited. For example, on his own initiative, the client writes to the bank by mail or fax, calls by phone, visits the bank, a branch or a representative office or has been introduced to the bank without any Solicitation by the bank. See 4.4.
5.2.1.2 If an e-mail has been received with a request for a safekeeping account or other information, see Appendix 2 section 3.

5.2.1.3 Documents to open safekeeping accounts can be prepared:
- Outside the United States, or
- Inside the United States with the assistance of a representative office of the bank, or
- By way of correspondence if a Credit Suisse representative office or affiliate has performed the know-your-client ("KYC") due diligence required by the law applicable in the location where the safekeeping account will be held

5.2.1.4 Account opening formalities must be completed as described in Appendix 2.

5.2.2 Relationship/contacts with US Person clients with safekeeping accounts

5.2.2.1 The General Rule must be observed: no contacts may be made that would constitute Investment Advice or Solicitation. Instructions that come from clients on an unsolicited basis that are "execution only" are allowed.

5.2.2.2 Statements may be sent to the client in the United States which refer to securities transactions already effected, including statements of safekeeping accounts ("Depotverzeichnis") and statements of investments ("Anlageverzeichnis"), as well as statements relating to current, cash or savings accounts, if any.

5.2.2.3 No additional materials may be sent to the US address; in particular, no marketing materials of any type and no materials regarding future decisions to be made by the client (e.g. rights offerings, tender offers, etc.) may be sent to the client in the United States.

5.2.2.4 No fees may be charged for investment advice (transactional and administrative fees allowed.)

5.3 Cash, savings and current accounts

Cash, savings and current accounts may be provided to US Persons without limitation, except that no communications constituting Investment Advice or Solicitation may be made in violation of the General Rule.

5.4 Loans

Loans may also be provided to US Persons, subject to normal Credit Department approval.

6 Permissible products

6.1 "US Taxpayer" defined

The definition of "US Taxpayer" includes not only US Persons, but also US citizens and US greencard holders, wherever they reside and regardless of whether they have granted a discretionary mandate, as well as many non-US trusts with non-US trustees but US beneficiaries. See http://my.csintra.net/psiw5/uswh_l/uswht_allgemeines_d.htm or contact the Group Tax Department GFT 2 for further details.

6.2 Product chart

The product chart found in the CLK 1 section of the Legal & Compliance intranet site (http://my.csintra.net/cl/) provides a detailed breakdown - by category and alphabetical order - of the types of products generally available and generally not available for (i) US Persons (defined in Appendix 1), (ii) US citizens who are not US residents (all of whom qualify as US Taxpayers, see 6.1 above), and (iii) discretionary mandates for US Persons. In each case, product-specific restrictions, if any (e.g. sales restrictions, QI tax restrictions) take precedence.

6.3 Sales restrictions

Many products are subject to specific sales restrictions that must be complied with and are set forth in the VV40 pages on the HOST mainframe. If you have any questions regarding specific product restrictions, contact the Legal & Compliance Department Finance and Products / Investment Office (CLUU 21) for more information.

Overrides of VV40 restrictions or warnings are strictly prohibited, except overrides for CSAM funds when sold in compliance with directive D-0202/ W-0133/ W-2245. If you believe a restriction may be incorrect, you must first contact Legal & Compliance CLUU 21. The restriction must be corrected before you place an order. Unauthorized overrides of these selling restrictions are monitored and may cause a reversal of the transaction.

6.4 Qualified Intermediary (QI) tax restrictions

No securities of US issuers will be purchased for US Taxpayers unless a "W-9" form has been obtained from the client. The W-9 discloses the client's identity to the US tax authorities. See http://my.csintra.net/psiw5/uswh_t/uswht_allgemeines_d.htm or contact the Group Tax Department GFT 2 for further details.

7 EAMs / Special situations involving US Persons

7.1 US EAMs

US EAMs are independent asset managers or investment advisers that are located in the United States. Their clients may be US Persons or non-US Persons. All relationships with US EAMs must both:

- comply with the General Rule in section 4.2: no Investment Advice or Solicitation may be provided or made to any US EAM or its clients in the United States, even if the clients are non-US Person clients, and
- the conditions applicable to US EAMs are met. These conditions can be found in the CLK 1 US Law section of the Legal & Compliance intranet site (http://my.csintra.net/cl/).

7.2 Non-US EAMs

EAMs that are not located in the United States but who have any US Person and/or US Taxpayer clients are also subject to the terms of this Directive with respect to those clients. Such non-US EAMs shall be required to enter into a special agreement with the bank (Appendix 4, Form No. 112.838) in which they undertake vis-à-vis the bank to comply with the rules set forth in this Directive and its Appendices in respect of their clients and to indemnify the bank for any damages resulting from non-compliance on their part.

EAMs may purchase CSAM funds that have not been registered in the US for their clients that are US Persons only in accordance with the procedures established and administered by the Central EAM division.

7.3 Special situations involving US Persons

Rules governing the treatment of US Persons in the context of certain special situations (use of intermediaries, joint account relationships, power of attorney relationships, community of heirs, ownership of 5% or more of voting shares of US publicly traded company, direct orders for execution by US brokers, dormant accounts) are set forth in Appendix 5.

Third party intermediaries or agents cannot be used to circumvent the terms of this Directive.

8 Implementation / responsibilities

8.1 Switzerland: concentration of US Person clients

All new bank relationships with US Persons (other than operating corporate clients and clients of non-US EAMs, who may continue to be served by the central EAM desk) are to be opened within, managed and monitored by the dedicated US Center of Competence in Zurich or Geneva . Exceptions will be granted only if the responsible RM completes and signs the corresponding section of the exception form for each CIF (see Appendix 6) and the procedures are complied with as set forth in D-0027 "Relationships with clients domiciled in a country in risk category 1-3", as implemented in the Project Risk Countries. By signing the exception form, the Market Group head agrees to accept responsibility for managing the relationship and monitoring compliance with this Directive. No new CIF may be opened until this form has been submitted.

All existing relationships with US Persons are to be transferred to the dedicated US Center of Competence in Zurich or Geneva in accordance with D-0027 and procedures established by Project Risk Countries and Business Risk Management. This principle shall also apply with respect to non-US Person clients who subsequently become US Persons. Exceptions to transfers of existing clients will be permitted only if the exception form (Appendix 6) is completed and signed for each CIF by the relevant RM and is signed and submitted as described above.

In the event that the RM who has been managing a relationship with a US Person client on the basis of an approved exception changes (e.g., departure, retirement), the relevant client must be transferred to the dedicated US Center of Competence in Zurich or Geneva unless a new exception form is completed, signed and submitted as described above.

8.2 International units, Product Centers and Independent Private Banks

International units, Product Centers and the Independent Private Banks are required to handle client relationships *mutatis mutandis* as per "8.1 Switzerland" and should provide for a centralization of US Person relationships within their organizations (e.g., special desks).

8.3 Possible sanctions for non-compliance

Violations of this Directive may subject the bank or its affiliates to litigation and regulatory actions in the United States. Willful violations of this Directive may also subject both the bank and the individual employee to criminal liability.

8.4 Questions

The Legal & Compliance Department US Law team CLK 1 is to be contacted for questions relating to this Directive. For a list of frequently asked questions, see the CLK 1 US Law section of the Legal & Compliance intranet site (http://my.csintra.net/cl/). Questions concerning specific products are not to be directed to the US Law team, but should be directed to the Legal & Compliance Department Finance and Products / Investment Office (CLUU 21).

9 Entry into force

This Directive enters into force with immediate effect.

BU CREDIT SUISSE FINANCIAL SERVICES

Ulrich Körner
sig.

Felix Graber
sig.

CREDIT SUISSE	FINANCIAL SERVICES	Date:	Page: 1 / 1	Appendix 1	D-0025

Re: Definition of "US Person" within the meaning of D-0025

1. Type of client/account:	1. **Will be treated as a "US Person"** for purposes of D-0025 if:
Natural person	Resident in the United States or its territories (Puerto Rico, Guam, Samoa) (Note: Citizenship and US greencard holder status is not relevant, so US citizens and US greencard holders who do not actually live in the US are not US Persons, except that identifiable groups of US citizens residing outside the US, such as US military and US diplomatic personnel and former US residents temporarily residing outside the US, will remain US Persons.)
Partnership, corporation, LLC	Organized or incorporated under US law
Estate	Any executor or administrator of any estate is a US Person, unless the conditions are met in section 2 below for estates that are "Not US Persons"
Trust	Any trustee of any trust is a US Person, unless the conditions are met in section 2 below for trusts that are "Not US Persons"
Any non-discretionary account (other than an estate or trust)	Held by a dealer or other fiduciary (wherever located), such as Credit Suisse, for the benefit or account of a US Person Example: Safekeeping Accounts
Any Discretionary Mandate within the meaning of D-0069	Held by a dealer or other fiduciary (e.g. EAM) organized, incorporated or resident in the United States. Note: if the Discretionary Mandate is held for the benefit or account of a non-US Person, see US EAMs in section 7.1 of the text of the Directive.
Any partnership or corporation organized under non-US law	Formed to circumvent the US law prohibiting the purchase of securities not registered as required by the SEC
2. Type of client/account:	2. **Will not be treated as a US Person** within the meaning of D-0025 (but may nonetheless be a US Taxpayer, see section 6.1) if:
Natural person	Individual (including US citizens, dual-passport US citizens and holders of US permanent residence permits, i.e., "greencards") who does not reside in the United States
Discretionary Mandate within meaning of D-0069 for US Person client	Non-US fiduciaries or other non-US entities have full investment discretion for the Discretionary Mandate portfolio.
Estates	If no executor or administrator of the estate (US or non-US) is a US Person, then the estate will not be treated as a US Person. Even if the executor or administrator is a US Person, the estate will not be treated as a US Person if: • The executor or administrator is a professional fiduciary (i.e. not a family member), and • Another non-US Person executor or administrator of the estate has sole or shared investment discretion with respect to the assets in the estate, & • The estate is governed by non-US law.
Trusts	If no trustee of the trust (US or non-US) is a US Person, then the trust will not be treated as a US Person. Even if the trustee of any trust is a US Person, the trust will not be treated as a US Person if: • The trustee is a professional fiduciary, and • Another non-US Person trustee of the trust has sole or shared investment discretion with respect to the assets of the trust, and • No beneficiary of the trust (and no settlor if the trust is revocable) is a US Person.
Trust: If trustee is a non-US Person but trust has a US Person as a beneficiary	Even though a US Person is a beneficiary of a non-US trust, the trust itself is still not a US Person. Example: Liechtenstein foundation with a non-US trustee and US beneficiaries.

Please contact Legal & Compliance Department US Law team CLK 1 for assistance if you have specific questions concerning the definitions above.

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Re: Account opening formalities for Discretionary Mandates and Safekeeping Accounts of US Person clients

1. **Account opening formalities for Discretionary Mandates within meaning of D-0069**

1.1. Discretionary mandates for US Person clients must be granted and signed by the client while he is **outside the United States**.

1.1.1. Discretionary mandates can only be discussed with the client and signed outside the United States

1.1.2. No discretionary mandate form can be sent into the United States, for example it cannot be included in any package of account opening documents to open an account by way of correspondence

1.2. Correspondence must be either retained by the Bank (to be handed over on Bank premises) or mailed to a non-US address.

1.3. Discretionary mandates for US Persons are to be opened using the Bank's customary forms:

1.3.1. Form 112600 "Contract for the opening of an account/safekeeping account"

Under item 5 of form 112600 "Contract for the opening of an account/safekeeping account", however, the US Person client must tick the box "to be retained by the Bank on behalf of the depositor and mailed". The US Person client then has two options: he can either opt for periodic dispatch of correspondence to a **non-US address** (weekly, monthly, every two months, quarterly, semi-annual, upon special request) or, alternatively, have the correspondence handed **over on bank premises**, in which case "retained on bank premises" should be written in the space provided under Item 5. The RM must then correctly enter the CIF of the RET routing agreed with the client in the address data channel (AD-LW) in accordance with D-0005 "Handling of retained and periodically dispatched correspondence (RET/eRET)".

1.3.2. The Bank's customary discretionary mandate forms, see "Set-up Process of Discretionary Mandates for Relationship Managers" in PMnet in the bank's intranet, and

1.3.3. Relevant forms/declarations required for USWHT purposes.

2. **Account Opening Formalities for Safekeeping Accounts for US Persons**

2.1. Safekeeping accounts (securities brokerage and/or custodian services) for US Persons may be opened only in accordance with D-0025 **section 5.2.1**.

2.2. Safekeeping accounts for US Persons are to be opened using the Bank's customary forms:

2.2.1. Form 112600 "Contract for the opening of an account/safekeeping account"

2.2.2. Form 112853 "Declaration on the Handling of Correspondence and Instructions Regarding Corporate Actions" (Appendix 3) (but see Endnote), and it must be stressed to the US Person client that he will not be informed of when to give the bank additional instructions and will not be informed of or be able to exercise subscription rights for certain newly-issued securities.

2.2.3. Relevant forms/declarations required for USWHT purposes.

2.2.4. Form 112 703 Standing Investment Instructions (optional)

A US Person client does not have to provide this document, but it can grant the bank Standing Investment Instructions if these conditions are met:

2.2.4.1. The form can only be discussed with the client and signed outside the United States
2.2.4.2. The form cannot be sent into the United States, for example it cannot be included in any package of account opening documents to open an account by way of correspondence

2.3. RET mail to be retained on bank premises or an address outside the US is preferred, in which case item 5 of form 112600 should be completed as described in section 1.3.1 above.

3. **Handling of e-mail inquiries**

In the event that an unsolicited e-mail request to open a safekeeping account is received from a prospective US Person client over the bank's Internet website, a standard response must be sent along the lines of the following:

> "We regret that we are not able to provide the services that you have requested. We apologize for the inconvenience and thank you for your interest in our company."

Endnote: Exception: US custodian banks do not have to complete form 112853, "Declaration on the Handling of Correspondence and Instructions Regarding Corporate Actions."

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Re: Declaration on the handling of correspondence and instructions regarding corporate actions

Declaration on the Handling of Correspondence and Instructions Regarding Corporate Actions (Form 112853)

Safekeeping Account Number: _____ _____ _____
Name of Depositor/s:[1] _____ _____ _____

1. Correspondence Regarding Corporate Actions

The Depositor expressly declares that he/she herewith agrees that, notwithstanding any instructions provided to CREDIT SUISSE (hereinafter referred to as the "Bank") either in the "Contract for the Opening of an Account/Safekeeping Account" or otherwise, no correspondence relating to rights accruing on the Safe Custody Assets under equity, debt, rights, options and similar securities' offerings as the result of corporate restructurings, mergers, liquidations or acquisitions, dividend issuances, equity capital increases and/or any similar corporate finance activity (hereinafter referred to as "Corporate Actions") will be mailed or otherwise sent to any address of the Depositor in the United States. The Depositor further expressly declares that he/she assumes full responsibility for any consequences and possible damages that might arise from such handing of correspondence regarding Corporate Actions.

2. Instructions Regarding Corporate Actions

The Depositor expressly acknowledges that the Bank will not carry out instructions for the handling of Corporate Actions received from the Depositor or an authorized person if legal restrictions prevent such Corporate Actions from being offered or made available to or exercised by the Depositor or authorized person, as applicable.

This Declaration is subject to, and the Depositor expressly acknowledges, the applicable law and the place of jurisdiction provided in the General Conditions.

Place, date _____ _____

Signature _____ _____

[1] Joint account holders need to fill out and sign separate forms.

D-0025 Appendix 4, "Special Agreement with Non-US External Asset Managers that have US Person or US Taxpayer Clients" is Credit Suisse Form number 112 838 that may be found in the Credit Suisse intranet.

CREDIT SUISSE	FINANCIAL SERVICES	Date:	Page: 1 / 2	Appendix 5	D-0025

Re: Rules governing special situations involving US Persons

Set forth below are the rules governing special situations involving US Person clients that commonly arise. For further information, please consult the list of frequently asked questions in http://my.csintra.net/cl/ under CLK, US law, or contact the Legal & Compliance Department US Law Team CLK 1.

Overview

1. Community of heirs
2. Direct orders for execution by US brokers
3. Dormant accounts
4. Joint accounts
5. Ownership of 5% or more of a US publicly traded company
6. Powers of attorney
   6.1. Non-US Person as holder of PoA
   6.2. US Person as holder of PoA
7. US-registered broker-dealers as counterparties

1. Community of heirs

The fact that a community of heirs includes one or more US Persons does not result in treatment of the Safekeeping Account held in the name of the community of heirs as a whole as a US Person for purposes of this Directive.[1] However, in the event that an heir who is a US Person wishes to open his own account, the rules under this Directive shall apply.

2. Direct Orders for execution by US brokers

Direct Orders for execution by US brokers are governed by separate directive (currently, W-0126).

3. Dormant accounts

Communications with US Persons solely to determine or verify the client address for purposes of the prevention of dormant accounts do not fall under the General Rule as long as no Investment Advice or Solicitation is provided. Note in this regard that the discretionary management of dormant assets of a US Person by the bank will *a priori* preclude communications with the client into the US and therefore be compatible with the General Rule.

4. Joint accounts

If one or more holders of a joint account is a US Person, the entire account must be treated as a US Person.

5. Ownership of 5% or more of a US publicly traded company

If any client purchases or holds 5% or more of a US publicly traded company, the client must report this to the SEC and the issuing company on a form "13D" within 10 days of reaching this threshold. If Legal & Compliance is or becomes aware of this situation, it will notify the relationship manager responsible for the client and the relationship manager will inform the client of his reporting obligations. Until the client has provided evidence to the bank that he has reported this position in accordance with Section 13 of the Securities Exchange Act, no further purchases or sales in that particular security will be allowed.

6. Powers of attorney

6.1. Non-US Person as holder of PoA

[1] There may be Qualified Intermediary (QI) tax considerations also applicable to such accounts; see http://my.csintra.net.psiw5/uswh_t/uswht_allgemeines_d.htm or consult with GFT 2 in this regard for possible implications.

In general, the bank is permitted to accept and execute orders and instructions for securities trades from non-US Persons who hold powers of attorney relating to the account of a US Person unless we know that the holder of the power is acting at the behest of the US Person for purposes of circumventing the restrictions described in this Directive.

6.2. US Person as holder of PoA

The bank may not accept or execute orders and instructions for securities trades from a US Person who holds a power of attorney over the account of a non-US Person or US Person unless:

6.2.1. the General Rule is complied with at all times with respect to the holder of the power of attorney, i.e. no Investment Advice or Solicitation is provided to such person in violation of the General Rule, and

6.2.2. the holder of the power of attorney is an individual and is not acting in a professional capacity.

If the holder of the power of attorney is not an individual or is acting in a professional capacity, see section 7.1 in D-0025, "US EAMs".

7. US-registered broker-dealers as counterparties

Notwithstanding this Directive, the bank may solicit and effect transactions in securities with or for any US-registered broker-dealer, whether acting as principal for its own account or as agent for others.*

There may be Qualified Intermediary (QI) tax considerations also applicable to such accounts; see http://my.csintra.net/psiw5/uswh_t/uswht_allgemeines_d.htm or consult with GFT 2 in this regard for possible implications.

Application for authorised exception allowing management of client relationships outside market desks
- **Risk countries 1, 2 and 3** (see directive D-0027/W-1118)
- **USA** (see directive D-0025)
- **Hong Kong** (see directive W-0150, expected to enter into force as of 31.12.02)

Name/company:				
First name:			**CIF no.**	
Domicile in "risk country":	☐ owner ☐ beneficial owner		**Country of domicile:**	
Category:	☐ RC 1 ☐ RC 2 ☐ RC 3 ☐ USA ☐ Hong Kong			
AuM in CHF	0		**Domicile Origination code:** (only with trust/foundation)	0
Further CIFS connected with the above-mentioned CIFs				
The above-mentioned CIF is connected with following main CIF	**CIF no.**		**RM of main CIF** Surname, first name, unit code	**A111111**
Reasons for exception:				
Note concerning risk management:				
Information about area of responsibility:	**Unit code of area of responsibility** (team/sector etc.)		**Surname, first name of RM:**	
Date/signature RM:	Date:		Signature:	

Signature region/subdepartment head	**Management area** (area where risk country, USA or Hong Kong client will be advised)		**Market area** (area where country desk has responsibility)	
Surname, first name:				
Unit code/date:	Unit code	Date	Unit code	Date
Signature:				
Remarks:				

Routing for authorisation procedure:
This form must be forwarded via official channels to the authorising bodies (see page 2), together with the completed KYC, CA31 prints, AIS extract, etc..

Application for authorised exception allowing management of client relationships outside market desks

AUTHORISATION BY MARKET GROUP HEAD

(absolutely essential for all exceptions)

Signature market group/dept. head	**Management area** (area where risk country, USA or Hong Kong client will be advised)		**Market area** (area where country desk responsibility lies) signature **only** required in the case of disagreement, with country desk responsibility in different market group	
Surname, first name:	.....		.....	
Unit code/date:	Unit code	Date	Unit code	Date
Signature:	.....		.....	
Decision/remarks:	.....		.....	

Signatures required

1. When there is consensus between the management area regional head/subdepartment head and the market area regional head/subdepartment head, authorisation is only required by the market group head.
2. If there is disagreement between the management area regional head/subdepartment head and the marketing area regional head/subdepartment head, authorisation is required from both the management area and market area market group heads, in so far as the two OUs are not in the same market group/department.

AUTHORISATION BY MARKET AREA HEAD

(only in the case of disagreement between market group heads)

Signature division head	**Management area** (area where risk country, USA or Hong Kong client will be advised)		**Market area** (area where country desk has responsibility) signature **only** required when country desk responsibility in different division	
Surname, first name:	.....		.....	
Unit code/date:	Unit code	Date	Unit code	Date
Signature:	.....		.....	
Final decision	.....		.....	

In the case of disagreement between division heads the final decision lies with the division head of the market area.

Once the form has been completed:
Original to BRM Mgt Support (FOS) of the MG responsible
Copy to Business Risk Management (BRM) of the division responsible

Legend:

RC risk country
wB beneficial owner

CREDIT SUISSE

Confidential

Financial Results and Forecasts
February 2012

PBMC
March 2012

Confidential Treatment Requested by Credit Suisse

Confidential Treatment Requested by Credit Suisse

PB US-GAAP Overview

February 2012

in CHF m	YTD Feb-12	YTD Feb-11	Change Feb-11	Change Bdg 12	MTD Feb-12	Change Jan-12	Forecast Mar-12	Forecast Q1-12	Change Q1 vs bdg 12
Net revenues	**1'753**	**1'866**	**-6%**	**-5%**	**868**	**-2%**	**915**	**2667**	**-4%**
Provision for credit losses	**5**	**1**	**329%**	**-88%**	**1**	**-74%**	**17**	**22**	**-68%**
Operating expenses	**1'272**	**1'354**	**-6%**	**-3%**	**634**	**-1%**	**734**	**2006**	**2%**
Pre-tax income	**475**	**511**	**-7%**	**-4%**	**233**	**-4%**	**163**	**638**	**-14%**
Underlying Pre-tax income [1]	**475**	**511**	**-7%**	**-4%**	**233**	**-4%**	**225**	**700**	**-6%**
Key Indicators									
AuM, in CHF bn	951	960	-1%	1%	951	1%	958	958	2%
Cost / income ratio, in %	72.6	72.5	+0.1pps	+1.9pps	73.0	+0.8pps	80.3	75.2	+4.5pps
Gross margin WMC, in bps	108.9	114.9	-6.0bps	-5.9bps	108.2	-1.4bps	110.5	108.0	-6.8bps
Pre-tax income margin, in %	27.1	27.4	-0.3pps	+0.3pps	26.8	-0.6pps	17.9	23.9	-2.9pps
Net new assets, in CHF bn [2]	**1.3**	**13.3**	**-90%**	**-85%**	**0.7**	**24%**	**7.5**	**8.8**	**-33%**

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1) Underlying PTI excluding PAF 2 expenses of CHF 62m in March
2) Forecast based on NNA review by BAs as per 23rd March 12; including potential NNA from segment changes of approx. CHF 4.3bn in PB Americas; including NNA from BA Others of approx. CHF -0.3bn

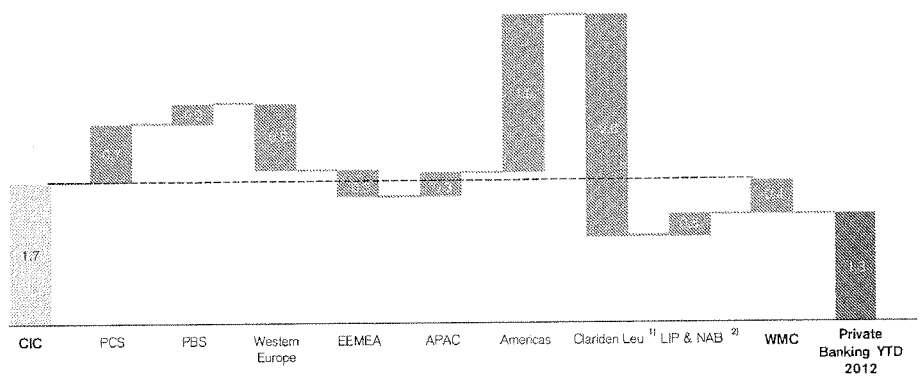
CS-SEN-00466069

NET NEW ASSETS

February 2012

WMC growth rate at -0.3% against ambition of 6%

Net new assets, in CHF bn



	CIC	PCS	PBS	Western Europe	EEMEA	APAC	Americas	Clariden Leu 1)	LIP & NAB 2)	WMC	Private Banking YTD 2012
Feb YTD											
vs. Budget	0.7	0.2	-0.7	-0.9	-1.7	-2.1	0.5	-3.6	0.2	[illegible]	[illegible]
vs. 2011	[illegible]	-0.6	-2.1	-1.3	-1.2	-1.4	-0.6	-3.9	-0.7	[illegible]	[illegible]
NNA growth	[illegible]	7.6%	1.0%	-3.4%	-1.9%	2.1%	8.0%	-17.4%	4.3%	[illegible]	[illegible]
Forecast											
Mar MTD 3)	[illegible]	-0.2	0.1	-0.3	0.1	1.1	-0.1	-0.4	-0.2	[illegible]	[illegible]
FC Q1 4)	[illegible]	0.8	0.7	-0.8	0.5	1.9	6.8	-3.3	-0.1	[illegible]	[illegible]

1) Excluding manufacturing NNA
2) Also including NNA from technical BAs
3) MTD actuals as reported by BI&S as per 18th Mar 12
4) Based on NNA review by BAs as per 23rd March 12; including potential NNA from segment changes of approx. CHF 4.3bn in PB Americas; including NNA from BA Others of approx. CHF -0.3bn

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CS-SEN-00466072

Confidential Treatment Requested by Credit Suisse

NET NEW ASSETS

February 2012

Q1 Forecast as provided by Business Areas

	January	February	March FC [1] (incl. reclass)	o/w March MTD [2]	Q1 12 FC [1] (incl. reclass)
C&IC	**1'132**	**559**	**500**	**175**	**2'191**
PCS	226	470	100	-172	796
PBS	505	-264	500	133	741
PB Western Europe	-197	-600	-3	-345	-800
PB EEMEA	-360	48	813	56	500
PB APAC	119	163	1'667	519	1'949
PB Americas	143	1'734	4'900	-111	6'778
Clariden Leu [3]	-988	-1'658	-616	-416	-3'262
NAB [3]	56	34	33	-39	123
PB ISP (LIP)	-55	231	-70	-148	106
WMC [4]	**-556**	**155**	**7'024**	**16**	**6'623**
Private Banking [4]	**576**	**714**	**7'524**	**191**	**8'813**

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1) Forecast includes potential NNA from segment changes of approx. CHF 4.3bn in PB Americas (not yet included in official NNA forecast towards Group FP&A)
2) MTD actuals as reported by BI&S as per 18th Mar 12
3) Forecast based on run rate
4) Including NNA from BA Others of approx. CHF -0.3bn

CS-SEN-00466073

To: Meister, Hans-Ulrich; Beeler, Markus; Brupbacher, Daniel; Dickenmann, Urs; Dunant, Monika; Franceschetti, Alberto; Fruithof, Barend; Gähwiler, Lukas; Gell, Christian; Honegger, Claude; Illy, Marco.M; Isenegger, Reto; Kurzmeyer, Hanspeter; Meier, Josef; Reicke, Agnes.F; Stadler, Hansruedi; Täschler, Claude

From: Ehret, Sven </O=CREDIT-SUISSE/OU=GL/CN=RECIPIENTS/CN=SVEN.EHRET>

Cc: Dougan, Brady; Berchtold, Walter; Bättig, Alois; Brunner, Christoph; DeChellis, Anthony; Dunant, Monika; Kreis, Marcel; Lacher, Romeo; Machate, Christian.G; Ott, Daniel; Vayloyan, Arthur; Schneider, Karel

Bcc:

Received Date: 2009-03-04 03:29:22 EST

Subject: 'Regional Management Board Switzerland incl. PBB specific items' dated February 26, 2009 - Minutes

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Ladies and Gentlemen,

On behalf of Karel Schneider please find attached the minutes of the 'Regional Management Board Switzerland incl. PBB specific items' dated February 26, 2009, along with the revised pending matters list. Please let me know should you have any comments.

Best regards,

Sven Ehret

1_minutes_regional_ch_20090226... 5_1a_pending_list_reg_pbb_2009...

Sven Ehret
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Attachments:

1_minutes_regional_ch_20090226_v1.pdf
5_1a_pending_list_reg_pbb_20090326_01.doc

CREDIT SUISSE

Regional Management Board Switzerland incl. PBB specific items
February 26, 2009

Date	Thursday, February 26, 2009; 08.00 – 14.50 h
Venue	Zurich, Paradeplatz 8, Boardroom, 4th floor
Participants	H.-U. Meister (HUM), Chair M.A. Beeler (MAB) D. Brupbacher (DB) * U. Dickenmann (UD) M. Dunant (MD) from 12.00 A. Franceschetti (AF) B. Fruithof (BF) L. Gähwiler (LG) Ch. Gell (CG) * C. Honegger (CH) * M. Illy (MI) * R. Isenegger (RI) H.P. Kurzmeyer (HPK) J. Meier (JM) A. Reicke (AR) * H.R. Stadler (HRS) C. Täschler (CT) K. Schneider (KS), Minutes * Participants Part A only **Excused:**
Item Related Participants: Part A	H. De Miranda Jordao / A. Gier (item 3.1.), Th. Schulz (item 3.4.)
Item Related Participants: Part B	none
CC: Parts A + B	CEO CS, CEO PB, Members of PB MC

The Chairman:
sig. Hans-Ulrich Meister

Minutes:
sig. Karel C. Schneider

CREDIT SUISSE

Regional Management Board Switzerland incl. PBB specific items
February 26, 2009

Agenda

Part A, Regional Management Board Switzerland			
Item #	**Issue**	**Item #**	**Issue**
1.	**CEO Matters**	3.3.	Compliance - Policies and Trainings
1.1.	CEO Matters / Minutes	3.4.	Opportunities in the Swiss Warrants Business
2.	**Reporting**	**4.**	**HR Matters**
2.1.	Performance Review and Comments by BA Heads / Segment Heads	4.1.	Update on HR matters
2.2.1.	Regional COO Matters	4.2.	Employee Engagement Survey 2008 – Measures taken / planned
2.2.2.	IT Switzerland	4.3.	Top Talents Region Switzerland *
2.2.3.	Communications Update	4.4.	HCP Calibration / HCP 2009 *
2.2.4.	Legal & Compliance	4.5.	Promotion Criteria 2009 *
2.3.	Credit Risk Management	**5.**	**Varia**
3.	**Strategy / Initiatives**	5.1.	Pending Items
3.1.	Results from Service Monitor PBB CH 2008	5.2.	Miscellaneous
3.2.	Project RATOC (Review of Access to Client Data)		

* Department Heads only / Without minutes

Part B, Private & Business Banking / PBB specific items			
Item #	**Issue**		
1.	**Miscellaneous**	**2.**	**Private Session**

CREDIT SUISSE

Regional Management Board Switzerland incl. PBB specific items
February 26, 2009

Part A		
Item #	**Issue**	**- Document - Pending item**
1. **1.1.**	**CEO Matters** **CEO Matters / Minutes** HUM welcomes the Board members and informs resp. comments on the following important topics: ▪ UBS's appointment of Oswald J. Grübel as CEO. ▪ UBS settlement with the US Department of Justice (DOJ) and the Securities and Exchange Commission (SEC) and the respective significance/consequences for CS and its business activities. HUM highlights, that at the time being there are no related investigations with CS and all current evidences as well as the overall initial situation at UBS can't be compared with CS's set up at all. ▪ Envisaged reorganization/realignment of UBS's Swiss Business as announced by UBS earlier in February. ▪ Upcoming meeting (organized by Public Policy) of HUM together with Walter B. Kielholz and Walter Berchtold with leading representatives and members of the Swiss political party CVP. ▪ Financial results/development in the first couple of weeks in 2009. These have been quite satisfying for most business areas within the region Switzerland so far and HUM expresses his hope that the positive drive keeps going and that CS will be able to proof with Q1/09 results that the bank works profitable, business is 'under control' and positive outlooks - as given earlier- can in fact be met. As a key element therein, he declares a positive NNA trend to be crucial. He therefore invites the Board members to keep on using all business opportunities arising from the current market/competitors-environment within their areas of responsibility. ▪ Swiss press releases with comments by N. Hayek Senior on 'large Swiss banks'. ▪ Upon questioning by LG the Board discusses in brief and HUM gives his point of view/endorsement on 'reciprocal NNA conditions' if credit-clients are getting granted any (pricing-) concessions and/or other exceptions with their loan/credit application. ▪ Intention/plans to possibly increase the number of apprentices in Switzerland as well as the aim to increase the percentage of apprentices getting a permanent employment at Credit Suisse after the termination of their apprenticeship. The minutes of the December 19, 2008 Regional Management Board Switzerland incl. PBB specific items Meeting are approved.	Document 1
2.1.	**Performance Review Region Switzerland Core and PBB Switzerland** MAB updates on the Region Switzerland Core and PBB Switzerland January 2009 financial results (compared to December 2009):	

CREDIT SUISSE

Regional Management Board Switzerland incl. PBB specific items
February 26, 2009

Part A		
Item #	**Issue**	**- Document - Pending item**

	Region Switzerland:
	▪ Core Region pre-tax income reached CHF 276m (CHF -9m vs. Dec 08) resulting from net revenues of CHF 656m, provisions for credit losses of CHF -6m and operating expenses of CHF 374m (CHF +103m vs. Dec 08 mainly due to higher bonus accruals after bonus releases in December and higher charges).
	  ▪ IB PTI increased by 110m especially influenced by valuation gains in the Equity Derivatives business (+24m), high client flow in Credit Trading (+17m) and Syndicate Primary Trading (+11m) due to several bond issuances. Further currency gains within Strategic Transactions held with IHAG (IB Other) improved revenues compared to December by 47m. Higher costs, due to increased bonus accruals influenced the result negatively with -35m.
	  ▪ PBB PTI decreased by 82m due to 62m lower treasury result (incl. CDS Clock -40m) and 30m higher bonus accruals. A positive impact resulted from 15m lower provisions for credit losses as well as CHF 11m higher interest income from corporate finance and Ship Finances within Corporate & Institutional Clients.
	  ▪ AM PTI decreased by 36m driven by CHF 29m higher bonus accruals and increased cost allocations of 10m, while revenues were nearly stable.
	▪ NNA amounted to CHF 1.0bn and were fully driven by AM. The main contributor was Alternative Investments with CHF 1.2bn (affected by the inflow in Indexed Products from 2 clients), while Global Investors and MACS reported outflows of CHF -0.1bn each.
	
	PBB:
	▪ Net revenues went down by CHF -66m to CHF 443m. The main driver was treasury, which decreased by CHF -62m (CDS Clock revenues down by CHF -40m). Business driven interest income increased by CHF 13m, whereof CIC CHF 11m (positive USD-Impacts, high revenues out of Corporate Finance Deals [mainly Project 'Labrador', CHF +5m] and a positive development of Ship Finance upfront-fees. Lower forex trading revenues of CHF -6m were partially compensated by CHF 3m higher RSA 70 (Change).
	▪ Provision for credit losses decreased by CHF 15m mainly affected by CHF 10m lower creations of FAS 5 reserves compared to previous month and CHF 6m lower provisions within NAB (provision built in December for one case of CHF 4m).
	▪ Operating expenses increased by CHF 31m. The major reason for the cost increase was situated in CHF 30m higher bonus accruals (CHF 33m vs. CHF 3m in December). Further charges from were CHF 5m higher, while other running expenses (T&E and advertising) declined by CHF -6m and provision and losses went down by CHF -3m (2 cases booked in December).
	▪ Pre-tax income went down by CHF -82m reflecting lower revenues and massively higher costs, despite decreased provisions for credit losses.
	▪ AuM remained at previous month level of CHF 263.7bn and were driven by forex movements (CHF 2.8bn), interest and dividends (CHF 0.3bn), market performance (CHF -2.6bn) and structural effects (CHF -0.5bn).
	▪ NNA was slightly positive, while CIC contributed CHF 0.5bn (Institutional Clients CHF 0.7bn) and PCS CHF 0.2bn, NAB reported CHF -0.6bn and PBS CHF -0.1bn.
		Document 2

CREDIT SUISSE

Regional Management Board Switzerland incl. PBB specific items
February 26, 2009

Part A		
Item #	**Issue**	**- Document - Pending item**

	▪ Upon questioning by BF the Board discusses various aspects related to 'Cost of ERC'. As there are some concerns to be further clarified HUM asks RI to analyze the situation and discuss the topic together with MAB and BF as well as address any resulting/remaining issues/concerns to Christoph Brunner.
	
	IB:
	▪ Net revenues increased by CHF 147m to CHF 165m.
	  ▪ Swiss Trading revenues went up by CHF 50m to CHF 131m. Equity Derivatives increased by CHF 24m and realized the first positive result since September driven by valuation gains on alternative investments. Credit Trading reported good client flow and profited from positionings in emerging markets pushing revenues up by CHF 17m. Syndicate Primary Trading reported several new issues (e.g. Pfandbriefbank, City of Zurich, ZH Flughafen) and increased revenues by CHF 11m accordingly. The result was lowered by CHF -13m partially due to tax adjustment at Strategic Tax in December. Prime Banking revenues went down by CHF -1m to CHF 21m, still profiting from high lending spreads.
	  ▪ IBD Swiss booked revenues went up by CHF 2m to CHF 2m due to slightly higher M&A and Strategic Advisory revenues.
	  ▪ IB other went up by CHF 95m primarily driven by strategic transactions held with IHAG (International Holding AG) due to favorable FX movements, impact CHF 47m. FVO on CS bonds increased by CHF 14m due to change in reporting method, going forward FVO will be disclosed within corporate center. Fair value on corporate loans and the provision offset for Landsbanki in previous month had a positive effect of CHF 12m each.
	▪ Provision for credit losses increased by CHF 2m to meet FAS 5 requirements.
	▪ Operating expenses increased by CHF 35m to CHF 82m. The main impacts were CHF 27m higher bonus, CHF 10m from reclassification of Solution Partners bonus components in December and CHF 3m special awards (mainly PAF). The cost base was lowered by commission expenses CHF -3m, business solutions/projects, occupancy and advertising each CHF -1m.
	▪ Pre-Tax income increased by CHF 110m to CHF 82m driven by the strong revenue increase, despite higher costs.
	
	AM:
	▪ Net revenues were CHF 48m, slightly up by CHF 1m compared to previous month. The main positive impact resulted from the reversal of an incorrect November MIS credit in December related to the regional revenue split between Switzerland and APAC of CHF 6m. This effect was nearly offset by CHF 2m higher trading losses at Enith (loss of CHF -4m vs. CHF -2m in December) and CHF -3m resulting from a reallocation of Seed Money trading losses to the US in December.
	▪ Provisions for credit losses remained stable at previous month level.
	▪ Operating expenses went up by CHF 37m. The main drivers were CHF 29m higher bonus accruals (December was affected by year-end bonus adjustments; bonus releases) and CHF 10m higher cost allocations (due to lower charges from PB, CSG Corporate Management and lower global legal allocations, primarily due to the year-end review process).
		RI

CREDIT SUISSE

Regional Management Board Switzerland incl. PBB specific items
February 26, 2009

Part A		
Item #	**Issue**	**- Document - Pending item**
	▪ CHF 5m higher employee compensations (mainly from PIP credits in December) were more than offset by CHF -7m lower professional fees (December incl. CHF 5m consulting accruals for Nelson, as well as lower other consulting and audit fees of CHF -3m). ▪ Pre-Tax Income went down by CHF -36m to CHF 3m driven by higher bonus accruals and increasing cost allocations. ▪ AuM went up by CHF 1.5bn to CHF 248.2bn and was driven by FX movements CHF 2.3bn, NNA CHF 1.0bn, market performance CHF -1.5bn and structural effects CHF -0.3bn (transfers of Swiss Index Products to Commodities US). ▪ NNA of CHF 1.0bn were reported. The main contributor was Alternative Investments with CHF 1.2bn (affected by the inflow in Indexed Product from 2 clients), while Global Investors and MACS reported outflows of CHF -0.1bn each. CIS: ▪ Revenues went up by CHF 13m to CHF 76m, driven by CHF 10m higher result from Fixed Income (due to very strong new issue demand in Swiss Franc and also excellent traction on the secondary front) and CHF 8m higher Equity Sales result after a weak December. FX Sales down by CHF -5m due to slow start into 2009. Volatility stays but clients were more on the defensive side. More activities in the second half of the month though. Budget relevant revenues YTD reached CHF 68m and were 4% above budget or 14% above previous year level. ▪ Costs increased by CHF 18m (December was affected by bonus accruals releases) and led to a total contribution of CHF 68m which was CHF -5m below previous month level. Further on MAB informs on the following (preliminary) outlook for February 2009: Region Switzerland ▪ Pre-Tax income: February will result below January level, YoY -17%. PBB ▪ PBB is estimated to result slightly below January level in terms of performance relevant P&L, with direct revenues -2% below January. Treasury and bonus accruals can lead to unpredictable fluctuations. IB ▪ PTI is estimated to be lower than in January, which was influenced by some positive one-offs. Nevertheless Swiss Trading will result approximately on January Level. ▪ IB Swiss Trading revenues reached CHF 86m as of 20.02.2009 (no budget available as per today). In Equity Cash & Derivatives, the Alternative Investment Desk reached CHF 28m revenues driven by various redemptions of approx. USD 1.1bn in the 3rd week of February. Within FID, Swiss Credit Trading (strong issuance and trading volumes) reported CHF 17m, while Syndicate Primary reported CHF 7m. Further Short Term Interest Trading (CHF 9m revenues) profited from lower yields, low funding and from EUR/USD forwards moving to the left up to 6 month.	

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Regional Management Board Switzerland incl. PBB specific items
February 26, 2009

Part A		
Item #	**Issue**	**- Document - Pending item**
	AM ▪ AM pre-tax income will reach approx. CHF 11m after weak January result of CHF 3m. Due to market downturns, especially Enith could negatively affect the result and report additional losses from NAV decreases of warehouse funds. Additionally the cost allocations can lead to unpredictable fluctuations. NNA ▪ PBB: CHF 0.4bn (whereof CIC CHF 0.5bn, PCS CHF 0.1bn, PBS CHF -0.1bn). ▪ AM: NNA is difficult to predict as fully information is not available before month end. Furthermore and alongside three separate presentations (handed out and to be published on the CUG) MAB gives the Board a brief head up and overview on the following topics: ▪ Corporate & Institutional Clients: January 2009 results and Q1/09 outlook. ▪ PBB Switzerland: New RM and RM leavers results FY 2008. ▪ PBB Switzerland: Performance relevant costs January 2009. **Selected Comments by BA Heads / Department Heads** **Corporate & Institutional Clients Switzerland** BF highlights the following C&IC matters: ▪ Won Custody award (by a narrow margin towards UBS). ▪ Successful business meeting with Swissmem together with the Swiss Bankers Association in order to discuss the topic 'credit crunch'. ▪ Declining revenues mainly due to the strongly decreasing reference interest rates. ▪ Whereas the course of business within the area of large corporates is quite good and rather active with institutional clients, demands from SME's as well as revenues within the area of financial institutions are clearly declining due to the current market environment. In order to address some of the resulting threats, there are currently ongoing road shows (together with CRM PB) in order to address loan pricing concerns with SME's on one hand and – on the other hand - a new FI strategy has been elaborated (which will be presented to HUM shortly). ▪ Related to two recently declined RRRP cases, BF points out that as in consequence the respective revenues won't be realized. HUM states that - whenever an underlying business could possibly and in any way pose a reputational risk to the bank – revenues should never be an argument.	 Document 3 Document 4 Document 5

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Regional Management Board Switzerland incl. PBB specific items
February 26, 2009

Part A		
Item #	**Issue**	**- Document - Pending item**
	Private Clients Switzerland HPK highlights the following PCS matters: ▪ Satisfying course of business for PCS so far (i.e. slightly above PY; NNA within budget and positive outlook for February). ▪ Mortgage-business is doing surprisingly good albeit peer pressure remains enormously tight. ▪ Observations can be made, that lines at UBS counters are getting 'longer' over the last couple of days. ▪ Only few reactions to the current 'bank secrecy topic' received so far. ▪ Successful launch and development of PCS's 'SPIRIT' program; overall a good mood/morale among PCS employees can be noted. ▪ BankNow within budget and Swisscard with a satisfying course of business. **Private Banking Switzerland** UD highlights the following PBS matters: ▪ One staff leave to be complaint about. ▪ Clearly declining revenues and ongoing loss of mandates. Strong peer pressure. ▪ Slightly negative NNA development (mainly driven by a few but large transactions). ▪ Necessary budget restatement (i.e. costs/headcounts) in the area of 'tourist-spots'. **NAB** JM highlights the following NAB matters: ▪ Revenues below budget; costs as well as income from interests within budget and clearly missing revenues from commissions. ▪ Reclassification within NNA. ▪ Press Conference on YE results took place on February 24, 2009. **Corporate and Institutional Sales Switzerland** HRS highlights the following CIS matters: ▪ Strong business within the area of FI (i.e. best January ever and clearly #1 in Switzerland together with trading). ▪ Aside rather slow start into 2009 with no significant 'big deals' and low(er) business activities with SMEs (a.o. decreasing FX business mainly due to increasing terms/maturities). ▪ EQ Cash: variance swap for pension fund generating ARC of CHF 2m.	Document 6 Document 7

CREDIT SUISSE

Regional Management Board Switzerland incl. PBB specific items
February 26, 2009

Part A		
Item #	**Issue**	**- Document - Pending item**
	Swiss Trading / Investment Banking Switzerland CG highlights the following IB Trading Switzerland matters: ▪ Budgets not yet final. ▪ Strong business in January and positive outlook for February (i.e. YTD revenues substantially above last year). ▪ Various international and domestic transactions within the area of syndicate primary trading producing substantial volume as well as profit (a.o. the largest ever single tranche corporate bond TTMC to launch in the CHF market). ▪ Awarded to the 'Best FX Bank Switzerland' by the Institutional Investors Magazine and furthermore received the 'Swiss Franc Bond House of the Year' award. ▪ DCM/Syndicate/Primary: the new global hard cash revenue split between IB Securities and IBD (50/50) is not appropriate for the Swiss DCM / Syndicate business as it does not adequately reflect the contribution of the functions involved.	Document 8
	IBD / Investment Banking Switzerland MI highlights the following IBD Switzerland matters: ▪ Good start into 2009 (i.e. 30% of budgeted mandates for 2009 already logged in) with 'bond issuance' mainly dominating IBD's business activities. ▪ Pleasingly, mandates are also won for new clients (alongside new mandates assigned by existing bank customers). ▪ Positive business outlook/pipeline with expected mandates for 'capital increases' and 'convertible bonds' to be announced/decided/approved by the upcoming (in the following months) companies 'general assemblies'. ▪ Furthermore there are also 'M&A' deals in the business pipeline for early summer 2009.	
	Asset Management Switzerland DB highlights the following AM Switzerland matters: ▪ Loss of mandates mainly within the profitable 'smaller' client segments. Nevertheless this loss of revenues can be decompensated by new/increased business with 'larger' clients. ▪ Decreasing margins as main topic with institutional clients. ▪ Huge interest by investors in the reopened 'CSA Real Estate Switzerland' investment possibility. Following this big success (i.e. buying interest for subscriptions was over CHF 1.1 bn or 5 times more than the fixed maximum investment volume over CHF 200m) AM is currently evaluating similar investment products. HPK points out, that PCS employees unfortunately often don't know about such interesting investment possibilities for their clients.	Document 9

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Regional Management Board Switzerland incl. PBB specific items
February 26, 2009

2.2.1.	**Regional COO Matters** RI gives the Board a short up-date on and informs about the following main topics and/or Swiss Regional COO Matters: ▪ Status of the IT budget 2009 – a solution for IB Trading platform funding could be achieved thanks to support from CFO/CIO area which is critical for PB flow business. ▪ Status related to: 'Lehman', 'Madoff' and 'Stanford' (no minutes are being taken).	
2.2.2	**IT Switzerland** CH informs the Board in brief about ▪ the major deployments during the Deployment Cycle 1/2009 (weekend of February 14/15) as well as the major exceptions during or after these deployments, ▪ the successful production of tax reports which were printed, packed and shipped between February 13 and 15, ▪ the main reasons for the massive TEV delay on February 24 and ▪ the successful prevention of a skimming attack to a Cash Service ATM last Sunday (thanks to a new and special anti-skimming IT software).	Document 10
2.2.3.	**Main Communication Activities** MD informs the Board in brief on the current main communications topics as for example 'the US offshore banking business issue', 'Madoff' and 'Stanford' as well as the upcoming 'off the records' meetings of HUM with selected media representatives (NZZ and FuW).	Document 11
2.2.4.	**Legal & Compliance** AR gives the Board a short up-date on and informs about the following main Legal & Compliance topics: ▪ REDACTED ▪ Status up-date project 'Summer'. ▪ Status related to 'Lehman', 'Madoff' and 'Stanford'. ▪ Erwin Grob, currently head Legal Private Banking and Private Clients Switzerland, will be taking on a new role within PB COO as head of the new 'PB Regulatory and Business Risk Mgmt' department, effective March 1. Thomas Brändli, currently Erwin Grob's Deputy, will become his successor.	

2.3.	**Credit Risk Management Private Banking** LG informs the Board in brief about the overall increased credit risk exposure in January 2009 (mainly USD FX related) and an increasing number of positions to be found on the CRM PB special focus/watch-list. In this context LG highlights selected major cases from this list (most from the business areas 'ship finance', 'aircraft finance' and 'commodity trading') and points out at the importance of a careful financial analysis of our clients. Particularly with respect to the special businesses mentioned above, the clients capability to top-up is key for our success. According to LG the cases are representative for the overall changed risk environment with an increasing number of possible credit losses and provisions to be made.	
3. 3.1.	**Strategy / Initiatives** **Service Monitor Results** After a short introduction by RI, Helena De Miranda Jordao and Alexander Gier give the Board an overview on the results from the 'Service Monitor PBB CH 2008' which can be summarized as follows: ▪ Client Insight Management continuously listens to clients and prospects to ensure that their perspectives are heard and used to influence the most important decisions within Credit Suisse. A flagship initiative is 'Service Monitor', Credit Suisse's yearly benchmarking survey with clients from PBB CH and the major international locations. ▪ The financial crisis created a lot of uncertainty with the clients, and the reputation of Credit Suisse has suffered ever since. However, the two Client Metrics 'Global Satisfaction' and 'Net Promoter Score' remained fairly stable in PCS and C&IC in 2008, but deteriorated in PBS where clients are more directly exposed to the downturn of the financial markets. ▪ While the findings and implications - that were presented in detail - vary across the three segments, there is a common insight: in a time of crisis and uncertainty, clients are longing for increased interaction with their advisor. It is therefore crucial to ensure that the advisors become even more active in contacting their clients now, as they might turn to other banks if nobody gets in touch with them.	Document 12

3.2.	**Project RATOC (Review of Access to Client Data)**
	The Board takes note of the presentation on the Project 'RATOC' by RI which can be summarized as follows:
	▪ At the end of November 2008, project 'RATOC' was launched to bring Credit Suisse's approach to Client Data Confidentiality to the next maturity level. The project scope encompasses all client data governed by Swiss law and regulations.
	▪ To date, the project team has:
	  ▪ developed a comprehensive Data Confidentiality Capability Framework.
	  ▪ identified and prioritized risk areas for further investigation by screening (on a best effort basis) the universe of Credit Suisse processes, applications and IT infrastructure for relevant Client Identifying Data as well as by consolidating and assessing reported risk items.
	  ▪ identified a set of 13 Quick Wins ready for implementation and reiterated the role of project AURA (Application-based User Rights and Administration) to significantly enhance user access control.
	  ▪ developed a Roadmap for Client Data Confidentiality going forward
	  ▪ received the required funding from the PB RMC and has been asked to start implementation.
		Document 13
		Document 14

CREDIT SUISSE

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February 26, 2009

3.3.	**Policies and Trainings – Information about important Compliance Issues** AR informs and updates the Board (and the Board discusses in brief) on the status and content as well as the importance of the following existing and/or recently updated compliance policies and related trainings: ▪ Personal Account Trading. ▪ Global Mandatory Compliance E-Learning Modules. ▪ Required Leave Policy. ▪ Global Cash Deposits Policy.	Document 15
3.4.	**Swiss Warrants Business** After a short introduction by CG Thomas Schulz gives the Board an overview on the opportunities in the Swiss Warrants Business which can be summarized as follows: ▪ Current trends in the distribution of warrants issued by Credit Suisse indicate that CS needs to re-visit the set-up and strategy within this market. ▪ The analysis of the periods H2/2007 to FY/2008 show that PB turns over warrants of approximately CHF 1.8bn p.a., thereby generating roughly CHF 12.7m in commission revenue p.a.; CS warrants make out about 7% of the internal warrants market. Warrants of issuers such as 'Vontobel' and 'Deutsche Bank' continue to enjoy high ranking status with our clients. ▪ CS warrants represented approximately 6.6% of the Swiss warrants market turnover in 2008. ▪ CS has a comprehensive product offering and very attractive pricing. ▪ As the events of the financial crisis have unfolded, some of CS' competitors are weakened (e.g. Deutsche Bank) - it therefore now is the time to take advantage by strengthening the position of Credit Suisse - warrants are the first products to pick up recovering demand in a post-crisis time. ▪ IB Switzerland wants to become a Top 3 player in the Swiss warrants market by 2010 – a successful warrants business in Switzerland is a prerequisite for entry into the even more attractive German market for listed structured products (revenue potential of ca. CHF 50m - 100m p.a.). Only by proving that CS is a credible provider in the Swiss warrants market, IB Switzerland can ask to build up this German business. ▪ In order to gain higher market penetration, CS needs to strengthen the presence both internally and externally by creating more awareness of our strong product platform (i.e. ca. 1600 outstanding warrants and the capability to issue hundreds more per month). This becomes possible by more actively marketing products via existing internal and external channels and increasing concerted sales activities by IB Trading, PB Product Management, and CIS. ▪ IB Switzerland therefore would actually request top down commitment / sponsorship together with assigned responsibility and dedicated headcount in IB (Warrants Product Manager) with access to internal RM's and IC's, as well as external clients, embedded as a product specialist in the client centricity model, working in close cooperation with CIS and PB ISP. After a brief discussion by the Board, HUM asks RI to support Thomas Schulz to connect with the relevant stakeholders within PB if requested so. RI proposes that the required funding of 100k IT budget is financed out of the newly agreed budget for the IB platform Switzerland.	Document 16 RI

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4. **4.1.**	**HR Matters** **Update on HR Matters** After a brief discussion by the Board on various unsatisfying issues related to 'HR Transformed', CT gives the Board a brief update on the HR Cockpit for January 2009 and the following other HR topics: ▪ Promotions (final figures and title structure). ▪ MyPerformance (Year End review 2008 and objective setting 2009). ▪ Pension Fund (important Board of Trustees decisions).	Document 17
4.2.	**Employee Engagement Survey 2008 – Measures taken / planned** CT summarizes/recapitulates in brief the results of the 'Employee Engagement Survey 2008' and presents the planned corresponding actions/measures that will be taken by the individual departments and BAs. After a short discussion by the Board, it is decided to keep the suggested action area 'Processes' for PBB CH on a dept. level.	Document 18 Document 19
4.3.	**Top Talents Region Switzerland** Department Heads only / No minutes are being taken.	Document 20
4.4.	**HCP Calibration / HCP 2009** Department Heads only / No minutes are being taken.	Document 21 Document 22
4.5.	**Promotion-Criteria 2009** Department Heads only / No minutes are being taken.	Document 23
5. **5.1.**	**Varia** **Pending Items** ▪ The pending item 18/08 (as discussed in the Regional Offsite Meeting in January 2009) and the pending item 17/08 can be closed.	Document 24
5.2.	**Miscellaneous** ▪ KS informs the Board on the planned 'Regionenbesuche' by Christoph Brunner; he will send the corresponding programs/schedules to BF, UD and HPK.	

Part B, Part B, Private & Business Banking / PBB specific items		
Item #	**Issue**	**- Document - Pending item**
1.	**Miscellaneous** Department Heads only / No minutes are being taken.	
2.	**Private Session** Department Heads only / No minutes are being taken	

CREDIT SUISSE

Regional Management Board Switzerland incl. PBB specific items
February 26, 2009

List of Meeting Documents published on the closed user group or distributed/presented – February 26, 2009

Doc No.	Title
1	Minutes of the Regional Management Board Switzerland incl. PBB items Meeting December 19, 2008
2	Reporting Region Switzerland Core and PBB Switzerland – January 2009
3	Corporate & Institutional Clients – Kurzanalyse Ergebnis January 2009 und Outlook Q1/2009
4	PBB Switzerland – New RM and RM Leavers results FY 2008
5	Performance Analysis – PBB Performance Relevant Costs 01/2009
6	Corporate and Institutional Sales Switzerland – Status January 2009
7	Monthly CIS Switzerland Report – Summary Pack – YTD January 2009
8	IB Trading Switzerland Highlights January 2009
9	Financial Overview – AM Switzerland (January 2009)
10	IT Update: DC 1/2009 Overview, Tax Reports
11	Main Communications Activities March 2009
12	Client Retention and Acquisition During Financial Crisis: Results from Service Monitor PBB CH 2008
13	Project RATOC (Review Access to Client Data): Progress Update
14	Project RATOC: Quick Win Charter
15	Compliance Policies & Trainings
16	Opportunities in the Swiss Warrants Business
17	HR Information
18	Employee Engagement Survey 2008 Measures taken / planned: BA Private & Business Banking Switzerland
19	Employee Engagement Survey 2008: Measures planned in Departments
20	Top Talents Region Switzerland
21	HCP - Calibration
22	Human Capital Process 2009
23	Promotion Criteria 2009
24	Pending list Regional Management Board Switzerland incl. PBB items

To: Bagios, Chris (CSPA) <chris.bagios@credit-suisse.com>; Bergantino, Michele (CSPA) <michele.bergantino.2@credit-suisse.com>; Broennimann, Marc (CSPA) <marc.broennimann@credit-suisse.com>; Fritz, Thomas (CSPA) <thomas.fritz@credit-suisse.com>; Hohermuth, Oliver (CSPA) <oliver.hohermuth.2@credit-suisse.com>; Knoepfel, Andreas (CSPA) <andreas.knoepfel@credit-suisse.com>; Kueenzi, Pascal (CSPA) <pascal.kueenzi@credit-suisse.com>; Marty, Rene (CSPA) <rene.marty@credit-suisse.com>; Ruettimann, Beat (CSPA) <beat.ruettimann@credit-suisse.com>; Soni, Deepak (CSPA) <deepak.soni@credit-suisse.com>; Tolentino, Abigail (CSPA) <abigail.tolentino@credit-suisse.com>; Vetsch, Hans.J (CSPA) <hans.j.vetsch@credit-suisse.com>; Yavuz, Asli (CSPA) <asli.yavuz@credit-suisse.com>; Kamm, Maya (CSPA) <maya.kamm@credit-suisse.com>; Koutras, Michael (CSPA) <michael.koutras.2@credit-suisse.com>
From: Isarin, Richard (CSPA) </O=CREDIT-SUISSE/OU=GL/CN=RECIPIENTS/CN=RISARIN>
Cc: Freeze, Christopher (CSPA) <christopher.freeze@credit-suisse.com>
Bcc:
Sent Date: 2009-09-21 09:29:50 EST
Subject: FW: Clients without US sec. or only cash accounts

All,

REDACTED

Best,

Rick

-----Original Message-----

From: Isarin, Richard (CSPA)

Sent: Tuesday, July 07, 2009 3:59 PM

To: # CSPA SALN 61 Sales

Cc: Freeze, Christopher (CSPA); Kamm, Maya (CSPA)

Subject: Cash transfer clients

REDACTED

REDACTED

Rick

From: Isarin, Richard (CSPA)
Sent: Monday, May 25, 2009 9:10 AM
To: # CSPA SALN 61 Sales
Cc: Kamm, Maya (CSPA); Freeze, Christopher (CSPA)
Subject: Fw: Clients without US sec. or only cash accounts

All,

REDACTED

This only applies to new openings effective immediately. The rule is that the RM effectively vouches for his clients declared status. If in future there is a tax issue with the account, then the RM will be held accountable. If the cash is temporary, if the client provides you with tax return copies, if the client sells non-US securities, then there is no need.

NFS does report proceeds of non-US securities sales. The 2008 ones have already been reported to the IRS.

Best,
Rick

From: Marty, Rene (CSPA)
To: Isarin, Richard (CSPA)
Sent: Mon May 25 02:27:34 2009
Subject: RE: Clients without US sec. or only cash accounts

she must be joking...

From: Isarin, Richard (CSPA)
Sent: Wednesday, May 20, 2009 4:29 PM
To: Vetsch, Hans.J (CSPA); Marty, Rene (CSPA); Kamm, Maya (CSPA)
Subject: FW: Clients without US sec. or only cash accounts

From: Grob, Christina
Sent: Tuesday, May 19, 2009 4:54 PM
To: Isarin, Richard (CSPA)

Cc: Vetsch, Andrea
Subject: Clients without US sec. or only cash accounts

Rich

REDACTED

With best regards
Christina

Christina Grob
Director
CREDIT SUISSE
TTSB
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Phone: +41 1 333 59 47
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CREDIT SUISSE

Revised May 13, 2005

Credit Suisse
NEW YORK Representative Office
Statement of Scope of Activities

This Statement of Scope of Activities ("Statement") governs the scope of activities of the Credit Suisse NY Representative Office ("Rep Office") and lays down basic guidelines in this respect for the Representative and staff of the Rep Office (the "Rep").

This Statement applies to the activities of the Rep at all times, regardless of whether he/she is located in or outside the United States.

1 In general

The Rep Office is limited to engaging in representational and administrative functions, such as soliciting new banking business and acting as liaison between any Credit Suisse branch worldwide and clients in the U.S. The Rep does not have the authority to make any business decision for the account of the head office of Credit Suisse (the "Head Office"), including contracting for any liability on the latter's behalf.

2 Representational and administrative functions

- The Rep Office is primarily a point of contact for clients and prospects of Credit Suisse in the United States. The Rep may answer general questions regarding Credit Suisse Group and its subsidiaries (the "Group"), give out general information (such as annual reports, addresses, phone numbers) and pass on inquiries to the appropriate business divisions and offices of the Group.
- The Rep acts as a liaison between the Rep Office and the other business divisions and offices of Credit Suisse and its subsidiaries.
- The Rep may participate in events within the Swiss American business community (i.e. Swiss Society, Swiss-American Chamber of Commerce, etc.)

3 Marketing

- The Rep solicits primarily banking business on behalf of Credit Suisse and may also solicit commercial banking transactions. (Such solicitation, however, may not involve deposits or deposit-type liabilities.)
- The Rep may solicit new banking business and call on potential and existing clients, but must be careful to accurately describe his/her role: a client liaison and not an account manager. (The account manager is located at the Credit Suisse branch where the account is maintained.)
- The Rep may describe and explain the services offered by Credit Suisse.

4 Investment Advice and Solicitation of Securities Transactions

- Under no circumstances may the Rep provide investment advice to or solicit any securities transactions from prospective or existing client.
- Clients may be provided with statements of their accounts, as appropriate.

5 Deposits

- The Rep may not accept cash or checks for deposit.
- The Rep may provide wire transfer related details (such as Credit Suisse's routing number) and provide the name and address of the branch location where receipt of deposits may be made.
- The Rep may not complete related forms on behalf of the client.

6 Loans

- The Rep may solicit loans for Credit Suisse in principal amounts of at least USD 250,000 and assist in applications for such loans as long as the approval for the loans is made at the respective branch.
- No money is disbursed at the Rep Office and no repayments are made to or via the Rep Office.

7 Records

- The Rep Office does not retain client account information or data but may retain limited client details to assist in client contacts and communication.

8 Computer Access

- The Rep Office does not have online capabilities or online access to cash, safekeeping or related client accounts at booking centers.

9 New Clients

- In the course of soliciting clients, the Rep may be asked about overseas account services and may also be asked for assistance in the opening of an overseas account. The Rep must be sensitive to a number of issues before facilitating an account opening.

1 - What is the purpose for opening such an account? If the client indicates that he/she intends to avoid paying taxes, the Rep must decline the client's request. It is the policy of Credit Suisse not to provide any assistance in the evasion of taxes.

2 - The identity of the client must always be verified. Credit Suisse strives to avoid unknowing assistance in any criminal enterprise.

- The Rep may provide account opening documentation and assist the potential client in filling out the required forms. The Rep may forward the forms to the appropriate Credit Suisse branch location. However, the Rep must clearly inform the client that the account is not open until the respective Credit Suisse branch approves all of the documentation and accepts the account.
- The Rep may organize meetings between prospective clients and their account managers.

10 Existing Clients

- The Rep may engage in traditional representational and administrative functions, including acting as a liaison between the branch and the client.
- The Rep may assist clients with their requests (i.e. change of address, power of attorney, hand out retained mail as appropriate, etc.).
- The Rep may explain the client's statement as long as the explanation is of a technical nature and the discussion does not entail the giving of investment advice.
- The Rep may help clients of Credit Suisse when they experience problems or require assistance while travelling within the U.S. (i.e. problems with credit cards, emergency cash through Bank of New York, etc.)
- The Rep may not accept, transmit and/or pass on to the Head Office any securities orders or wire transfer instructions received from clients. Internal procedures in this regard are set forth in Annex 1.

11 Internet

- The Rep may not use the Internet or e-mail to communicate with clients, unless the client has executed an agreement with Credit Suisse authorizing electronic communications.
- The home page of Credit Suisse is created and controlled in Zurich. Special doorways, password tests and other security measures are in place to ensure that no U.S. residents have access to information over the Internet that would be impermissible.
- The Rep Office is not authorized to create its own home page.

12 Swiss Bank Secrecy

- In view of Swiss Bank Secrecy requirements, any information regarding Credit Suisse clients should be treated accordingly.

13 Reporting

- The Rep shall report as indicated on the attached organization chart (Annex 2).

To: Onis, Carlos <carlos.onis@credit-suisse.com>; Wirshba, Lewis <lewis.wirshba@credit-suisse.com>
From: Quintella, Antonio </O=CREDIT-SUISSE/OU=GL/CN=RECIPIENTS/CN=AQUINTEL>
Cc:
Bcc:
Received Date: 2012-04-04 06:00:12 EST
Subject: Fw: Project [redacted]

Fyi

[redacted] = Redacted by the Permanent Subcommittee on Investigations

From: Bögli, Rolf
To: Quintella, Antonio
Cc: Meister, Hans-Ulrich
Sent: Wed Apr 04 06:53:56 2012
Subject: Projec[redacted]

Antonio,

based on your question yesterday in the ExB related to the big US customer and the NNA recognition, let me briefly outline the reasons which led to the NNA inflow in Q1.

According to the exsiting regulatory framework the recognition of AuM/NNA is driven by two main criteria:
a) Long-term investment character
b) Sufficient level of advice
Both criteria are given in case of [redacted] It is a strategic long-term client and a wide range of advice has been provided by both PB and IB over the last few quarters. As a direct result of the advice provided the client has transferred assets into DAF in February 2012.

Best regards,
Rolf Bögli

Rolf Bögli
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CREDIT SUISSE

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LC-00014
Legal & Compliance Alert

Reminder Regarding Relationships with US Clients

Valid from	September 18, 2008	Version 1.1
Author	YP	
Contact (Helpline)	YPEA 1, TTS, SALN	
Reference	P-00025	
Replaces	LC-00014 dated July 28, 2008	
Scope/Recipients	Private Banking and General Counsel in Switzerland and EMEA Regions and Private Banking and General Counsel in Singapore, Hong Kong and the Bahamas	

Introduction

Credit Suisse and its private banking units and subsidiaries are committed to acting in compliance with applicable US laws, regulations and policies. All Relationship Managers ("RMs") with US resident/US Persons clients are hereby reminded of the bank's policy that all new relationships with US Persons must be opened with the central desks, dedicated US Centers of Competence (SALN in Zurich or Geneva) or with Credit Suisse Private Advisors ("CSPA"). Involvement of the central desks is being expanded to include US clients of non-US EAMs.

In light of the United States Senate Permanent Subcommittee on Investigations Staff Report "Tax Haven Banks and U.S. Tax Compliance" ("Report") and related hearing held on July 17, 2008, current US clients of the two banks identified in the Report (UBS AG and LGT Liechtenstein) who desire to transfer or deposit assets or funds from those banks to or with any Credit Suisse private banking unit must be dealt with in accordance with this Alert.

Changes to Alert dated July 28, 2008

1. The rules set forth in this Alert also apply to non-US residents who are US persons for US tax purposes (e.g. US citizens/green card holders).
2. New relationships with non-US domiciliary companies where one or more of the beneficial owners identified under applicable know-your-customer rules is a US person (for US tax purposes or under US securities laws) may only be accepted if pre-cleared through the US Center of Competence SALN. See paragraph 5.
3. Certain US organized limited liability companies ("LLCs") need not be centralized in the US Center of Competence if certain conditions are met. See paragraph 2.

Minimum Global Standards

All branches and subsidiaries of Credit Suisse must comply with the policy requirements set forth here except where not permitted by local law.

Confidential Treatment Requested

CS-PSI-0037
Produced on January 13, 2009

PSI-CreditSuisse(2009)-01-0043

CREDIT SUISSE

LC-00014

Table of Contents

1.	Definitions "US Person" and "US Taxpayer"
2.	New Relationships
3.	Existing relationships
4.	Full compliance with P-00025 is required in all dealings with US Person and US Taxpayer clients.
5.	New clients that are non-US domiciliary companies
6.	Travel to the United States

1. Definitions "US Person" and "US Taxpayer"

As used in this Alert, the terms US Person and US Taxpayer are defined as follows:

- The term "US Persons" has the same meaning as the term US Persons defined in Appendix 1 to P-00025 (includes all US residents)
- "US Taxpayers" are defined as US persons for US tax purposes (includes all US Taxpayers as defined in Appendix 1 to P-00025, e.g. US citizens and green card holders, even those who do not reside in the US).

2. New Relationships

Reminder: all new relationships with US residents and US Person clients that are opened with the bank and not with CSPA must be dealt with in strict compliance with section 8.1 of P-00025, which requires all new relationships to be opened with, managed and monitored by the US Center of Competence SALN in Zurich or Geneva. International locations and Independent Private Banks must adopt similar procedures; see section 8.3 of the Policy.

Changes to Policy P-00025:

- All new US Person and US Taxpayer clients of non-US EAMs must be precleared through the dedicated US Center of Competence. This overrides the exception currently found in section 8.1 of P-00025.

- Clients that are organized as United States limited liability companies ("LLCs") need not be centralized in the US Center of Competence SALN despite section 8.1 of P-00025 in these circumstances:
  1. LLC clients (where no underlying owner is a US Person/resident under P-00025) with cash accounts only, no safekeeping accounts, or
  2. LLC clients with safekeeping accounts if all these conditions are met:
     - LLC has a single owner (i.e. owned by one single person). Such an LLC qualifies as "disregarded entity" under the US Internal Revenue Service default rules;
     - The single owner is not a US person for US tax purposes;
     - The single owner of the assets held by the LLC in his capacity as beneficial owner for US tax purposes of these assets provides a form W-8BEN; and
     - The relationship has retained mail ("RET") or the mail is sent to a non-US address.

  LLCs with safekeeping accounts that do not meet all these requirements must be pre-cleared by US Center of Competence SALN.

CREDIT SUISSE

LC-00014

In all cases LLCs are US Persons within the meaning of P-00025 and dealings with US LLCs are subject to the guidelines set forth in that Policy, including the General Rule in section 4.2 and product restrictions applicable to US Persons.

Additional rules applicable to UBS/LGT Liechtenstein clients:

- All US Persons and/or US Taxpayers who/that provide the W-9 form are to be referred to CSPA in Zurich or Credit Suisse Securities LLC in New York (PB USA).
- With the exception of W-9 relationships referred to CSPA or PB USA, no other new relationships with US Persons or US Taxpayers who/that had relationships with UBS or LGT Liechtenstein will be accepted. No new accounts or relationships for US Persons or US Taxpayers can be opened to accept transfers of cash, assets and/or securities from UBS and/or LGT Liechtenstein in connection with any closing or winding down of an account or relationship with either of these two banks or otherwise.
- These rules particularly apply to potential clients that are offshore domiciliary companies (e.g. B.V.I., Cayman, Panama, Hong Kong, etc.), non-US trusts, foundations (e.g. Liechtenstein, Panama, etc.) or other offshore structures or combinations of structures with any US Person or US Taxpayer beneficial owner.

3. **Existing relationships**
Transfers of cash, assets and/or securities from UBS and/or LGT Liechtenstein that arise in connection with a closing or winding down of an account or relationship with either UBS and/or LGT into an existing US Person or US Taxpayer account or an account of an offshore domiciliary company, non-US trust, foundation or other offshore structure with any US Person or US Taxpayer beneficial owner with a Credit Suisse private banking unit or subsidiary (except CSPA or PB USA) are prohibited. RMs must be diligent in preventing such transfers and deliveries.

Should any funds or assets prohibited in the first paragraph of this section 3 nevertheless be credited to these accounts despite this Alert, these assets will not be counted as NNA and disciplinary measures may be imposed.

4. **Full compliance with P-00025 is required in all dealings with US Person and US Taxpayer clients. See P-00025**

5. **New clients that are non-US domiciliary companies**
New clients that are non-US domiciliary companies (e.g. BVI, Cayman, Panama, Hong Kong, etc.) where one or more of the beneficial owners, as identified pursuant to applicable know-your-customer ("KYC") rules (e.g. Form A in Switzerland) is a US Person or US Taxpayer may only be accepted if pre-approval is obtained from the US Center of Competence SALN. See P-00048, GP-00047 and GP-00054 for applicable KYC identification rules.

6. **Travel to the United States**
Reminder: client-related travel to the United States by RMs is always subject to the policies and procedures of both P-00025 and Policy P-00225, Cross-Border Activities by Client-Facing Employees in the Private Banking Division of Credit Suisse. P-00025 allows RMs to travel to the US to visit existing clients only if the visit is initiated by the client, is for a purely and exclusively social nature and no discussion is had relating to securities or investments. Visits to

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CS-PSI-0039
Produced on January 15, 2009
PSI-CreditSuisse(2009)-01-0045

CREDIT SUISSE

LC-00014

prospective clients are not permitted. Use of the GTMT Travel Management Tool, obtaining a Traveler Certificate and Travel Approval from the Market Leader (US Center of Competence SALN) are always required, no exceptions allowed.

sig. sig.

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Requested

CS-PSI-0040
Produced on January 13, 2009
PSI-CreditSuisse(2009)-01-0046

Confidential Treatment Requested

US Citizens Domiciled in the US with Securities Accounts*

(as of November 30, 2008 at Credit Suisse, Switzerland)

	Number of CIFs**	AuM (USD) bn
▪ **CIFs with W-9**		
- Credit Suisse Private Advisors (CSPA)	534	0.83
- Credit Suisse, Switzerland	227	0.05
▪ **CIFs with a securities account but without W-9** (none of these accounts holds any US securities)***		
- North America International	1,223	1.20
- Mixed Int'l Private Clients	2,083	0.37
- External Asset Managers	186	0.17
- Various CS-Branches in Switzerland	414	0.40
▪ **CIFs with a securities account but without W-9**		
- With US securities	0	0.00
- "Pre-2001" cases with backup withholding tax	4	0.00

* Excluding 3,910 CIFs belonging to US citizens domiciled in the US and 2,727 CIFs belonging to US residents who are not US citizens that are, in each case, cash accounts only. Of these 6,637 CIFs, 6,244 have less than USD 250,000 per cash account

** CIF stands for Client Identification File. One client can have more than one CIF. The total number of CIFs is higher than the total number of clients

*** Excluding 1,807 CIFs belonging to US residents who are not US citizens with total Assets under Management (AuM) of USD 0.86bn

PSI-CreditSuisse(2009)-01-0113

CS-PSI-4105 Produced on January 15, 2009

Confidential Treatment Requested

Non-US Legal Entities with US Domiciled Person on Form A*

(as of January 8, 2009 at Credit Suisse, Switzerland)

	Number of CIFs	AuM (USD) bn
▪ **Reviewed Relationships**		
- Reviewed and compliance documented**	85	2.00
- Closed in Q4/08	55	0.25
- Closing pending	67	0.40
▪ **Relationships subject to ongoing review*** **		
- With securities account (only with non-US securities)	441	0.70
- Without securities account	621	0.25

* Includes all Non-US trusts and Non-US corporations with beneficiaries or shareholders domiciled in the US

** E.g.: i) operating companies, ii) W-8-IMY and W-9, iii) W-8-BEN and Form 5471 or iv) legal or accounting firm opinion confirming tax compliance

*** None of the relationships subject to ongoing review was opened between 1998 and the end of 2001

CS-PSI-0106
Produced on January 15, 2009

Confidential Treatment Requested

Non-Operating Companies Organized under US Law*

(as of November 30, 2008 at Credit Suisse, Switzerland)**

	Number of CIFs	AuM (USD) bn
▪ **CIFs with W-9 (incl. CSPA)**	36	0.11
▪ **CIFs with securities account but without W-9** (none of these accounts holds any US securities)		
- North America International	9	0.05
- Mixed Int'l Private Clients	0	0.00
- External Asset Managers	9	0.00
- Various CS-Branches in Switzerland	64	0.09
▪ **CIFs with a securities account holding US securities but without W-9**	0	0.00

* E.g. Delaware LLCs (beneficial owners are mostly non-US persons)

** Excluding 668 CIFs belonging to non-operating companies organized under US law with cash accounts only (total AuM of USD 0.13bn). Of these 668 CIFs, 587 have less than USD 250,000 per account.

PSI-CreditSuisse(2009)-01-0116

CS-PSI-0107
Produced on January 15, 2009

Confidential Treatment Requested

Non-US Legal Entities with US Domiciled Person on Form A*

(as of January 8, 2009 at Credit Suisse, Switzerland)

	Number of CIFs**	AuM (USD) bn
Reviewed and Compliance Documented Relationships	**85**	**2.00**
Whereof:		
i. Operating companies or groups, subsidiary of US-listed company	9	0.29
ii. W-8-IMY and W-9	33	0.24
iii. W-8 BEN and Form 5471 or other tax compliance form provided (e.g. Form 3520, TD 90-22, Form 990, etc.) or not required***	31	0.97
iv. Opinion of law firm/tax adviser confirming tax compliance	8	0.49
Subtotal	81	1.99
Excluded from population after additional quality assurance	4	0.01
Total	**85**	**2.00**

* Includes all Non-US trusts and Non-US corporations with beneficiaries or shareholders domiciled in the US

** CIF stands for Client Identification File. One client can have more than one CIF. The total number of CIFs is higher than the total number of clients

*** Of this category: (1) 5 CIFs belong to complex trusts; (2) 14 are CIFs without US connection for US tax purposes; and (3) as of Jan 8, 2009, tax compliant forms for 4 CIFs were not yet completely received by CS; if the documents are not complete by Jan 31, 2009 the accounts will be closed

CS-PSI-0184
Produced on January 30, 2009

Non-US Legal Entities with US Domiciled Person on Form A*

(Credit Suisse, Switzerland)

	Number of CIFs**		AuM (USD) bn***	
	Jan' 15th	Mar' 12th	Jan' 15th	Mar' 12th
Reviewed Relationships				
- Reviewed and Compliance documented****	85	232	2.00	2.09
- Closed	55	239	0.25	0.66
- Closing Pending	67	26	0.40	0.13
Relationships subject to ongoing review*****				
- With securities account (without US Securities)	441	320	0.70	0.51
- Without securities account	621	452	0.25	0.17

* Includes all Non-US trusts and Non-US corporations with beneficiaries or shareholders domiciled in the US

** CIF stands for Client Identification File. One client can have more than one CIF. The total number of CIFs is higher than the total number of clients

*** AuM are not directly comparable due to market volatility

**** (85 Cases) See input Slide as of January 8, 2009 at Credit Suisse, Switzerland (CS PSI 184) for details;
(147 Cases) Analysis done; Quality assurance by external counsel pending

***** None of the relationships subject to ongoing review was opened between 1998 and the end of 2001

CREDIT SUISSE

Subject to Further Review

March 13th 2009

PSI-CreditSuisse(2009)-01-0210

Confidential Treatment
Requested

KING & SPALDING

Credit Suisse
Report to the Senate Permanent Subcommittee on Investigations

29 February 2012

Confidential Treatment Requested

Agenda

Investigation Report

- *Information Gathered and Reviewed*
- *North American Desk (SALN)*
- *U.S. Cross-Border Policies and Related Training*
- *Strategic Initiatives Relating to the Cross-Border Business*
- *Exit Projects*
- *Investigation Findings*
- *Contribution of North American Desk (SALN) to Credit Suisse*

Account Analysis

- *U.S. Natural Persons (2002 to 2010)*
- *Non-U.S. Entities with U.S. Beneficial Owner (Q1 2011)*

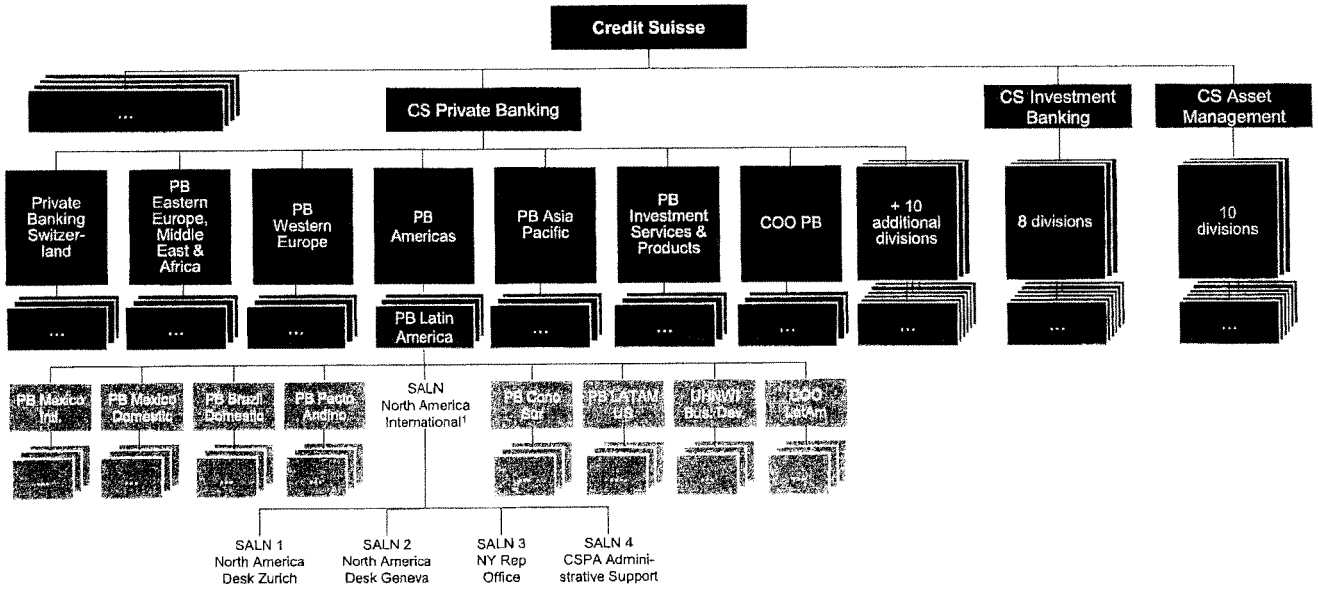
Information Gathered and Reviewed (I/II)

Categories	Description
E-mail and Home Drives	• Since July 2011, over 70 additional custodians with approx. 1.2 million items reviewed – total of over 90 custodians with approx. 2.2 million items • Focus on North American Desk (SALN) was expanded to further relationship managers, support functions and management of Credit Suisse and Clariden Leu
CIF Analysis	• Documentation stored in electronic archive (formalities, customer correspondence) • Client Relationship Management System, Signatories • Customer Information Files (CIFs) of non-U.S. entities with U.S. beneficial owner
Travel Analysis	• Travel reports of North American Desk (SALN) RMs (hardcopies, e-mails) • Data from travel agency and Global Travel Management Tool (GTMT) • Expense statements • List of business trips of North American Desk (SALN) employees • List of training attendees • DHL information on shipments
Interviews	• Since July 2011, 45 additional interviews with 42 persons - total of 77 interviews with 68 persons • Focus on North American Desk (SALN) and NY Rep Office personnel was expanded to further relationship managers, support functions and management of Credit Suisse and Clariden Leu

Information Gathered and Reviewed (II/II)

Categories	Description
Policies and Enforcement	• Corporate policies with regard to U.S. customers (P-00025, LC-00014) and specific policies on travel (GP-00225) • Guidelines for events with U.S.-related aspects • External Asset Manager guidelines • Audit Reports (QI, SALN, Rep Office NY) • Management controls • U.S. cross-border trainings (presentations and lists of participants)
NY Rep Office	• NY Rep Office archive files • Selected support function files • Computer backup tapes • Regulatory examinations • NY Rep Office IT system • HR files of interviewed NY Rep Office employees
Investigation	• Investigation conducted by King & Spalding and Schellenberg Wittmer, with the support of Deloitte

Private Banking – North American Desk (SALN)



1. Today SALN Canada International

Overview of U.S. Cross-Border Policies

Policies	Description
U.S. Person Policy **P-00025** *(issued in 2002)*	• Governs CS bank relationships with U.S. Persons/taxpayers and EAMs • Focuses on compliance with U.S. securities law • Prohibits securities-related solicitation and investment advice in or into the U.S.
Cross-Border Policy **P-00225**	• Governs cross-border activities in general (not U.S. specific) • Duty to comply with foreign country's restrictions on rendering of cross-border financial services • As of 2008 required to obtain travel certificate, upon successful completion of country-specific cross-border training • Travel activities require pre-approval, written travel reports to be submitted • Prohibition against transportation of clients' assets
Legal Alert **LC-00014** *(issued in July 2008)*	• Prohibits account openings for inflows of funds from UBS and LGT to U.S. taxpayers within CS • Account openings for non-U.S. domiciliary companies with a U.S. taxpayer BO are subject to pre-approval: need to demonstrate U.S. tax compliance and to be opened with a licensed member of the CS group (CSPA or PB USA)

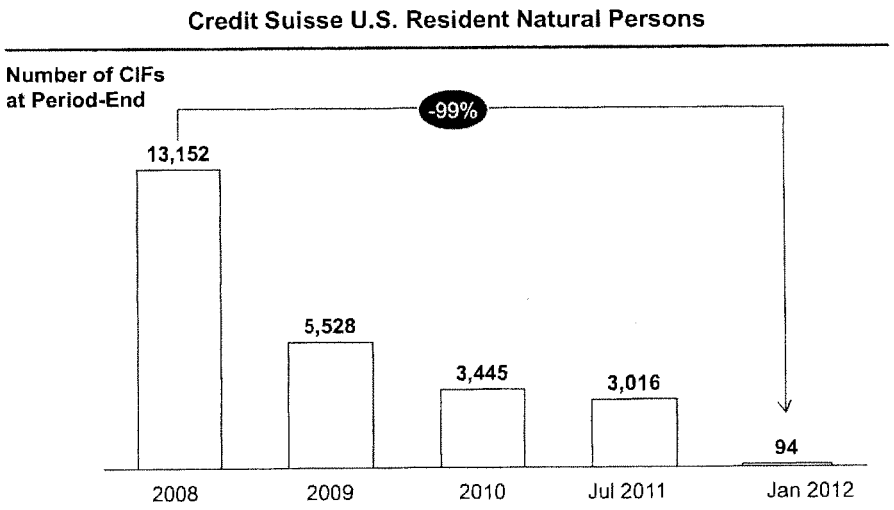
Training Relating to Cross-Border Policies

Training	Description
Roll-out Training 2002-2003	• 27 sessions in various Swiss locations for roll-out of U.S. Person Policy • SALN was trained first
Business School from 2004	• Training on U.S. Person Policy as part of the 'Train to RM' program
Refresher Training 2006	• Refresher training for SALN emphasizing importance of compliance and travel restrictions
Cross Border + U.S. Training 2008	• Training required to obtain certificate for respective market to serve clients • Annual renewal of certificate through web-based confirmation of compliance

Strategic Initiatives Relating to Cross-Border Banking

Strategic initiatives	Description
QI Implementation in 2001-2002	• Detailed documentation, reporting and withholding duties under QI-Agreement • Communication with affected clients about new regulation • U.S. Person Policy (P-00025) issued concurrently
Cross-Border + since 2006	• Collection and review of regulatory information on foreign markets • Cross-border policy and country manuals issued • U.S. Persons Policy (P-00025) tightened, esp. with regard to business trips
W-9 Project 2006-2008	• Review and transfer of W-9 U.S. resident clients to either CSPA, other U.S. licensed group member or closed • Process to prevent new W-9 account openings implemented • Limited exceptions
Exit Projects 2008-2011	• Non-U.S. entities with U.S. beneficial owner remain with or are opened at Credit Suisse only with proven U.S. tax compliance • Service of U.S. domiciled natural clients only through U.S. regulated entity (CSPA or PB USA) • Special Service Offering for Swiss nationals and expats residing in the U.S., requiring confirmation of tax compliance by clients

Exit Projects

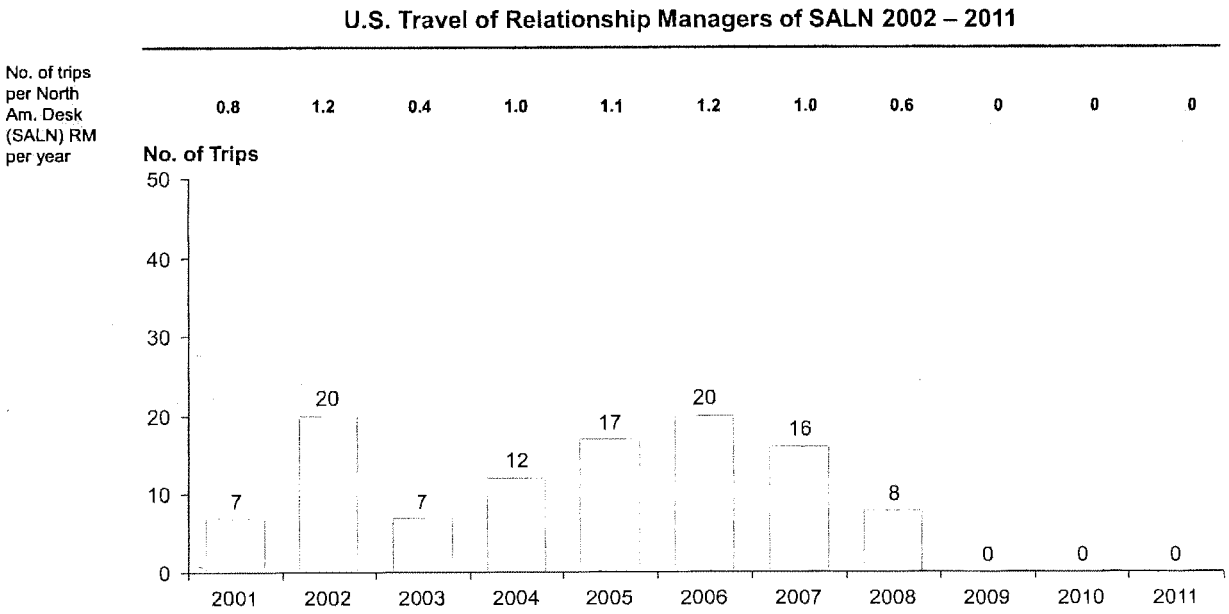


Note: Active accounts at year-end or period-end. Figures for Jan 2012 exclude 1,040 accounts at the Special Service Offering Desk (SSO), which provides limited services only available to Swiss citizens, employees of Swiss companies and CS staff; SSO clients required to sign a 'tax confirmation letter. Figures for 2010 and Jul 2011 include SSO accounts.

Investigation Findings

U.S. Cross-Border Business Outside SALN Analysis	• Scope of the Business • Interviews / Document Review • Update
Representative Office – NY	• Recap of Rep Office Findings • Update
Risk Control Functions	• Overview of Roles and Functions • Update
Senior Management	• Investigative Steps • Update
Clariden Leu Review	• U.S. Cross-Border Business • RM Travel Activities • Senior Management • Exit Project (Project Compass)

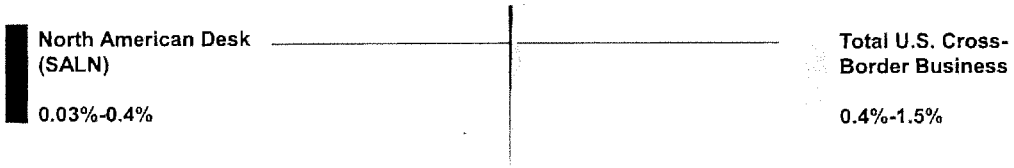
Travel Analysis



Contribution of North American Desk (SALN) and Total U.S. Cross-border Business to Private Banking

Credit Suisse Private Banking between 2002 and 2010

Percentage of Pre-Tax Income (PTI)



Note: Based on numbers for the Private Banking division of Credit Suisse Group as stated in annual reports; U.S. cross-border Pre-tax income (PTI) from the North American Desk (SALN) includes Natural Persons U.S. Resident and/or U.S. Citizens living abroad, Non-U.S. Entities with U.S. Citizen and/or Resident BO, U.S. Entities with U.S. Citizen and/or Resident BO; U.S. Cross-Border Business Pre-tax income (PTI) includes PTI numbers of Credit Suisse and Clariden Leu for Natural Persons U.S. Resident and U.S. Citizens living abroad, Non-U.S. Entities with U.S. Citizen and/or Resident BO, U.S. Entities with U.S. Citizen and/or Resident BO

Agenda

Investigation Report

- *Information Gathered and Reviewed*
- *North American Desk (SALN)*
- *U.S. Cross-Border Policies and Related Training*
- *Strategic Initiatives Relating to the Cross-Border Business*
- *Exit Projects*
- *Investigation Findings*
- *Contribution of North American Desk (SALN) to Credit Suisse*

Account Analysis

- *U.S. Natural Persons (2002 to 2010)*
- *Non-U.S. Entities with U.S. Beneficial Owner (Q1 2011)*

Total North American Desk (SALN): U.S. Residents

North American Desk (SALN): U.S. Residents; non-cash, non-W-9

	2002	2003	2004	2005	2006	2007	2008	2009 *	2010
CIF	1,605	4,302	1,921	1,701	1,568	1,606	1,587	4,261	1,036
AuM *USD*	596,494,130	1,598,604,269	1,365,423,987	1,343,973,937	1,311,515,156	1,449,361,138	1,493,352,717	1,606,511,668	299,124,407

* Concentration of U.S. accounts in connection with exit projects
Notes: Numbers highlighted in blue indicate that extrapolations have been applied; AuM calculated based on monthly AuM figures, averaged for the number of months the CIF was active in the respective category

Total North American Desk (SALN): Exclusion – U.S. Residents-Swiss Citizens

North American Desk (SALN): U.S. Residents - Swiss Citizens; non-cash, non-W-9

	2002	2003	2004	2005	2006	2007	2008	2009 *	2010
CIF	189	506	135	106	94	92	90	554	320
AuM USD	40,035,693	107,295,657	62,820,283	64,098,395	68,942,219	69,379,243	64,603,353	93,036,928	42,389,288

* Concentration of U.S. accounts in connection with exit projects
Notes: Numbers highlighted in blue indicate that extrapolations have been applied; AuM calculated based on monthly AuM figures, averaged for the number of months the CIF was active in the respective category

Total North American Desk (SALN): U.S. Citizens Abroad

North American Desk (SALN): U.S. Citizens Abroad; non-cash, non-W-9

	2002	2003	2004	2005	2006	2007	2008	2009 *	2010
CIF	38	103	86	80	60	67	65	121	64
AuM USD	23,379,223	62,656,316	63,340,440	66,176,862	59,352,678	65,886,503	61,608,819	78,674,849	46,695,175

* Concentration of U.S. accounts in connection with exit projects
Notes: Numbers highlighted in blue indicate that extrapolations have been applied; AuM calculated based on monthly AuM figures, averaged for the number of months the CIF was active in the respective category

Total North American Desk (SALN): Exclusion – U.S. Citizens Abroad-in Switzerland

North American Desk (SALN): U.S. Citizens Abroad - in Switzerland; non-cash, non-W-9

	2002	2003	2004	2005	2006	2007	2008	2009 *	2010
CIF	3	9	8	12	11	11	16	28	17
AuM *USD*	1,919,992	5,145,579	4,977,792	6,769,373	7,348,942	8,066,184	9,761,181	9,962,102	12,133,000

* Concentration of U.S. accounts in connection with exit projects
Notes: Numbers highlighted in blue indicate that extrapolations have been applied; AuM calculated based on monthly AuM figures, averaged for the number of months the CIF was active in the respective category

Total North American Desk (SALN): U.S. Natural Persons with Exclusions

North American Desk (SALN): U.S. Natural Persons, *excluding* U.S. Residents - Swiss Citizens and U.S. Citizens - Swiss Resident; non-cash, non-W-9

	2002	2003	2004	2005	2006	2007	2008	2009 *	2010
CIF	1,450	3,885	1,860	1,650	1,520	1,567	1,545	3,785	761
AuM *USD*	576,866,190	1,546,001,390	1,355,856,883	1,317,062,814	1,293,906,548	1,436,555,034	1,480,092,392	1,564,736,054	288,208,324

* Concentration of U.S. accounts in connection with exit projects
Notes: For CIF and AuM, monthly categorization in sub-categories U.S Residents and U.S. Citizens Abroad does not add up to numbers categorized in overall U.S. Natural Persons category per year; Numbers highlighted in blue indicate that extrapolations have been applied; AuM calculated based on monthly AuM figures, averaged for the number of months the CIF was active in the respective category

Total Private Bank: Non-U.S. Entities with U.S. Resident Beneficial Owner

		AuM Clusters as of Q1 2011		
		USD 10 – 25 m	USD 25 – 50 m	USD >50 m
CIF	*Closed*	24	4	0
	Closing Pending	0	0	0
	Total	**24**	**4**	**0**
AuM *USD bn*	*Closed*	0.36	0.15	0.00
	Closing Pending	0	0	0
	Total	**0.36**	**0.15**	**0.00**

KING & SPALDING

Credit Suisse
Update to the Senate Permanent Subcommittee on Investigations

June 26, 2013

Confidential Treatment Requested

Agenda

Account Analysis Update – U.S. Natural Persons

Exit Project Update

CSPA

Production Status/Privilege Log

Case Update

North American Desk (SALN)
U.S. Residents

North American Desk (SALN): U.S. residents with safekeeping account, non-W-9

	2002	2003	2004	2005	2006	2007	2008	2009	2010
CIF	3,895	4,301	1,920	1,700	1,567	1,605	1,586	4,259	1,034
AuM *USD*	1,189,044,898	1,597,947,455	1,364,685,401	1,343,209,941	1,310,696,377	1,448,447,210	1,492,435,426	1,604,697,894	297,205,457

Notes: 2002 numbers based on data available as at Dec 31, 2002; AuM calculated based on monthly AuM figures, averaged for the number of months the CIF was active in the respective category
Trend in PTI and taxes might not correlate with number of CIFs and AuM figures as it can be influenced by other factors such as market performance or loss allocation

North American Desk (SALN)

U.S. Resident Swiss Citizens

North American Desk (SALN): U.S. resident Swiss citizens with safekeeping account, non-W-9

	2002	2003	2004	2005	2006	2007	2008	2009	2010
CIF	470	506	135	106	94	92	90	553	319
AuM *USD*	86,689,492	107,295,657	62,820,283	64,098,395	68,942,219	69,379,243	64,603,353	92,068,155	41,363,931

Notes: 2002 numbers based on data available as at Dec 31, 2002; AuM calculated based on monthly AuM figures, averaged for the number of months the CIF was active in the respective category
Trend in PTI and taxes might not correlate with number of CIFs and AuM figures as it can be influenced by other factors such as market performance or loss allocation

North American Desk (SALN)

U.S. Citizens resident outside the U.S.

North American Desk (SALN): U.S. citizens resident outside the U.S. with safekeeping account, non-W-9

	2002	2003	2004	2005	2006	2007	2008	2009	2010
CIF	91	103	86	80	60	67	65	120	64
AuM *USD*	53,091,384	62,656,316	63,340,440	66,176,862	59,352,678	65,886,503	61,608,819	78,607,041	46,695,175

Notes: 2002 numbers based on data available as at Dec 31, 2002; AuM calculated based on monthly AuM figures, averaged for the number of months the CIF was active in the respective category
Trend in PTI and taxes might not correlate with number of CIFs and AuM figures as it can be influenced by other factors such as market performance or loss allocation

North American Desk (SALN)

U.S. Citizens resident in Switzerland

North American Desk (SALN): U.S. citizens resident in Switzerland with safekeeping account, non-W-9

	2002	2003	2004	2005	2006	2007	2008	2009	2010
CIF	8	9	8	12	11	11	16	28	17
AuM *USD*	2,962,775	5,145,579	4,977,792	6,769,373	7,348,942	8,066,184	9,761,181	9,962,102	12,133,000

Notes: 2002 numbers based on data available as at Dec 31, 2002; AuM calculated based on monthly AuM figures, averaged for the number of months the CIF was active in the respective category
Trend in PTI and taxes might not correlate with number of CIFs and AuM figures as it can be influenced by other factors such as market performance or loss allocation

North American Desk (SALN)

U.S. Natural Persons excluding two categories from slides 1 and 3

North American Desk (SALN): U.S. natural persons with safekeeping account, non-W-9, *excluding* U.S. resident Swiss citizens and U.S. citizens resident in Switzerland

	2002	2003	2004	2005	2006	2007	2008	2009	2010
CIF	3,508	3,984	1,859	1,649	1,519	1,566	1,544	3,783	760
AuM *USD*	1,152,484,014	1,545,344,576	1,355,118,297	1,316,298,818	1,293,087,769	1,435,641,106	1,479,175,101	1,563,823,245	287,314,731

Notes: 2002 numbers based on data available as at Dec 31, 2002; AuM calculated based on monthly AuM figures, averaged for the number of months the CIF was active in the respective category
Trend in PTI and taxes might not correlate with number of CIFs and AuM figures as it can be influenced by other factors such as market performance or loss allocation

Ongoing Implementation of CS Policy Regarding Tax Compliance of U.S. Clients - Relationships Processed

	2009	2010	2011	2012	2013 (May)[1]
Processed Relationships	10,749	5,196	4,954	4,388	1,110

1 Includes 258 dormant accounts

KING & SPALDING

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July 12, 2013

VIA EMAIL AND HAND DELIVERY

Allison F. Murphy
Counsel
United States Senate
Permanent Subcommittee on Investigations
Committee on Homeland Security and
Governmental Affairs
199 Russell Senate Office Building
Washington, D.C. 20510

CONFIDENTIAL TREATMENT REQUESTED BY CREDIT SUISSE

Re: Credit Suisse Group AG

Dear Ms. Murphy:

On behalf of my client, Credit Suisse Group AG ("Credit Suisse" or "the Bank"), I am providing this letter in response to the Subcommittee's email sent to Joseph Seidel of Credit Suisse on July 3, 2013, which we understand to be in furtherance of the Subcommittee's ongoing review of Credit Suisse's U.S. cross-border business.

The Bank has been hard at work over the past week in order to collect and provide you with the requested information and we do so below to the extent possible in this time frame. The more data-intensive answers will require more time to generate in the format requested by the Subcommittee. We also propose another meeting with the Subcommittee before the end of July (or early in August if July not practical) to present additional requested information, to explain specifically how that information relates to information in prior presentations to the Subcommittee (which was responsive to different requests), and to outline a consistent set of information on U.S.-linked clients that we could provide to the Subcommittee in the future if necessary. We believe this approach will help enable the Subcommittee to understand the information provided by the Bank to date and in the future on the issue of exiting U.S.-linked client relationships. In this meeting, we also intend to provide the Subcommittee with an overview of the Bank's ongoing efforts to exit its U.S. cross-border business since 2008 and to ensure that remaining U.S. relationships are fully tax compliant. These various efforts – which are embodied in various "projects" conducted in Switzerland over the past several years and continuing into the future – reflect an enormous good-faith commitment by the Bank to ensure a complete and thorough compliance review and exit (or otherwise establish tax compliance). At this meeting, we would like to present a number of senior personnel from Switzerland – both from the Bank and from external firms – so you can

hear directly from the personnel implementing those projects and satisfy yourselves as to information on the Bank's exit-related efforts.

In addition, at our most recent meeting, the Subcommittee raised certain new issues – including issues related to net new assets. As you discussed with Joe Seidel yesterday, we will be meeting with you next week to address those issues and the circumstances in which they have arisen for the Bank in recent months.

Our highest priority is to work with the Subcommittee to provide responsive and useful information relevant to your investigation. Our aim is to provide information in response to the recent requests that will not need to be amended or corrected – a task complicated by the inconsistencies between the nature of information maintained and tracked by the Bank and the format of information requested by the Subcommittee. We are balancing timely responsiveness to your ongoing requests with a need for accuracy. We note, in this regard, that we have to date provided the Subcommittee with four detailed presentations in four separate meetings, some up to eight hours in length and produced over 420,000 pages of materials responsive to your subpoena, including U.S. client data from our Singapore branch.

With regard to your specific requests, Credit Suisse submits the following initial responses:

1. *Please provide updated numbers of Swiss-booked accounts at Credit Suisse (CS) (excluding CSPA or Private Bank USA), held by U.S. persons and entities with a U.S. person listed on a "Form A," or identified as being in control of the account or the entity, specifically, as of the end of each year from 2008 – 2012, as well as the latest numbers for 2013:*

    a. *How many U.S. individual or entity CIFs and accounts (and corresponding AuM) were held at CS at the end of each year?*

    b. *How many U.S. individual or entity CIFs and accounts (and corresponding AuM) were held at Clariden Leu at the end of each year? When did Clariden Leu begin to report this information to CS?*

We are currently finalizing an update of these Credit Suisse and Clariden Leu numbers and we expect to be able to provide the number of client relationships and corresponding assets under management ("AuM") through the end of 2012 at our month-end presentation.[1] We will provide these figures calculated on a monthly level but represented annually -- a more precise calculation than year-end data that is consistent with the figures provided to enforcement agencies.

The numbers derived from the data are prepared by Deloitte, one of the big four global accounting firms, with direction from our external legal counsel. This process involves a number of steps designed to ensure a high level of data quality and consistency. As such, the recently added 2013 data is currently still under review and will therefore require additional time. We will promptly provide this information as soon as possible.

Regarding Clariden Leu, Clariden Leu began reporting data to Credit Suisse in 2008 as part of its exit project, Project Compass.

    c. *How many additional U.S. individual or entity CIFs and accounts (and corresponding AuM) have been identified each year?*

[1] Unless specifically noted, such as here, data figures do not include Clariden Leu.

d. *How many U.S. individual or entity CIFs and accounts (and corresponding AuM) have been moved out of Credit Suisse each year?*

e. *How many U.S. individual or entity CIFs accounts (and corresponding AuM) have been permitted to stay at CS as a client each year?*

As we discussed in our most recent presentation, the data on remaining U.S.-linked accounts is affected by various factors, such as the common scenario of account holders moving to the United States. Such an account would be considered a new U.S.-linked account due to the client's changed circumstance that would be identified following the appropriate flagging in the system. For this reason, U.S.-linked accounts continue to be identified every year and are subsequently handled by the Bank in accordance with its policies. With this in mind, we expect that our month-end presentation will include the number of client relationships and corresponding AuM for the categories described above that were processed as part of the Bank's compliance review and exit projects related to U.S. clients.

f. *How many U.S. individual or entity CIFs and accounts (and corresponding AuM):*

   i. *Held dividend-paying securities?*

   ii. *Held U.S. dividend-paying securities?*

   iii. *For i. and ii, how many filed a W-9 form?*

   iv. *For how many of the U.S. individual or entity CIFs and accounts not holding U.S. or other dividend-paying securities, were other IRS filings (such as form 1099) made?*

While we have information regarding the number of client relationships holding securities and U.S. securities, we have not categorized them as dividend or non-dividend paying securities. We are working on data responsive to this request and evaluating the extent to which this information is available. Regarding the number of filings, Credit Suisse – in compliance with its obligations under the Qualified Intermediary Agreement – made the necessary filings for U.S. clients holding U.S. securities. In the future, the Bank also will include reporting on non-U.S. securities held by U.S. clients in accordance with its FATCA obligations.

g. *How many U.S. individual or entity CIFs and accounts (and corresponding AuM) were undisclosed to U.S. authorities each year? If this figure is not available, please rely on other metrics, such as:*

   i. *What number of U.S. individual or entity CIFs and accounts (and corresponding AuM) were asked to leave CS; how many left; and how many transferred to CSPA?*

   ii. *What number of U.S. individual or entity CIFs and accounts (and corresponding AuM) changed account types from one that required a W-9 to one that did not require a W-9?*

   iii. *What number of U.S. individual or entity CIFs and accounts did CS send information about the Offshore Voluntary Disclosure Program?*

As we have previously discussed, Credit Suisse did not systematically track any figures on the number of undisclosed client relationships at the Bank. Moreover, as also previously discussed, in the vast majority of cases the Relationship Manager, let alone the Bank, was unaware of the tax status of the client. We are therefore unable to provide the number of client relationships that

were undisclosed to U.S. authorities each year. However, pursuant to the 1996 Tax Assistance Treaty between the U.S. and Switzerland, the Swiss government has been able to provide the U.S. government with information about more than two hundred client files from Credit Suisse, all of which are potential tax fraud cases. Further, once the U.S. Senate ratifies the revised Double Taxation Treaty, Switzerland has committed to providing additional client files under this broader protocol. In addition, the Bank is fully implementing FATCA which will result in the identities and social security numbers as well as asset related information being delivered to the U.S. in accordance with the FATCA requirements.

We expect to provide extensive information on the Bank's exit project, including additional details as to the handling of accounts at our month-end presentation. It is important to note that client relationships were not all closed in the exit project for failure to demonstrate tax compliance. Additional reasons include the many instances where U.S. resident client relationships were unable to transfer to CSPA because they did not meet minimum AuM threshold requirements.

It is also important to note that we have implemented a dynamic, ongoing process of continued due diligence seeking indicia of U.S. ownership in the Bank's account base (past, present, and future); as a result, these numbers may change from time to time when situations are discovered where clients failed to fully disclose appropriate information or where other system improvements are employed. The Bank maintains well over one million customer relationships, out of which the U.S. cross-border business was only a tiny minority.

We further expect to provide the information described above for client relationships on the Swiss booking platform, which includes units responsible for North America, EMEA, APAC, and Private and Business Banking Switzerland, at our month-end presentation. This data has always been collected and processed on an aggregate booking platform basis and has not been collected and categorized by desk. As these client relationships exist across the entire Bank and have moved between various desks, sometimes over long periods of time, we will not be able to provide this breakout on our current timelines.

2. *With regard to the June 26, 2013 Presentation to the Subcommittee,*

   a. *Please update the SALN slides to include all U.S. individual and entity CIFs and accounts, broken out by individuals and entities, from 2002-2013.*

We are currently finalizing an update of these numbers and expect to provide the number of client relationships and corresponding AuM through the end of 2012 at our presentation as soon as the end of the month. As with the data discussed above, we will provide these figures calculated on a monthly level but represented annually.

As also discussed above, the data for 2013 is currently still being reviewed to ensure data quality, which requires additional time. We will promptly provide you with this information as soon as possible.

   b. *Of the Breakdown of Relationships Processed (slide 7),*

      i. *Quantify the AuM represented by the number of relationships processed.*

      ii. *Provide the average AuM and break out the number of relationships greater than/less than $250,000 AuM.*

iii. *For each year, indicate how many of the relationships processed in that year began processing in that year and how many were carry-overs from the previous year(s). Please break this out by individual and entity.*

iv. *Provide the number of relationships that stayed at CS and the number that were asked to leave CS.*

v. *Provide the name of the desk that booked and/or serviced the account, i.e., North America, EMEA, APAC, or Private and Business Banking Switzerland.*

We are working on these numbers and expect to provide this information at our month-end presentation. However, as mentioned above, the difficulties in collecting and processing the data by desk precludes providing that distribution our current timetable.

3. *With respect to the various exit projects,*

a. *Though CS described Project Valentina as one of the exit projects, the Subcommittee has not received any documents related to it. Please provide responsive documents related to Project Valentina.*

Project Valentina is the name for our current ongoing internal investigation. As this investigation is led by Swiss and U.S. internal and external counsel, documents related to the conception and execution of this project are covered by the attorney-client privilege and work product doctrines. The Bank has produced many documents to the Subcommittee that derive from the Project Valentina effort, however, including the numbers presented in our meetings.

b. *Please provide the names of any other exit projects, any project designed to identify U.S. individual or entity accounts.*

The Bank assigns and frequently changes project names to a variety of initiatives in all areas of the Bank. Projects designations can be used by different people at different times for different reasons and are not necessarily more than a general designation of responsibility.

The U.S. client relationship exit project, which was a massive undertaking by the Bank, consisted of a number of sub-projects including the Entities Project, Project III, Project Tim, Project Titan, Project Argon, and the Legacy Entities Project. The Clariden Leu exit projects were referred to as Project Compass, parts I-V. A brief description of each of these subprojects is provided below.

- *Entities*: Beginning in November 2008, this review involved existing relationships with non-U.S. domiciliary entities having a U.S. person under U.S. tax law as beneficial owner. The affected clients were required to either leave the Bank or undergo an outside counsel review of their out-of-scope status from a U.S. tax perspective.
- *III*: This review was commenced concurrently with the Bank's April 23, 2009 decision to permit new relationships with U.S. resident clients only through a U.S.-licensed Credit Suisse affiliate. Existing relationships with U.S. resident clients were required to either leave the Bank or (if eligible) migrate to a U.S.-licensed Credit Suisse affiliate. This subproject was closed in February 2011.
- *Tim*: Started in May 2011, this review continued the Entities project (reviewing non-U.S. entities with U.S. beneficial owners).

- *Legacy Entities*: This initiative (or sub-project) carried out under Project Tim involved the review of specific, approved cases from Project Entities.
- *Titan*: Started at the beginning of 2012, the purpose of this review was to ensure U.S. tax compliance of U.S. person account holders residing outside of the U.S. in advance of FATCA through use of a new Bank form (U.S. tax compliance certification). This form was required not just from clients but also from their paid tax return preparers.
- *Argon*: In May 2012, the Bank merged all of its ongoing U.S. exit projects into the umbrella of one single project, called Project Argon. The purpose was to unify the efforts under one governance structure and ensure implementation of the Bank's U.S. Policy P-00025 version 3 issued on April 17, 2012.[2]
- *Compass I and II*: Compass I and II tracked Credit Suisse sub-projects to identify non-U.S. domiciliary companies with U.S. citizen or resident beneficial owners to require demonstration of U.S. tax compliance or exit. Compass I addressed the larger clients first, followed by the remaining clients in Compass II.
- *Compass III and IV*: Compass III and IV dealt with U.S. resident natural person clients. Compass III involved three stages: first, all such clients were centralized in a U.S. desk; second, demonstration of U.S. tax compliance was required or the client had to exit; third, the potential creation of an SEC registered investment adviser/broker-dealer subsidiary was examined based on the potential client base. A decision was made not to create such entity. Compass IV required the exit of all remaining U.S. domiciled natural person clients.
- *Compass V*: Compass V was a project to capture any clients still not resolved in the other projects to force the closure of the accounts.

c. *Provide the number of people were involved in each of these projects, including Credit Suisse employees and external vendors.*

While the Bank has not systematically tracked the number of employees involved in each of the projects, we are currently working on approximate snapshot figures and expect to be able to provide this information in our month-end presentation as part of a more comprehensive description of each of the projects.

4. *With respect to any form letters or templates that CS sent to clients about disclosing their accounts or ending their account relationship with CS, please provide the form letter or template, as well as the number of clients that received a letter each year for CS and Clariden Leu.*

In late 2008, the legal and tax departments of the Bank started to provide advice to the Relationship Managers on the procedure to follow if the Bank received requests for account records from former or existing clients contemplating entering the IRS voluntary disclosure process. In particular, the Relationships Managers were informed of the type of documents to be provided and the process for obtaining these documents for transmission to the client or his/her attorney.

[2] Due to the merger of Clariden Leu into the Bank in mid-2012, ex-Clariden Leu clients were integrated into all ongoing Argon initiatives.

In June 2011, we sent out a letter to U.S. nationals/greencard holders with domicile outside the U.S./U.S. Territories and reminded them of their tax reporting responsibilities as well the FBAR filing requirements with the attached letter (see attached CS-SEN-00421311). According to the original mailing list, this was sent to 5,376 clients.

In February 2012, the Bank proactively informed more than 1,600 former U.S. clients of Credit Suisse AG about the Offshore Voluntary Disclosure Initiative ("OVDI") (see attached CS-SEN-00421312). These clients maintained relationships of more than CHF 250,000 and included U.S. residents, U.S. nationals located outside of the U.S., and entities with a U.S. beneficial owner.

Also in February 2012, the Bank required all clients with U.S. domicile, all U.S. citizens and all other "U.S. persons" for U.S. tax purposes to provide a U.S. Tax Compliance Certification. A sample of such a letter is attached (see attached CS-SEN-00421313). Furthermore, since March 2012, all U.S. clients whose relationships are closed by the Bank are reminded about the ODVI (see attached CS-SEN-00421314).

Clariden Leu also sent out a letter to U.S. nationals/greencard holders with domicile outside the U.S./U.S. Territories in June 2011 to remind them of their tax reporting responsibilities as well as the FBAR filing requirements (see attached CS-SEN-00421316). Remaining Clariden Leu former clients received the 2012 Credit Suisse client letters once Clariden Leu was merged into Credit Suisse.

We expect to be able to provide further information in response to your question at our month-end presentation.

5. *With respect to prior presentations:*

   a. *July 26, 2011:*

      i. *CS-SEN-0017 – Footnote 1: Please provide the definitions for "in scope" and "domiciliary company."*

"In scope" in the context of slide CS-SEN-0017 means that these client relationships were selected for inclusion in the Entities Project based on the attributes listed in the bullet points on the slide immediately below.

The agreement on the Swiss banks' code of conduct with regard to the exercise of due diligence defines "domiciliary company" as "all legal entities, companies, establishments, foundations, trusts/fiduciary companies or similar associations, either Swiss or foreign, that do not engage in any commercial or manufacturing business or any other form of commercial operation." Indications that a company is a domiciliary company include (i) it has no business premises of its own (c/o address, registered office with a lawyer, fiduciary company, bank, etc.) or (ii) it has no employees of its own.

      ii. *CS-SEN-0017 – Please explain the following in footnote 4: "None of the relationships subject to ongoing review was opened between 1998 and the end of 2001."*

This information was included to highlight the fact that none of the structures seemed to be created by clients forming structures or converting their individual client relationships into

structures as a means to avoiding the new obligations and identity disclosures under the Qualified Intermediary Agreement, enacted in 2001.

iii. CS-SEN-0015, 0016, 0017 – Please reconcile the metrics for number of accounts and AuM.

CS-SEN-0015 and CS-SEN-0016 provide an overview of client relationships flagged as having a U.S. domicile or U.S. nationality on either the account holder or beneficial owner level at the end of each year from 2005 through 2010. This reporting also contains information on client relationships of non-U.S. entities with U.S. domiciled or national beneficial owners for both number of relationships and AuM (calculated for each year end in Swiss francs).

CS-SEN-0017 provides an overview of client relationships of non-U.S. entities with U.S. domiciled beneficial owners identified for processing in the Entities Project in January 2009. It details the project's progress in solving this static population of relationships until Q1 2011 displaying actual (and not year-end) figures (in USD) for AuM.

In principle, therefore, the numbers displayed in CS-SEN-0017 are a subset of the numbers displayed in CS-SEN-0015-0016 as they only relate to client relationships with non-U.S. entities with *U.S. domiciled beneficial owners* while the latter also include client relationships with non-U.S. entities with only *U.S. national beneficial owners* domiciled outside of the U.S.

Furthermore, the numbers displayed for AuM are not comparable, as CS-SEN-0017 reports in U.S. dollars and as of the date of the reporting whereas CS-SEN-0015-0016 reports in Swiss francs and uses year-end numbers.

iv. Is there a difference in the July 2011 slides between "accounts" and "CIFs"? How are those terms related to "Relationships" from Slide 7 in the June 26, 2013 presentation?

There is no difference between these terms as used in these slides. "Accounts," "CIFs," and "relationships" are all used synonymously in these slides to describe a master client relationship which may - depending on the client's needs - contain several accounts holding different products or in different currencies.

b. April 20, 2012:

i. Compare CS-SEN-00189153 (slide 2) to CS-SEN-0015 (slide 14) from the July 2011 presentation: Why are the AuM figures for 2008 Non-US legal entities are different in both presentations? (for both ≥ and < 250K CHF).

- *Example: For accounts ≥ 250K CHF, July 2011 presentation shows AuM of 2,178 and 583 accounts for 2008. April 2012 presentation shows AuM of 2,582 and 604 accounts.*
- *During the meeting CS suggested the numbers in the 2012 presentation were higher because of Clariden Leu, but the 2012 slides say Clariden Leu is excluded. Please explain.*

These differences are caused by the refinement and reapplication of queries to the systems in summer 2011 with regard to the identification of U.S. beneficial owners.

ii. *Please provide the parameters used for identifying the numbers for the April 2012 presentation as well as the July 2011 presentation.*

The parameters used for identifying information for the April 2012 and July 2011 presentations were the same. Both are year-end reports listing client relationships and AuM in Swiss francs. For both reports, the following categories were identified based on flagging in the Bank's IT systems relating to Swiss booked clients of Credit Suisse AG :

- U.S. domiciled natural persons as accountholders (U.S. citizens domiciled in the U.S. and U.S. residents who are not U.S. citizens);
- U.S. national natural persons outside the U.S. as accountholders (U.S. citizens domiciled abroad); and
- Non-U.S. legal entities with U.S. beneficial owner (domiciled and/or nationals).

Client relationships handled by Credit Suisse Private Advisors AG at the end of a year have been excluded for that year.

6. *Please identify by name and title the individuals who made decisions on exceptions for U.S. individual or entity accounts that were identified during the Exit Projects process, and the number of exceptions that were granted each year (and the corresponding AuM) broken out by individual CIFs and accounts.*

We expect to be able to provide you with additional information on this process in our month-end presentation, including the various departments and external groups involved, though Swiss data protection issues may prevent us from providing the names of the individuals involved.

7. *Provide the date when numbered accounts were banned, and explain if numbered accounts were permitted to continue as such after that date. Provide the number of numbered accounts were identified during the Exit Projects, and the number that currently exist.*

The Bank has never permitted or used anonymous accounts.

Client relationships with internal number designators are not anonymous and require the full panoply of Know Your Customer and Anti Money Laundering analyses as all other accounts. This is a standard type of account within the Swiss banking industry and has never been banned by Credit Suisse. The purpose of the number is to provide greater internal security by restricting access within the Bank to those employees who need to know the client identity. The identity of the account holder or beneficial owner is always known to the Bank itself, as the conditions imposed when opening a client relationships with internal number designators – in particular with regard to the identification and due diligence requirements – are the same as for a named account. Additionally, the Bank stores the same type of documentation (contracts, agreements, declarations, and credit formalities) for both named relationships and client relationships with internal number designators. Further, supervisory and other authorities have access to client relationships with internal number designators in the same way as to named client relationships.

A client relationship with internal number designators is distinct from the usual named relationship in only one respect: the name and contact details of the account holder and beneficial owner are not stored in the bank's central database under the respective CIF, but in a separate database with more stringent access restrictions. In the central CIF, the information

is replaced by a number. Only a limited circle of the Bank's staff has access to the separate database holding identifying information on client relationships with internal number designators.

8. *Provide the number of travel cards and credit cards issued to U.S. clients with offshore private bank accounts.*

The Bank's systems do not systematically flag accounts where the client uses a credit card or travel cash card ("TCC"). This is because a third party service provider performs all processing services for the credit cards issued by the Bank and maintains its own IT systems. The Bank, therefore, has only limited information. Moreover, a client of the Bank may link credit cards issued by any other financial institution to their account at the Bank. In such cases, the Bank has no information available, as the processing is performed by the third party service provider. We understand that the use of credit cards was not widespread among U.S. domiciled clients.

A TCC is a prepaid card that gradually came into use in around 2005. In order to add credit on the card, the client would request that the Bank wire a certain amount from his bank account to the issuer of the card (a third party) who would then load that amount onto the TCC. The SALN desk did not offer TCCs to its clients after spring 2007.

Within Clariden Leu, TCCs were in use until late 2010-early 2011. Our analysis of email correspondence with the Clariden's TCC administration desk suggests only a small minority of client relationships with U.S. domicile or nationality that used TCCs at least once.

9. *Please provide the number of instances when Swiss private bankers advised U.S. clients about U.S. securities in their accounts.*

10. *Provide the number of U.S. clients who were solicited by a Swiss private banker while on travel in the U.S.*

11. *How many Swiss private bankers provided clients in the U.S. with information on their accounts (securities or non-securities accounts), the years in which this information was provided, and whether the information was transmitted from Switzerland or carried to the U.S. by the RM.*

Regarding the previous three requests, as we have informed the Subcommittee during our past meetings, we are aware that such conduct took place and that there were instances where SALN Relationship Managers advised U.S. clients about U.S. securities, solicited U.S. clients while traveling to the U.S., and provided U.S. clients with account information when the client was in the U.S – both by email and when traveling.[3] As we have discussed in prior presentations, the travel was relatively limited, involved a small number of SALN Relationship Managers, and occurred on a much smaller scale than at UBS. The travel figures that we have presented to you in the past reflect this relatively small amount of travel. Client-related travel to the U.S. by Swiss-based Credit Suisse Relationship Managers was banned altogether in 2008. We have found no evidence to suggest that client-related travel has ever been a widespread practice at the Bank outside of the SALN group.

[3] It should be noted that as, we have discussed, merely providing securities advice to a person who is himself outside of U.S. territory does not come within the scope of U.S. securities laws. Similarly, providing clients with account information in the U.S. was a normal banking function and approved and understood by U.S. banking regulators.

12. Has Credit Suisse determined that RMs or their superiors were, at any time, not providing information to the appropriate CS personnel regarding U.S. individual or entity accounts as they were discovered or identified by the RM? If so, by year and desk, please identify the number of accounts (broken down by U.S. individuals and entities) were withheld, the AuM of each account and when the account was identified to the appropriate CS personnel.

In April or May of 2009, Relationship Managers at Credit Suisse and Clariden Leu were reminded of their obligations to properly identify their clients, in particular to consider whether any of their clients may be U.S. residents and to correctly enter this information into the banks' applicable systems. Credit Suisse did this through a Legal and Compliance Alert (LC-00014 dated April 23, 2009)[4] and Clariden Leu through emails sent directly to Relationship Managers from the General Counsel/legal department.[5]

During its extensive exit process, Credit Suisse has spent significant time and substantial resources on identifying client relationships with both direct and indirect U.S. connections. Indeed, the Bank has not stopped at reviewing client relationships identified in the system as U.S. client relationships but has undertaken extensive additional efforts to also identify client relationships with latent U.S. connections.

This process has involved a rigorous review and a fact-intensive and complex analysis of these client relationship files. However, the information contained in these files is rarely able to resolve the extent of the Relationship Manager's knowledge, which is oftentimes unknown and may remain unknown. This limited information, coupled with the fact that most of the relevant Relationship Managers are no longer employed at the Bank, has prevented us from deriving quantitative figures.

13. Please describe what the following acronyms stands for, and explain what business each conducts: SIOA, SIOA 5, SOVA, and SOAM.

The SOVA and SOAM units can be described as follows:

- SOVA: The SOVA unit was the Business Development Americas, but is no longer currently used. The mandate of Business Development is to support private banking management in developing and implementing value-creating strategies and initiatives.
- SOAM: The SOAM unit, located in Zurich, serves in a project management function that deals with regulatory projects.

The SIOA business unit has been reorganized a number of times over the years and has included different countries at different points in time. If there is a particular period of time that the

[4] The Alert states that "RMs are reminded of their responsibility under GP-00054 to obtain and verify specific identifying information, including the permanent domicile of the client, as part of the account opening process. If a prospective or existing client indicates that he is resident outside the United States but other information provided to the RM indicates that the prospect or client actually does reside in the US (e.g., US address for correspondence, US telephone number, etc.), the RM is required to exercise heightened due diligence and escalate the matter to Compliance for further review."

[5] The email stated the following: "Do you have any clients who might have moved to the United States but the domicile code in the HOST has not yet been changed to 780? It is essential that the bank correctly identifies all clients who are US residents to ensure they are handled properly. If you have any such clients, please immediately contact XLAF and they will update the domicile code. Also, please inform XEBA of such clients if they do not appear on your list of clients to be centralized. Please note that no domicile code changes from 780 to another country are allowed unless specifically approved by Legal or Tax.:

Subcommittee believes is relevant to this inquiry for the SIOA and the SIOA 5 units, we can provide you with further details and the composition of the countries covered at that time.

Credit Suisse respectfully requests that the Subcommittee afford this submission the maximum protection available to information provided to the Subcommittee and has marked this letter and all enclosed documents with "Confidential Treatment Requested." The intentional or inadvertent disclosure of information that Credit Suisse has expressly designated as confidential, trade secret, and proprietary would likely cause substantial competitive harm to Credit Suisse. We also respectfully request advance notice of any contemplated disclosure of Credit Suisse's confidential, trade secret, and proprietary information, and a reasonable opportunity to address this issue with the Subcommittee before any disclosure is made. Please direct any such notice to me at the above address.

In providing information and documents in response to the Subcommittee's requests, Credit Suisse does not waive, nor does it intend to waive, any of its rights, privileges, or other claims of confidentiality with respect to this inquiry by the Subcommittee.

If you have any questions regarding this matter, or need additional information, please do not hesitate to contact me or Mr. Seidel.

Very truly yours,

Andrew C. Hruska

Enclosures

cc: Joseph Seidel, Esq. (w/ encl.)

KING & SPALDING

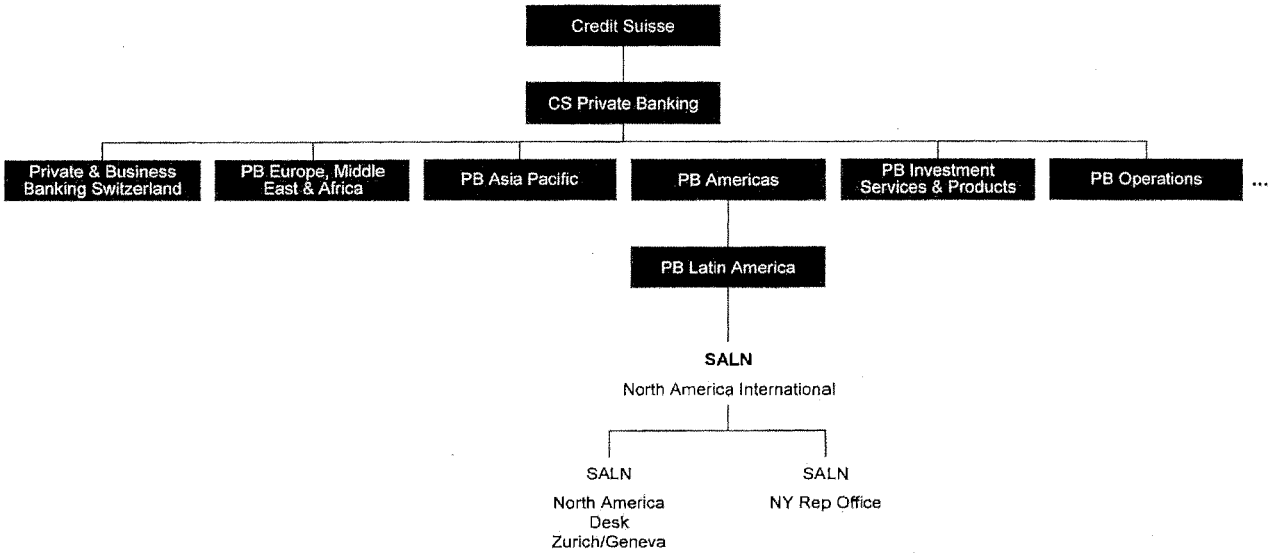
Credit Suisse
Presentation to the Senate Permanent Subcommittee on Investigations
July 18, 2013

Confidential Treatment Requested

Issues for Discussion

- Replacement of Head of PB Americas
- Ongoing Implementation of Policy Regarding Tax Compliance of U.S. Clients (including support for voluntary disclosure program)
- NNA Issues

Credit Suisse Private Banking - SALN was the dedicated desk for US domiciled clients



Replacement of Head of PB Americas - Chronology

- **Head of Private Banking Americas** (2006 - March 2013). Responsibilities - PB USA, PB - LatAm (Latin America), and PB Americas Cross-Border
- **Nov. 20, 2012** - CS announces reorganization, naming new co-heads of Private Banking & Wealth Management (PBWM) Division
- **Nov. 28, 2012** - Executive Board meeting discusses possibility of DeChellis replacement
- **Early Jan. 2013** – PBWM decides to replace DeChellis, and considers a specific replacement; Executive Board meeting discussions about the replacement
- **Feb. 11-14, 2013** - PBWM offers Head of PB Americas position to replacement
- **Feb. 27, 2013** – Replacement executive accepts PB Americas leadership. Plan made to inform DeChellis on March 4.
- **Mar. 5, 2013** – Notice of DeChellis replacement disseminated to bank including statement that other roles for DeChellis are being explored

DeChellis Allegation - Chronology

- **Head of Private Banking Americas** (2006 - March 2013). Responsibilities - PB USA, PB - LatAm (Latin America), and PB Americas Cross-Border (including since 2008 U.S. exit/Voluntary Disclosure Program support)
- **Week of Jan. 28, 2013** – SALN unit reporting to DeChellis repeats request for additional resources in particular to assist in supporting the Voluntary Disclosure Program; DeChellis and his team meet with Business Risk Management to discuss resources. DeChellis requests additional information and confirms that he will consider the request.
- **Jan. 28-Feb. 26, 2013** – DeChellis acknowledges that during this period he took no steps to address the resource request.
- **Feb. 26, 2013** – SALN unit shows DeChellis a set of boxes. DeChellis removes a file from one of the boxes and acknowledges that he does not look any further into the boxes. He later claims to believe (incorrectly) that these boxes contain additional U.S. linked files transferred for processing.
- **Feb. 27, 2013** - DeChellis briefly raises resource request.
- **Feb. 28, 2013** - Bank commits additional resources to unit and communicates this to DeChellis

NNA

- FINMA rules and CS policy govern the reclassification of customer assets from Custody Only to Assets Under Management or *vice versa* depending on customer intentions as reported by the relevant business personnel
- Reclassification process creates (or removes) Net New Assets ("NNA")
- Business Information function oversees this process subject to CFO and external audit
- Regional allocation of NNA is not part of the audited financials
- Regional allocation reflects collaborative efforts across various CS units
- "Management Judgment" cited in securities disclosure as allocation criterion

SCHELLENBERG WITTMER

KING & SPALDING

Credit Suisse
Report to the Senate Permanent Subcommittee on Investigations

July 31, 2013

Confidential Treatment Requested

Agenda

Introduction

Exit projects slide 3

Updated numbers slide 19

Follow-up on PB Americas issue slide 35

1902

Agenda

Introduction		
Exit projects	**slide**	**3**
Updated numbers	slide	19
Follow-up on PB Americas issue	slide	35

1903

Overview of U.S. Regulatory Compliance

- Voluntary efforts sustained over time to comply with U.S. regulations
- Sequencing of priorities based on known risks
- Ongoing overarching objective: identify U.S. client relationships and establish tax and securities law compliance or exit the relationship
- Bank has taken action with respect to all U.S. relationships (based on residence and nationality) reflected in the Bank's client identification systems
- Additional forensic exercise ongoing to identify and review potential residual U.S. relationships as well as to ensure any new U.S. eligible accounts are tax and securities compliant

2001-2007: Responding to U.S. Regulatory Requirements (1 of 2)

- History of compliance initiatives
- Qualified Intermediary Agreement
- U.S. Persons Policy
  - P-00025 issued in 2002; updated and enhanced over time
  - Mandatory training conducted by Legal for all RMs with at least one U.S. client
- CSPA
  - Created in 2001
  - U.S.-regulated, Swiss-based broker/dealer and investment advisor
  - RMs based in Switzerland

2001-2007: Responding to U.S. Regulatory Requirements (2 of 2)

- Cross Border+ Project
  - Global project covering more than 80 countries
  - U.S. procedures already well developed and U.S. Person policy served as model for other country manuals created within the project
  - Goal of project was to ensure that employees in all jurisdictions in which the Bank does business had current guidance on local rules and regulations
- W-9 Project
  - Overseen by Legal
  - Goal of transferring W-9 clients from PB to CSPA and concentrating remaining accounts
- Dedicated U.S. Desk
  - Various efforts over time designed to concentrate U.S. business within the Bank at one desk

2008 – Present: U.S. Regulation and the Exit Projects

- CS's response to news of UBS investigation
- Initiation of exit projects
  - Non-U.S. domiciliary entities with U.S. BOs
  - U.S. residents
  - U.S. nationals
- Investigative, monitoring and testing measures
- Outreach to current and former clients
- FATCA

2008-2009: UBS Investigation and Credit Suisse Response

- UBS investigation
  - Public reports indicated conduct involved fraudulent structures
- CS response to UBS exit announcement
  - Immediate action to prohibit inflows from UBS and LGT (Legal & Compliance Alert LC 00014, July 2008, further extended in September 2008)
  - Proactive and unprompted by U.S. authorities
  - Analysis of foreign structures with U.S. beneficial owners similar to those at issue in UBS investigation
  - Maintain confirmed tax-compliant relationships

Exit Projects: The Focus on Non-U.S. Domiciliary Entities with U.S. Beneficial Owners (BOs)

- Goals
  - Analyze structures with U.S. BOs
  - Exit those that cannot demonstrate tax compliance
- Structure & Resources
  - Directed by Legal, substantial outside counsel support
  - Managed by Steering Committee with members from Private Bank, Legal and Tax Divisions
  - Thousands of CS & outside counsel hours invested
- Execution
  - Identification of U.S. BOs
  - New account openings prohibited for domiciliary entities with U.S. BOs
  - Monitoring of exit process
  - Entities eligible to remain with the Bank:
    - Operating companies
    - Complex trusts
    - Otherwise disclosed to the U.S. tax authorities
- Projects Covering Entities
  - Project names: Entities, Compass I & II, Tim, Legacy E, Argon

Exit Projects: The Focus on U.S. Residents

- Goals
  - Move U.S. residents to CSPA or PB USA or Special Service Offering, or terminate
- Structure & Resources
  - Counsel directed
  - Substantial internal resources devoted to project
- Execution
  - Identification of U.S. residents from Client-ID systems
  - Transfer of eligible customers to U.S.-regulated affiliates
  - Less than a dozen relationships with established tax and securities compliance permitted to remain
- Projects Covering U.S. Residents
  - Project Names: III, Compass III, Argon

Exit Projects: The Focus on U.S. Nationals

- Goals
  - Confirm tax compliance of U.S. nationals residing outside the U.S.
  - Exit relationships where compliance not confirmed
- Structure & Resources
  - External counsel
  - External consulting support
- Execution
  - Tax compliance certifications required from both clients and tax preparers
  - FBAR reminder letter to customers
- Projects Covering U.S. Nationals
  - Project names: Titan, Argon

Investigative, Testing and Monitoring Measures

- Supervision and control of exit process
  - External and internal counsel
  - Bank control functions
  - Outside consultant review
- Analysis of additional populations for potential U.S. links
  - Automated and manual review of potential indications of U.S. nationality or residency
- Development of testing and monitoring procedures
  - Manual and automatic identification and tracking of U.S.-linked relationships
  - Substantial investment in IT infrastructure

Enhanced Monitoring Tools to Advance the FATCA Implementation Process

- Manual monitoring of relationships through regular system reports
  - Monthly reports covering U.S. client relationships
  - Issue Tracking system reports track status of U.S. client relationships
  - Analyze the status of relevant relationships
  - Unresolved cases are addressed and escalated

- CS automated processes
  - Automated control processes implemented for individual relationships in May 2013
  - Newly opened U.S. relationships are now blocked after 10 working days without appropriate documentation
  - In coordination with IRS, CS will be crafting entities tax compliance controls consistent with FATCA
  - Manual compliance monitoring for legal entities pending new IRS-direct controls under FATCA

Outreach to Current and Former Clients

- Letters to current clients
  - June 2011: FBAR reminder letter sent to U.S. national clients of CS (CS-SEN-00421311) and Clariden Leu (CS-SEN-00421316)
  - February 2012: Bank required all clients with U.S. domicile, all citizens, and all other "U.S. persons" for U.S. tax purposes to provide tax certification (CS-SEN-00421313)
- Letters to former clients concerning IRS' Voluntary Disclosure Program
  - February 2012: Letter to over 1,600 former clients informing them of the VDP (CS-SEN-00421312)
  - Since March 2012: Terminated clients reminded of VDP (CS-SEN-00421314)
- Support for VDP processing
- Handling dormant and recalcitrant accounts

U.S. Tax and Securities Compliance: Resource Commitments to Date

- CS has committed extraordinary resources, including major law firms and independent public accounting firms, to U.S. tax and securities compliance
- Average of 150-200 full-time external employees annually
- Multiple internal bank functions dedicated to supporting efforts
  - Legal
  - Tax
  - Business Risk Management
  - Internal Audit
  - Finance
  - Private Banking

CIFs and AuM of Overall PB Business

	2008	2009	2010	2011	2012
Overall private bank					
CIF	2,300,000	2,259,200	2,191,600	2,164,500	2,122,400
AuM (millions - CHF)	788,900	914,900	1,205,300	1,185,200	1,250,800

- The number of Swiss-U.S. offshore CIFs has never exceeded one percent of the total PB business

Agenda

Introduction		
Exit projects	slide	3
Updated numbers	**slide**	**19**
Follow-up on PB Americas issue	slide	35

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Reasons for a Bank Account Outside the U.S.

- U.S. residents may open bank accounts in any jurisdiction in the world provided they comply with U.S. reporting requirements
- Bank accounts outside the U.S. may be necessary in connection with real estate holdings, e.g., vacation homes, employment assignments abroad, studies abroad, jurisdictional and regional diversification of assets, e.g., Canada, Asian equities, etc.
- According to the U.S. Department of State, approximately 40,000 U.S. citizens live permanently or temporarily in Switzerland

Numbers: Methodology

- Client relationships (CIFs)
  - All CIFs are represented that were active at any month-end during a year
  - CIFs are no longer represented after the year in which they were either closed or reviewed and verified
- Assets under Management (AuM)
  - For represented CIFs, average AuM based on monthly figures is represented in million USD
- The following slides contain numbers assembled in good faith to respond to your specific data request within the desired timeframe; will be revised if needed

Private Bank

Non U.S. domiciliary entities with U.S. BO analyzed for resolution (Client identification systems as of Dec 2012)
Client relationships (CIFs) and Assets under Management (AuM)

	2008	2009	2010	2011	2012
U.S Securities CIF	193	53	29	12	15
U.S Securities AuM	906	327	256	123	70
W- 9 CIF	6	5	3	2	4
W- 9 AuM	20	17	9	7	8
Non W- 9* CIF	187	48	26	10	11
Non W- 9* AuM	886	310	247	116	62
Non U.S Securities CIF	440	360	71	39	36
Non U.S Securities AuM	2,181	802	336	248	136
W- 9 CIF	2	3	1	0	5
W- 9 AuM	106	103	4	0	5
Non W- 9 CIF	438	357	70	39	31
Non W- 9 AuM	2,075	699	332	248	130
Without Securities CIF (includes non-income producing CIFs)	618	542	134	89	75
Without Securities AuM	1,006	674	121	104	70

Note: All CIFs are represented that were active at any month-end during a year. CIFs are no longer represented after the year in which they were either closed or reviewed and verified. Assets under Management (AuM) for those CIFs is represented in million USD as an average of the months until they were closed or reviewed and verified.
* The categorization relies on a table of securities listing all securities that were classified as being a U.S. security. Changes in that classification over time are not reflected in that table. These results are therefore subject to ongoing analysis and might change.

Private Bank

Non U.S. entities with U.S. BO analyzed for resolution – Details on exit projects
Client relationships (CIFs) and Assets under Management (AuM)

		2008	2009	2010	2011	2012
Domiciliary entities	**Closed relationships**					
	CIF	197	613	32	21	22
	AuM	388	558	43	9	12
	Reviewed and tax compliance verified					
	CIF	9	80	10	88	35
	AuM	51	147	16	210	91
	U.S. nexus ends before 31 Dec					
	CIF	69	66	22	18	18
	AuM	1,075	130	21	27	47
	Closure, transfer or tax certification pending					
	Additional relationships					
	CIF	112	17	27	4	2
	AuM	186	36	86	3	11
	Dormant relationships					
	CIF	3	5	4	2	2
	AuM	0.02	0.03	0.03	0	0
	Closure/Tax Compliance Verification in process					
	CIF	868	175	143	69	55
	AuM	2,393	933	547	227	116
Operating entities	**Analyzed for resolution**					
	CIF	41	299	15	80	32
	AuM	237	420	16	355	272

Private Bank

U.S. Residents analyzed for resolution (Client identification systems as of Dec 2012)
Client relationships (CIFs) and Assets under Management (AuM)

		2008	2009	2010	2011	2012
U.S. Securities	CIF	180	147	95	18	13
	AuM	352	333	195	31	14
W- 9	CIF	164	129	85	11	2
	AuM	341	313	189	28	5
Non W- 9*	CIF	16	18	10	7	11
	AuM	11	20	6	3	9
Non U.S. Securities	CIF	5,569	4,977	1,486	421	122
	AuM	3,112	2,403	784	568	82
W- 9	CIF	314	307	185	23	10
	AuM	185	233	114	16	18
Non W- 9	CIF	5,255	4,670	1,301	398	112
	AuM	2,927	2,171	670	552	64
Without Securities	CIF (includes non-income producing CIFs)	8,866	8,208	3,754	1,820	257
	AuM	984	1,108	443	252	1,725

Note: All CIFs are represented that were active at any month-end during a year. CIFs are no longer represented after the year in which they were either closed or reviewed and verified. Assets under Management (AuM) for those CIFs is represented in million USD as an average of the months until they were closed or reviewed and verified.

* The categorization relies on a table of securities listing all securities that were ever classified as being a U.S. security. Changes in that classification over time are not reflected in that table. These results are therefore subject to ongoing analysis and might change.

Private Bank

U.S. Residents analyzed for resolution – Details on exit projects
Client relationships (CIFs) and Assets under Management (AuM)

	2008	2009	2010	2011	2012*
Closed relationships					
CIF	NA	7,332	1,239	1,912	138
AuM		2,075	459	235	50
Reviewed and tax compliance verified					
CIF	NA	246	1,974	405	166
AuM		233	252	443	1,599
U.S. nexus ends before 31 Dec					
CIF	NA	390	175	41	22
AuM		129	45	7	7
Closure, transfer or tax certification pending					
Additional relationships					
CIF	NA	185	79	49	99
AuM		120	10	13	37
Dormant relationships					
CIF	NA	1,330	1,369	6	5
AuM		88	109	0.78	0.54
Closure/Transfer in process					
CIF	NA	3,974	796	52	46
AuM		1,201	548	151	127

Note: * Increase in numbers due to incorporation of Clariden Leu AG into Credit Suisse AG

Private Bank

U.S. Citizens resident outside U.S. analyzed for resolution (Client identification systems as of Dec 2012)
Client relationships (CIFs) and Assets under Management (AuM)

	2008	2009	2010	2011	2012
U.S. Securities CIF	112	110	108	100	95
U.S. Securities AuM	162	132	145	167	142
W- 9 CIF	109	108	107	100	95
W- 9 AuM	141	131	145	167	142
Non W- 9* CIF	3	2	1	0	0
Non W- 9* AuM	21	0.7	0.01	0	0
Non U.S. Securities CIF	1,455	1,394	1,189	1,066	940
Non U.S. Securities AuM	823	667	557	554	490
W- 9 CIF	145	158	158	163	164
W- 9 AuM	191	124	140	134	120
Non W- 9 CIF	1,310	1,236	1,031	903	776
Non W- 9 AuM	632	542	417	420	370
Without Securities CIF (includes non-income producing CIFs)	5,179	5,261	5,223	5,282	5,009
Without Securities AuM	352	343	250	250	326

Note: All CIFs are represented that were active at any month-end during a year. CIFs are no longer represented after the year in which they were either closed or reviewed and verified. Assets under Management (AuM) for those CIFs is represented in million USD as an average of the months until they were closed or reviewed and verified.
* The categorization relies on a table of securities listing all securities that were ever classified as being a U.S. security. Changes in that classification over time are not reflected in that table. These results are therefore subject to ongoing analysis and might change.

Private Bank

U.S. citizens resident outside U.S. analyzed for resolution – Details on exit projects
Client relationships (CIFs) and Assets under Management (AuM)

	2008	2009	2010	2011	2012*
Closed relationships					
CIF	NA	NA	NA	NA	954
AuM					183
Reviewed and tax compliance verified					
CIF	NA	NA	NA	NA	358
AuM					333
U.S. nexus ends before 31 Dec					
CIF	NA	NA	NA	NA	126
AuM					14
Tax compliance verification in progress					
CIF	NA	NA	NA	NA	690
AuM					370
Not in scope of the project*					
CIF	NA	NA	NA	NA	3,926
AuM					58

* Only relationships with AuM above CHF 100,000 and CS staff were included in project

North American Desk (SALN)

Non U.S. domiciliary entities with U.S. BO analyzed for resolution (Client identification systems as of Dec 2012)
Client relationships (CIFs) and Assets under Management (AuM)

	2008	2009	2010	2011	2012
U.S. Securities CIF	52	0	0	0	1
AuM	199	0	0	0	3
W- 9 CIF	1	0	0	0	0
AuM	3	0	0	0	0
Non W- 9* CIF	51	0	0	0	1
AuM	196	0	0	0	3
Non U.S. Securities CIF	118	101	6	2	5
AuM	330	219	5	3	2
W- 9 CIF	0	2	0	0	2
AuM	0	55	0	0	2
Non W- 9 CIF	118	99	6	2	3
AuM	330	164	5	3	0.03
Without Securities CIF (includes non-income producing CIFs)	48	46	5	3	7
AuM	108	44	6	0.22	0.3

Note: All CIFs are represented that were active at any month-end during a year. CIFs are no longer represented after the year in which they were either closed or reviewed and verified. Assets under Management (AuM) for those CIFs is represented in million USD as an average of the months until they were closed or reviewed and verified.
* The categorization relies on a table of securities listing all securities that were ever classified as being a U.S. security. Changes in that classification over time are not reflected in that table. These results are therefore subject to ongoing analysis and might change.

North American Desk (SALN)

U.S. Residents analyzed for resolution (Client identification systems as of Dec 2012)
Client relationships (CIFs) and Assets under Management (AuM)

	2008	2009	2010	2011	2012
U.S. Securities					
CIF	27	33	16	3	10
AuM	39	24	13	4	13
W- 9					
CIF	24	29	14	1	1
AuM	35	21	8	2	4
Non W- 9*					
CIF	3	4	2	2	9
AuM	4	3	5	2	9
Non U.S. Securities					
CIF	1,482	3,588	950	257	68
AuM	1,466	1,506	305	121	58
W- 9					
CIF	58	184	96	7	5
AuM	55	140	49	3	2
Non W- 9					
CIF	1,424	3,404	854	250	63
AuM	1,412	1,366	256	119	56
Without Securities					
CIF (includes non-income producing CIFs)	611	5,923	2,386	597	85
AuM	395	705	172	70	37

Note: All CIFs are represented that were active at any month-end during e year. CIFs are no longer represented after the year in which they were either closed or reviewed and verified. Assets under Management (AuM) for those CIFs is represented in million USD as an average of the months until they were closed or reviewed and verified.
* The categorization relies on a table of securities listing all securities that were ever classified as being a U.S. security. Changes in that classification over time are not reflected in that table. These results are therefore subject to ongoing analysis and might change.

North American Desk (SALN)

U.S. Citizens resident outside U.S. analyzed for resolution (Client identification systems as of Dec 2012)
Client relationships (CIFs) and Assets under Management (AuM)

	2008	2009	2010	2011	2012
U.S Securities					
CIF	7	5	4	1	1
AuM	7	5	5	0.52	0.3
W-9					
CIF	7	5	4	1	1
AuM	7	5	5	0.52	0.3
Non W-9*					
CIF	0	0	0	0	0
AuM	0	0	0	0	0
Non U.S Securities					
CIF	52	100	53	22	21
AuM	54	66	29	23	21
W-9					
CIF	1	5	4	1	1
AuM	4	5	1	0.54	0.3
Non W-9					
CIF	51	95	49	21	20
AuM	50	62	27	22	21
Without Securities					
CIF (includes non-income producing CIFs)	39	85	52	30	30
AuM	13	24	24	7	6

Note: All CIFs are represented that were active at any month-end during a year. CIFs are no longer represented after the year in which they were either closed or reviewed and verified. Assets under Management (AuM) for those CIFs is represented in million USD as an average of the months until they were closed or reviewed and verified.
* The categorization relies on a table of securities listing all securities that were ever classified as being a U.S. security. Changes in that classification over time are not reflected in that table. These results are therefore subject to ongoing analysis and might change.

Clariden Leu

Non U.S. domiciliary entities with U.S. BO (Client identification systems as of Dec 2012)
Client relationships (CIFs) and Assets under Management (AuM)

		2008	2009	2010	2011	2012
U.S Securities	CIF	139	51	18	11	9
	AuM	664	241	94	75	34
W- 9	CIF	3	13	10	4	3
	AuM	6	20	13	5	4
Non W- 9*	CIF	136	38	8	7	6
	AuM	658	221	80	70	30
Non U.S Securities	CIF	295	259	71	39	25
	AuM	925	408	83	68	59
W- 9	CIF	1	13	12	8	6
	AuM	0.95	3	3	7	6
Non W- 9	CIF	294	246	59	31	19
	AuM	924	405	80	62	53
Without Securities (CIFs includes non-income producing CIFs)	CIF	178	176	56	40	16
	AuM	306	37	35	71	18

Note: All CIFs are represented that were active at any month-end during a year. CIFs are no longer represented after the year in which they were either closed. Assets under Management (AuM) for those CIFs is represented in million USD as an average of the months until they were closed. Review for tax compliance not yet considered due to client tracking methodology applied at Clariden Leu.
* The categorization relies on a table of securities listing all securities that were ever classified as being a U.S. security. Changes in that classification over time are not reflected in that table. These results are therefore subject to ongoing analysis and might change.

Clariden Leu

U.S. Residents (Client identification systems as of Dec 2012)
Client relationships (CIFs) and Assets under Management (AuM)

		2008	2009	2010	2011	2012
U.S. Securities	CIF	84	109	172	163	5
	AuM	125	157	261	262	11
W- 9	CIF	81	105	171	162	5
	AuM	121	153	260	260	11
Non W- 9*	CIF	3	4	1	1	0
	AuM	3	4	1	1	0
Non U.S. Securities	CIF	963	921	619	255	44
	AuM	945	761	507	222	15
W- 9	CIF	87	129	86	52	5
	AuM	116	172	156	86	1
Non W- 9	CIF	876	792	533	203	39
	AuM	830	589	351	137	14
Without Securities (CIF includes non-income producing CIFs)	CIF	377	351	292	235	169
	AuM	82	104	78	53	23

Note: All CIFs are represented that were active at any month-end during a year. CIFs are no longer represented after the year in which they were either closed. Assets under Management (AuM) for those CIFs is represented in million USD as an average of the months until they were closed. Review for tax compliance not yet considered due to client tracking methodology applied at Clariden Leu.
* The categorization relies on a table of securities listing all securities that were ever classified as being a U.S. security. Changes in that classification over time are not reflected in that table. These results are therefore subject to ongoing analysis and might change.

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PSI-CreditSuisse-33-000030

Clariden Leu

U.S. Citizens resident outside U.S. (Client identification systems as of Dec 2012)
Client relationships (CIFs) and Assets under Management (AuM)

		2008	2009	2010	2011	2012
U.S. Securities	CIF	14	12	10	11	10
	AuM	23	18	11	18	19
W- 9	CIF	13	12	10	11	9
	AuM	23	18	11	18	18
Non W- 9*	CIF	1	0	0	0	1
	AuM	0.31	0	0	0	0.93
Non U.S. Securities	CIF	196	186	172	141	111
	AuM	158	140	131	115	89
W- 9	CIF	14	18	18	18	14
	AuM	7	19	20	18	16
Non W- 9	CIF	182	168	154	123	97
	AuM	151	121	111	97	73
Without Securities (CIF includes non income producing CIFs)	CIF	94	84	64	54	45
	AuM	32	24	13	3	5

Note: All CIFs are represented that were active at any month-end during a year. CIFs are no longer represented after the year in which they were either closed. Assets under Management (AuM) for those CIFs is represented in million USD as an average of the months until they were closed. Review for tax compliance not yet considered due to client tracking methodology applied at Clariden Leu.

* The categorization relies on a table of securities listing all securities that were ever classified as being a U.S. security. Changes in that classification over time are not reflected in that table. These results are therefore subject to ongoing analysis and might change.

SCHELLENBERG WITTMER

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Slide 33

PSI-CreditSuisse-33-000031

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Private Bank

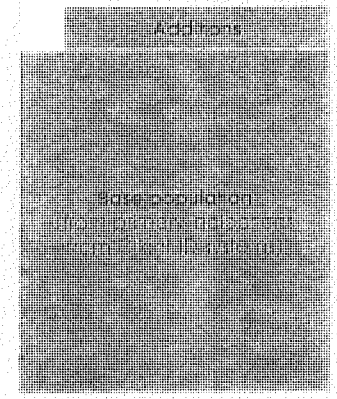
Investigative identification requiring review

Primary indications from Client-ID systems

- U.S. residents
- U.S. nationals
- both including U.S. territories

- On account holder and
- beneficial owner level

U.S. accounts



Secondary indications that CS investigated

- U.S. indicia flags (green card, other tax liability etc.)
- Additional U.S. mailing address
- Additional U.S. phone number
- U.S. signatories / Power of attorney
- Connected accounts
- Standing orders to the U.S.
- Coming-out of client, incl. self-declaration (VDP)
- Free-text field search in CRM systems

Agenda

Introduction

Exit projects slide 3

Updated numbers slide 19

Follow-up on PB Americas issue slide 35

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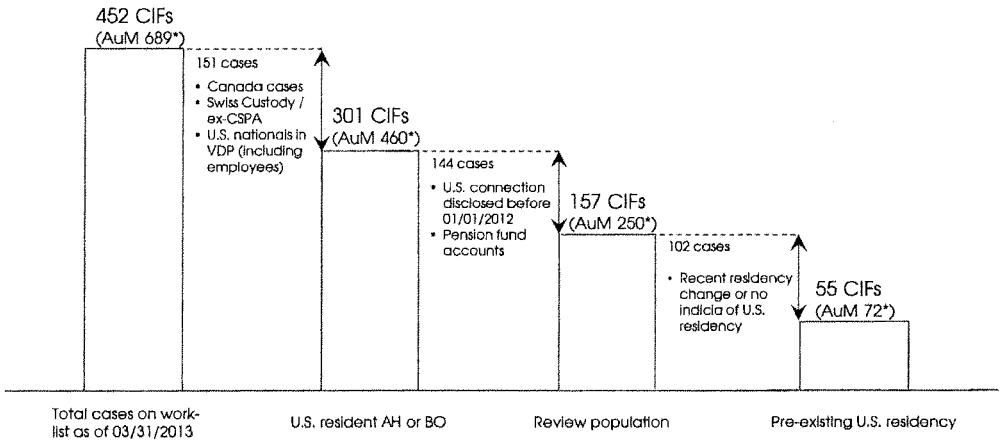
Analysis of SALN Worklist (as of March 31, 2013)



* Sum of average AuM CHF lifetime in millions

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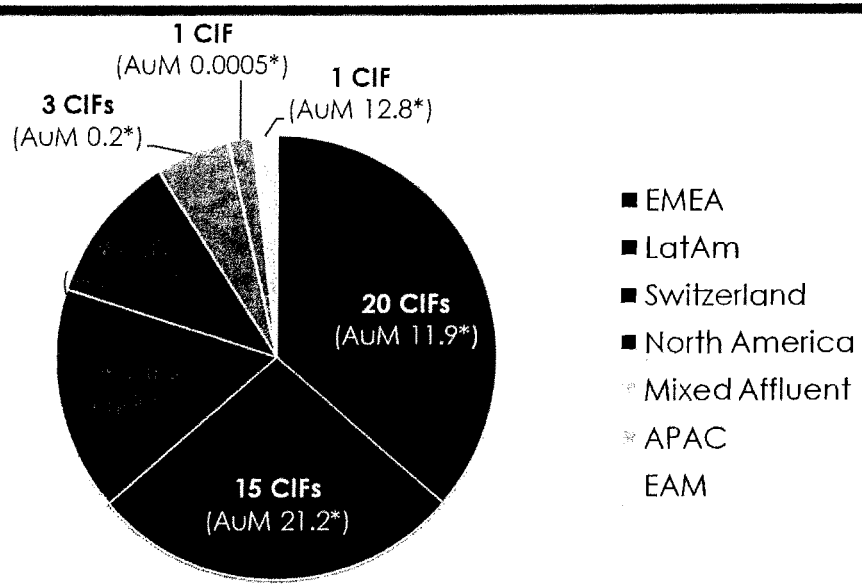
Analysis of SALN Worklist: Pre-Existing U.S. Residency



* Sum of average AuM CHF lifetime in millions

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PSI-CreditSuisse-33-000035

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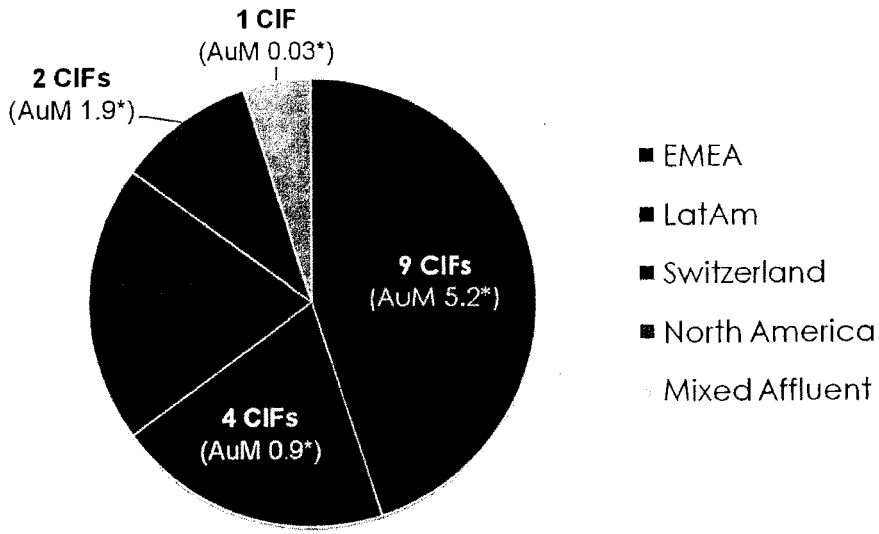
Pre-Existing Residency: Strong Indicia



* Sum of average AuM CHF lifetime in millions

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PSI-CreditSuisse-33-000036

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SCHELLENBERG WITTMER

KING & SPALDING

Credit Suisse
Report to the Senate Permanent Subcommittee on Investigations

DRAFT PRODUCTION FOR OCTOBER 2013

(Categorization based on potential date of VDP indication)

Confidential Treatment Requested

For discussion purposes only

Internal slide only

Private Bank

Potential VDP Clients (Natural persons and Entities)

Client Identification File (CIF)

	2006	2007	2008	2009	2010	2011	2012 Q1	2012 Q2	2012 Q3	2012 Q4
Potential VDP Clients* CIF	5	8	23	307	150	387	79	103	157	99

Note: * The «Potential VDP Clients» numbers include potential VDP CIFs from Clariden Leu, but excludes potential VDP CIFs from NAB.
CIFs on the SALN VDP lists without a date of confirmation are considered to be confirmed in Q3 2012.
No exclusions applied for CSPA/ W-9/ SSD/ TCC or Exit projects (Refer to methodology slide for details)
Approximately 400 CIFs identified in review by the Bank and in the specific accounts review are not represented as date of confirmation of VDP are not currently available

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Private Bank

Potential VDP Clients (Natural persons and Entities)

Client Identification File (CIF) and Assets under Management (Lifetime average AuM in Millions in USD)

	2006	2007	2008	2009	2010	2011	2012 Q1	2012 Q2	2012 Q3	2012 Q4	2013 Q1	2013 Q2	2013 Q3
Potential VDP Clients*													
CIF	5	8	23	307	150	387	70	103	157	99	114	57	34
AuM	1	0.4	35	259	114	320	66	153	208	113	576	69	35

Note * The «Potential VDP Client» numbers include potential VDP CIFs from Clanden Lev, but excludes potential VDP CIFs from NAB
CIFs on the SALN VDP lists without a date of confirmation are considered to be confirmed in Q3 2012
No exclusions applied for CSPAV W-W SSOI TCC or Exit projects (Refer to methodology slide for details)
Approximately 400 CIFs identified in review by the Bank and in the specific accounts review are not represented as date of confirmation of VDP are not currently available

Private Bank

Potential VDP Clients (Natural persons and Entities)

Methodology

Designation	Definition
Client Identification File (CIF)	• CIF is identified based on the domicile and nationality of the account holder/beneficial owner (Population A) • Refer to slide 5 for source breakdown
Assets under Management (AuM)	• AuM is represented as average during the lifetime of the CIF when the CIF has a U.S. nexus. The AuM is converted from CHF to USD using the average yearly exchange rate. • AuM is not adjusted for negative values which are considered as zero
Exclusions	• Not Applicable

For discussion purposes only

Internal slide only

Private Bank

Potential VDP Clients (Natural persons and Entities)

(Source breakdown – Top down exclusion)

Designation	Definition
List of VDP CIFs provided by the Bank (SALN workstream)	• 989 CIFs • CIFs provided by the Bank with confirmation of VDP date or pending VDP date

List of CIFs that ordered tax statements	• 703 CIFs
	• CIFs ordering U.S. tax statements filtered for the following criteria:
	  ◦ If a CIF is opened and active for 7 or more years and has ordered at least 6 consecutive year tax statements within 6 months
	  ◦ If a CIF is opened and active for less than 7 years and has ordered all tax statements within 6 months

List of CIFs provided by the Bank via SW (Internal Audit Exit projects Waiver clients)	• 73 CIFs • CIFs provided by Bank via SW
CIFs identified in the specific accounts review	• 320 CIFs • CIFs identified in CMT review of specific accounts

SIMPSON
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PSI

NOVEMBER 25, 2013

Permanent Subcommittee on Investigations
BSA-AML-TAX REPORTING INVESTIGATION (2010-11)

BOX #50
CREDIT SUISSE
Rec'd 11/25/13 from King & Spalding LLP

TAB 1

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Eidgenössische Finanzmarktaufsicht FINMA
Autorité fédérale de surveillance des marchés financiers FINMA
Autorità federale di vigilanza sui mercati finanziari FINMA
Swiss Financial Market Supervisory Authority FINMA

Circular 2008/2
Accounting — banks

Guidelines on accounting standards under Art. 23 to Art. 27 of the Banking Ordinance

Reference:	FINMA Circ. 08/2 Accounting — banks
Date:	20 November 2008
Entry into force:	1 January 2009
Last amendment:	26 June 2013 [Modifications are indicated by an asterisk (*) and are listed at the end of the document.]
Concordance:	former BAG-SFBC of 14 December 1994
Legal framework:	FINMASA Art. 7 para. 1 let. b BO Arts. 23–27 SESTO Art. 29

Addressees																							
BA			ISA			SESTA		CISA										AMLA			Other	
Banks	Financial groups and congl.	Other intermediaries	Insurers	Insurance groups and congl.	Insurance intermediaries	Stock exch. and participants	Securities dealers	Fund management companies	SICAVs	Limited partnerships for CISs	SICAFs	Custodian banks	Asset managers CISs	Distributors	Representatives of foreign CISs	Other intermediaries	SROs	DSFIs	SRO-supervised institutions	Audit firms	Rating agencies
x	x						x														

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I. Preamble

The general framework for the preparation and disclosure of financial statements of banks is set down in the Banking Ordinance (Art. 23-28 BO). As is prescribed, banks must prepare statutory individual financial statements and, where applicable, consolidated financial statements when the provisions of Art. 23a BO are met. The statutory individual financial statement must be presented in such a manner so as to enable as reliable an assessment as possible, of a bank's net assets, financial position and results (Art. 24 para. 1 BO ["individual financial statement"]) or give a fair presentation of the net assets, financial position and results [combined individual financial statement].[5] The consolidated financial statement must give a fair presentation of the net assets, financial position and results of the banking group (Art. 25d BO, true and fair view principle [6]). 1

Banks with listed securities that do not publish consolidated financial statements must publish individual financial statements (cf. margin nos. 1d-1f [6] and, in particular, the listing rules of the SIX Swiss Exchange) prepared according to the true and fair view principle. This requirement may be satisfied by way of a statutory financial statement (cf. margin no. 1f) or [6] by way of a supplementary financial statement (in addition to the statutory individual financial statement, see margin no. 1e [6]) prepared according to the true and fair view principle. A supplementary financial statement prepared according to the true and fair view principle may also be published on a voluntary basis.

These Bank Accounting Guidelines (BAG) supplement the provisions on accounting and financial reporting pursuant to the Banking Ordinance. They support banks in the preparation and classification of financial statements. These guidelines are designed to aid in the consistent application of the provisions governing accounting and financial reporting pursuant to the Banking Ordinance. 1a

The BAG Guidelines follow the rules of Swiss GAAP FER. Specific elements of Swiss GAAP FER have been explicitly integrated. These guidelines take precedence over the respective rules of Swiss GAAP FER.[6] 1b

Banks may apply internationally recognised accounting standards (Art. 28 para. 2 BO), however this is restricted to consolidated financial statements and supplementary individual financial statements prepared according to the true and fair view principle. The following is permitted: 1c

a) Application of the International Financial Reporting Standards (IFRS, previously the IAS — International Accounting Standards) and the Generally Accepted Accounting Principles of the United States (US GAAP), which are deemed equivalent to the Swiss accounting rules for banks.

b) Banks incorporated under Swiss law that are under the controlling influence of persons with a domicile or registered office in an EEA member state may prepare their annual financial statements in accordance with the applicable provisions of their country of origin.

Any material deviations of the international accounting standards applied from the BO provisions and the BAG Guidelines are to be explained in the notes. Banks applying the options presented in a) and b) must also satisfy the requirements for the disclosure of managed assets (cf. margin nos. 198a–198j [5] and Table Q).

Banks subject to preparing an individual financial statement pursuant to the true and fair view principle may proceed as follows: 1d

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c) Apart from the statutory individual financial statement, which is subject to approval by the general meeting of shareholders, the bank must prepare and publish a supplementary individual financial statement in accordance with the true and fair view principle ("supplementary individual financial statement" [5]). This financial statement is also subject to an auditing requirement, however it is only submitted to the general meeting of the shareholders to take cognisance of same, rather than for approval. 1e

d) The bank must prepare a statutory individual financial statement that satisfies the true and fair view principle ("combined individual financial statement"). In order to guarantee that the combined individual financial statement also complies with the provisions of company law, certain adjustments are necessary. These are referenced in the respective margin number sections and follow from Section XII below. 1f

An overview of the specifics associated with the various options for the preparation of individual financial statements is presented in Section XII. [5] 1g

Financial statements prepared as defined in Art. 24 para. 1 BO according to the principle of providing as reliable an assessment as possible of a bank's net assets, financial position and results are referred to below as "individual financial statements". These financial statements may include hidden reserves (Art. 24 para. 4 BO). Combined individual financial statements do not come under "individual financial statements". [6] 1h*

A "statutory individual financial statement" refers to financial statements that are subject to the approval of the general meeting of shareholders. It concerns individual financial statements and combined individual financial statements. [6] 1i

Combined individual financial statements, supplementary individual financial statements and consolidated financial statements must be prepared in accordance with the true and fair view principle. [6] 1j

Synoptic presentation of the financial statement options: [6] 1k

	Description	Presentation method
Statutory individual (single company) financial statement	"individual (single company) financial statement"	In accordance with the principle of presenting as reliable an assessment as possible of the bank's financial position (net assets, financial and earnings position)
	"Combined individual (single company) financial statement"	In accordance with the true and fair view principle
	"Supplementary individual (single company) financial statement"	
	Consolidated financial statement	

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II. Principles (Art. 24 para. 2 and Art. 28 para. 2 BO)

A./B. Proper recording of business transactions / completeness of annual financial statements

All transactions concluded as of the balance sheet date are to be recorded and valued in accordance with recognised principles on a daily basis. The income from all such transactions is to be recorded in the income statement. Spot transactions not yet settled at the balance sheet date are to be recognised applying the trade date accounting principle or the settlement date accounting principle. It is permissible to apply trade date accounting or settlement date accounting by product category (e.g. securities, foreign exchange, etc.); in so doing, consistent application (cf. margin no. 2a) must be ensured and adherence must be maintained to the provisions in this margin number section regarding valuation and presentation. The rules set out in margin nos. 58-62 and 75 apply to how derivative financial instruments are to be dealt with for accounting purposes. 2

The accounting method selected is to be applied consistently in the individual financial statements, in the consolidated financial statements [5], and other individual financial statements prepared according to the true and fair view principle and be disclosed in the notes to the financial statements under the accounting and valuation principles (margin nos. 149 and 213). 2a

C. Clarity of information

The unequivocal and true presentation of the bank's financial position (net assets, financial and earnings position) is to be ensured by way of clear-cut classifications and labelling of positions. The minimum classification used in the balance sheet, income statement, notes and cash flow statements of banks and banking groups is to be in accordance with Art. 23–25k BO. 3

The balance sheet, income statement, notes and cash flow statement are equally important components of annual financial statements. 4

D. Materiality of information

The description of materiality in Art. 24 para. 3 BO is based on the conceptual framework of Swiss GAAP FER [6] which reads as follows: "The term material covers all facts that impact the valuation and presentation of the financial statements as a whole or of individual positions of the financial statements whereby the assessment of the addressee of the financial statements would change if such facts had been considered." [6] 5

The principle of materiality underlies all aspects of the preparation of financial statements. Materiality is to be assessed on a case-by-case basis both qualitatively and quantitatively. 6

E. Prudence

The principle of prudence requires that in all cases where there is uncertainty regarding valuation and risk assessment, the more prudent of two available values is to be taken into account. 7

Where a fair value can be determined in accordance with margin no. 22, the principle of the lower of cost or market value, historical cost principle, realisation principle, and the principle of 8

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the unequal treatment of losses and income derived from the principle of prudence are not to be applied, in the context of trading operations, to marketable positions held in the normal course of business.

F. Going-concern basis of accounting

Assets and liabilities are to be valued on the assumption that the enterprise will continue as a going concern, meaning there is no intention or necessity to liquidate the company nor has this been ordered by the competent authorities. 9

G. Consistency in presentation and valuation

According to the rule of consistency, a bank must prepare all financial statements in accordance with the same presentation and valuation principles so as to enable comparison between accounting periods. This rule may be deviated from only where there are cogent reasons for making a change to the method of presentation or valuation, reasons that are expected to continue to apply in the years following. Justified changes to the presentation and valuation rules and their effect are to be disclosed in the notes as prescribed in Art. 25c para. 1 no. 2 BO, and an explanation included. The effect on hidden reserves in particular is to be shown. Restating the previous year's figures is not required in statutory individual financial statements. However their restatement is permitted when posting is done via the position "reserve for general banking risks".[8] In supplementary individual[6] and consolidated financial statements, the previous year's figures are to be restated as a matter of principle (*Restatement*, margin no. 260). 10

H. Proper accrual

Income and expenses are to be properly accrued in accordance with the financial statement reporting date. In particular, provisions and value adjustments to cover risks that are apparent at the time of preparation of the interim and annual financial statements and that originate during the financial accounting period just ended are to be charged in full to the income statement of the financial accounting period just ended. 11

I. Inadmissibility of offsetting assets & liabilities and income & expense items

Offsetting and netting out assets & liabilities and income & expenses is fundamentally prohibited. 12

Exceptions to the prohibition of offsetting assets and liabilities are permitted where receivables and payables arise from transactions of the same type with the same counterparty, with the same maturity or earlier maturity of the asset, and in the same currency that cannot lead to a counterparty risk, whether on the balance sheet reporting date or up to the maturity of the offset transactions. 13

Furthermore, the following exceptions are permitted: 14

- Offsetting of holdings of the bank's own debt securities against the corresponding liability items in individual financial statements[6]
  (For financial statements prepared according to the true and fair view principle, see margin no. 29m);

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- Offsetting of value adjustments directly attributable to individual assets against the respective asset items;
- Netting of positive and negative replacement values of derivative financial instruments pursuant to margin nos. 45-48 of FINMA Circular 08/19 "Credit Risks — Banks" under the existing law;[6]
- Netting of adjustments in the book value made during the reporting period with no income effect that have been entered in the compensation account under "other assets" or "other liabilities".

In the income statement, the prohibition of offsetting means in particular that offsetting income against operating expenses, interest income against interest expenses, commission income against commission expense, income against depreciation / losses from fixed assets, and other ordinary and extraordinary income and expenses is not permitted. The following exceptions to the prohibition of offsetting income and expenses are permitted (cf. also margin no. 104): 15

- Offsetting gains and losses from trading operations and other related items directly relating to trading (e.g. melting costs, brokerage fees paid etc.);
- Offsetting adjustments in the book value of financial investments under the positions "other ordinary income" and "other ordinary expenses";
- Offsetting real estate expenses against real estate income;
- Offsetting refinancing costs for trading transactions pursuant to Art. 25a para. 5 BO (funding);
- Offsetting gains/losses from hedging transactions against the gains/losses from the underlying hedged transaction.

J. Substance over form

In statutory individual financial statements, an annual financial statement must present an assessment as reliable as possible (Art. 24 para. 1 BO, "Individual Financial Statement") or give a fair presentation (net assets, financial and earnings situation) (combined individual financial statement).[5] The consolidated financial statement and, as applicable, the supplementary individual financial statement[8] must reflect a fair presentation with regard to a bank's or banking group's financial position (net assets, financial and earnings position) (Art. 25d BO). Consequently, when preparing annual financial statements, preference is to be given to the economic substance of the items reported as opposed to evaluating them from a legal point of view (substance over form). 16

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III. Valuation principles

Item-by-item and collective valuation:

In individual financial statements [4], assets and liabilities as well as off-balance sheet transactions disclosed under the same position may be valued collectively (collective valuation). In the individual and consolidated financial statements prepared according to the true and fair view principle, assets and liabilities are fundamentally to be valued individually (item-by-item valuation). 17

Definition of assets, liabilities and equity capital: [5]

- Assets result from past business transactions or events. They are tangible or intangible assets under the control of the bank, from which the bank is likely to benefit for more than one period. Asset values must be capable of being determined in a reliable manner. If no sufficiently reliable estimate is possible, then the asset is considered as contingent. 17a-1
- An exception is made for the recognition of own shares as assets in individual financial statements. 17a-2
- Liabilities result from past business transactions or events where outflow future cash outflow is probable (e.g. due to the purchase of goods or services, liabilities resulting from the provision of guarantees, or liability claims for services rendered). The amount required to meet the liability (settlement value) must be determined or estimated reliably. Where this is not possible, liabilities are to be considered as contingent liabilities. 17a-3
- Equity capital is the result of the total of all assets less the total of all liabilities. 17a-4
- Contingent assets or contingent liabilities are to be disclosed in the off-balance sheet or in the notes to the corresponding positions. 17a-5

Definitions of income, expenses and result: [6]

- Income is economic benefits added during the reporting period by virtue of an increase in assets and/or decrease in liabilities that result in an increase in equity without the owners having to make capital payments. 17b-1
- Expenses are economic benefits subtracted during the reporting period by virtue of a decrease in assets and/or increase in liabilities that result in a decrease in equity without the owners receiving a distribution of capital. 17b-2
- Income and expenses are to be recorded only where the associated changes in assets and/or liabilities can be reliably determined. 17b-3
- The result (gain/loss) is the difference between income and expenses. 17b-4

Establishing value adjustments for default risks:

- Acute and latent loss exposures are to be covered by appropriate value adjustments in both interim financial statements and annual financial statements. Determining the amount of value adjustments must follow a systematic approach that takes into account the risks posed to the portfolio. 18

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- Impaired loans/receivables (cf. also margin no. 239) are to be valued on an item-by-item basis, and their impairment (cf. also margin no. 240) covered by individual value adjustments. A collective assessment is permitted only for homogenous credit portfolios consisting exclusively of a large number of small receivables (e.g. consumer credit, leasing and credit card receivables) (general individual value adjustment). 18a

- Additional general value adjustments may be established so as to cover existing latent risks on the measurement date (cf. also margin no. 243). 18b

- The various criteria and methods for establishing value adjustments are to be documented internally. 18c

- Impaired loans/receivables and any collateral are to be valued at their liquidation value (cf. margin no. 244) and the value to be adjusted taking the debtor's creditworthiness into account. Where the recovery of the loan/receivable is dependent exclusively on the liquidation proceeds value of the collateral, an allowance must be established to completely cover the unsecured portion. 18d

The individual provisions set out in Art. 664, Art. 669 para. 1 and Art. 670 CO are applicable to banks without limitation. Art. 665 and Art. 669 para. 2–4 CO additionally apply to individual financial statements [5]. 19

Foreign-currency conversion of transactions and positions: [5] 20

- Foreign-currency transactions during the year are to be converted at the rate prevailing at the time of the transaction.

- Foreign-currency positions are to be converted at the exchange rate prevailing on the balance sheet date where no valuation occurs at historical rates (e.g. tangible fixed assets and participating interests).

Financial statements in foreign currencies of foreign branches and subsidiaries are to be converted as follows [5]**:** 20a

- Balance sheet: at the exchange rate prevailing on the balance sheet date where no valuation occurs at historical rates (e.g. tangible fixed assets and participating interests);

- Income statement: at the average annual rate or at the rate prevailing on the balance sheet date;

- Treatment of conversion differences: cf. margin no. 21; [5]

- Translation differences resulting from the translation of the financial statements of foreign branches cannot be posted against the bank's own capital in the statutory individual financial statement. [5]

As an alternative, the respective relevant provisions of the International Financial Reporting Standards (IFRS / IAS) or the Generally Accepted Accounting Standards of the United States (US GAAP) may be applied. [5]

Disclosures in the notes on foreign-currency conversions:

The method used for foreign-currency conversion, the treatment of translation differences and 21

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the conversion rates for the most important foreign currencies are to be disclosed in the notes referred to in Art. 25c para. 1 no. 2 BO.

Trading business positions:

In departure from Art. 667 CO, trading business positions are to be fundamentally valued and reported at their fair value. The fair value used may be either a price established by an efficient and liquid market or a price calculated on the basis of a valuation model. 22

In the latter case the following conditions must be cumulatively satisfied for determining the price: 22a

- The bank's internal valuation and risk models must appropriately take all relevant risks into account;
- The input factors for the bank's internal valuation and risk assessment models must be complete and appropriate;
- The bank's internal valuation and risk assessment models, including the associated input factors, must be scientifically sound, robust and applied consistently.
- Controls must be effective, in particular the controls of the models, valuation and daily income statement by way of an internal risk controls unit that is independent of trading operations; 22b
- The traders, independent controller and risk manager are to possess market proximity and knowledge of the market. 22c

Where, as an exception, no fair value is ascertainable, valuation and accounting are to follow the principle of the lower of cost or market value. [8] 22d

Financial investments:

- Equity securities, precious metals, real estate properties and commodities that have been acquired as a result of credit transactions and are designated for resale: principle of the lower of cost or market value. In the case of specific real estate properties acquired via credit transactions destined for sale, the lowest value is determined as the lower of the acquisition cost or the liquidation value. Precious metal positions included under financial investments that serve to secure commitments arising from precious metal accounts are to be valued and accounted for at market values in the same manner as the precious metal accounts; 23
- Interest-bearing debt instruments (securities) held until maturity: valuation and presentation at acquisition cost with allocation of premiums or discounts (interest component) over the term of the instrument (accrual method). Variations in value resulting from changes in the debtor's credit standing are to be immediately entered in the books. 24
- Interest-bearing debt instruments (securities) not held until maturity: the principle of the lower of cost or market value, the balance of adjustments in the book value to be recorded as "other ordinary income" or "other ordinary expenses", as applicable. 25
- Convertible and warrant bonds: the principle of the lower of cost or market value, except where the bank elects to value the warrant and interest components separately and 26

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values the warrant component using the lower of cost or market value principle and the interest component using the accrual method. The valuation method selected must be retained until the maturity of the bond.

- Financial investments valued according to the principle of the lower of cost or market value: in applying this principle, an upwards revaluation to the acquisition cost at maximum is required where the market value has fallen below the acquisition cost and then recovers. The balance of adjustments in the book value is to be recorded under the position "other ordinary income" or "other ordinary expenses", as applicable. 26a

Participating interests:

- The highest possible value under the law for equity securities entered under position 1.8 "participating interests" in the individual financial statement [6] is the acquisition cost less economically depreciation (Art. 665 CO). 27
- In the combined individual financial statement, these participating interests are to also be capitalised on a historical cost basis, with the notes containing a comment on the effects of a theoretical application of the equity method with regard to participating interests in which the bank is able to exercise a material influence. [6] 27a
- A material influence is assumed where a participating interest of twenty per cent or more of the voting capital is held. [6] 27b
- In the supplementary [6] individual financial statement and the consolidated financial statement, participating interests in which the bank is able to exercise a material influence are to be recorded according to the equity method. 27c
- In the individual and consolidated financial statements prepared according to the true and fair view principle, the goodwill of participating interests in which the bank is able to exercise a material influence is to be removed and reported under "intangible assets". [6] 27d

Tangible fixed assets: [6]

The treatment of tangible fixed assets is based on Swiss GAAP FER 18. The following principles apply explicitly: 28-1

- Tangible fixed assets are physical assets and are used for rendering services or for investment purposes. They can be acquired or self-produced. 28-2
- Expenditures for new tangible fixed assets have to be capitalised if there exists a net market value or value-in-use, and if they can be used for more than one accounting period and exceed the minimal value for capitalisation. 28-3
- Subsequent expenditures for existing tangible fixed assets are to be capitalised if the market value or value-in-use is permanently enhanced or useful life is significantly extended. 28-4
- Tangible fixed assets are to be initially recorded at acquisition or production cost. 28-5
- Subsequent to initial recording, tangible fixed assets are to be posted at acquisition cost less accumulated depreciation. 28-6

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- Depreciation is recognised on a systematic basis (time or performance proportional) over the useful life of a tangible fixed asset. Depreciation starts at the beginning of the operating use of the tangible fixed asset. This does not affect the bank's option to create hidden reserves in the individual financial statement (cf. margin no. 31). 28-7

- The carrying amounts are to be reviewed annually on the balance sheet date for impairment. Any additional depreciation has to be charged to the income statement (cf. margin no. 28b et. seq.). 28-8

- Where during the review for impairment to tangible fixed assets a change in an asset's useful life is determined, the remaining carrying amount is to be depreciated systematically over the newly estimated useful life. 28-9

- The scheduled depreciation of tangible fixed assets charged to income is to be computed, taking any expected residual value of an asset at the end of its useful life into account. 28-10

- The depreciation methods applied and the ranges used for the expected useful life are to be disclosed in the notes on each category of tangible fixed assets. Where ranges are relatively broad, an explanation is to be provided for each category in the notes. Where a depreciation method once applied is replaced with another method, this is to be disclosed in the notes. The impact of the change in the depreciation method on the result of the period is to be disclosed in quantitative terms for each category of investment, if it is material. 28-11

Intangible assets: °

The treatment of intangible assets is based on Swiss GAAP FER 10. The following principles are explicitly applicable: 28a-1

- Intangible assets are of non-monetary nature and without any physical substance. They may be acquired or generated internally and if they are identifiable and can be capitalised, they may be designated as intangible assets 28a-2

- Acquired intangible assets may also originate from acquisitions of business units and enterprises. 28a-3

- Acquired intangible assets are to be recognised where they yield a measurable economic benefit for the bank over more than one year. 28a-4

- Intangible assets generated internally may not be capitalised unless they meet the following conditions cumulatively at balance sheet date: 28a-5
    - the intangible assets generated internally are identifiable and controlled by the bank;
    - the intangible assets generated internally are to yield a measurable benefit for the bank over more than one year;
    - the expenses incurred in the creation of the intangible assets generated internally can be separately recognised and measured;
    - it is likely that the resources required to complete and market or use the intangible assets for the bank's own purposes are available or will be made available.

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- Expenses incurred for identifiable, however, non-capitalisable, intangible assets are to be charged to the income statement in the period incurred. 28a-6
- Expenses incurred for intangible assets generated internally and charged to the income statement cannot be subsequently capitalised. 28a-7
- Capitalisable and identifiable intangible assets may be valued at maximum at acquisition cost or production cost. Where the expenses incurred are higher than the recoverable amount, as determined at the recognition date, the latter is decisive. Any differential between the higher expenses incurred and the recoverable amount is to be charged to the income statement. The recoverable amount is deemed the higher of the net market value and value-in-use. 28a-8
- When recognising intangible assets, the future useful life is to be prudently estimated and the value to be charged systematically (normally applying straight-line depreciation) to the result of the accounting period over the asset's useful life. Where the useful life cannot be determined in a clear-cut manner, an amortisation period of five years is to generally be applied, the amortisation period amounting to up to twenty years at maximum in justified cases. The useful life of intangible assets relating to individuals may not exceed five years. 28a-9
- The estimated useful life and method of depreciation of intangible assets is to be disclosed in the notes. 28a-10
- Subsequent changes to the useful life once determined must be disclosed in the notes and their impact on the balance sheet and income statement quantified. 28a-11
- Intangible assets are to be reviewed for possible impairment at each balance sheet date (cf. margin no. 28b et. seq.). 28a-12
- Goodwill is to be included in intangible assets. 28a-13
- Examples of non-capitalisable intangible assets are: 28a-14
  - Goodwill generated internally,
  - Expenses for training and continuing education,
  - Restructuring expenses,
  - Incorporation and organisation costs (in the supplementary individual and consolidated financial statements).

Impairment of tangible fixed assets and intangible assets: [6]

The treatment of such impairment is based on Swiss GAAP FER 20. The following principles are explicitly applicable: 28b-1

- Assets are subject to an impairment test at each balance sheet date. This test is to be based on indications reflecting a possible impairment of individual assets. Where such indications are present, the recoverable amount has to be determined. 28b-2

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- An asset is impaired if its carrying amount exceeds its recoverable amount. 28b-3
- The recoverable amount is deemed the higher of the net market value and value-in-use. Where one of these two values exceeds the carrying amount of an asset, no impairment is present. 28b-4
- The net market value is the price that can be realised in an arm's length transaction less associated sales expenses. 28b-5
- The value-in-use is the present cash value of expected future cash inflows and outflows from the continued use of an asset including any cash flow at the end of the asset's useful life. The calculation of these future cash flows is to be based on reliable and probable assumptions. Where the assessment of future cash flows consists of a range of time points or amounts, the various possibilities are to be taken into account as based on their probabilities. 28b-6
- Discounting must be done applying an appropriate interest rate that takes into account in particular the current market conditions and the specific risks of the asset. Income tax effects and the bank's capital structure are not be taken into account in discounting. If specific risks have been taken into account in the cash flows, they may not also be considered in the discount rate. 28b-7
- The recoverable amount is to be fundamentally determined for each individual asset (individual valuation of assets). 28b-8
- Where, however, an asset does not generate cash flows independently of other assets, the recoverable amount of the smallest identifiable group of assets (cash-generating unit) must be determined to which the asset belongs. 28b-9
- Where an impairment exists, the carrying amount must be reduced to reflect the recoverable amount. 28b-10
- Where reducing the carrying amount to zero does not suffice to capture the consequences of impairment, a provision is to be created in the amount of the remaining differential (e.g. to cover disposal expenses). 28b-11
- The impairment loss is to be charged to the result for the period. 28b-12
- In the case of a group of assets, the impairment loss is to be charged proportionally to the other assets on the basis of their carrying amounts. 28b-13
- Where there is a significant improvement in the factors taken into account in calculating the recoverable amount, an impairment recognised in a previous reporting period is to be partially or fully reversed, with the exception of individual financial statements, where this non-reversal is equivalent to the creation of hidden reserves. 28b-14
- In the case of (partial) reversal, the new carrying amount is the result of the lower of a) the newly determined recoverable amount or b) the carrying amount less depreciation/amortisation that would have resulted if an impairment loss had never been recognised. 28b-15
- The partial or full reversal of impairment is to be recorded in the "extraordinary income" 28b-16

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position, save as provided for in margin no. 28b-14.

- In case of a cash-generating unit, the partial or full reversal of impairment resulting from an excess of the recoverable amount over the total of the carrying amounts of the respective assets is to be recognised in proportion to the carrying amounts of these assets. The lower of the recoverable amount (where identifiable) and the carrying amount less depreciation/amortisation may not be exceeded. 28b-17

- The amounts of significant impairment losses and partial or full reversals of impairment are to be disclosed on a one-to-one basis in the notes. An explanation is to be provided of the events and circumstances leading to an individual impairment or partial or full reversal of impairment (cf. margin no. 205). 28b-18

Interest transactions valued using the accrual method:

Where an interest transaction (including financial investments) is valued using the accrual method, is sold prior to maturity or redeemed prematurely, realised gains and losses corresponding to the interest component are not to be recognised immediately but rather deferred over the remainder of the original time to maturity. 28c

Precious metal account deposits and commitments arising from precious metal accounts: [5]

In departure from Art. 667 CO, these must be valued at market value where they are traded on a representative market. However, precious metal custody accounts (individual or joint custody accounts) are not to be recorded in the balance sheet. [5] 28d

Hybrid instruments (structured products): [6]

Cf. definition in margin no. 238. 28e

When valuing a derivative, it is to be isolated from the underlying contract and valued separately where all of the following circumstances apply:

- there is no close link between the economic character and risks of the embedded derivative and the underlying contract, and

- the hybrid instrument as a whole does not satisfy the requirements for recognition in the balance sheet and corresponding treatment in the income statement at fair value (cf. margin nos. 22–22d), and

- the embedded derivative as a separate instrument fulfils the definition of a derivative instrument.

The hybrid instrument may be recorded as a transaction.

Taxation:

- The current income and capital taxes payable on the respective period result and the defining capital [6] are to be calculated in accordance with applicable tax reporting regulations. 29

- In individual and consolidated financial statements prepared in accordance with the true 29a

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and fair view principle, the provisions of margin no. 29b-1 et. seq. (based on Swiss GAAP FER 11) on taxation are to be observed.

- When preparing statutory individual financial statements, taking the tax effects of losses carried forward into account (deferred tax assets) is not permissible.

Taxes in individual and consolidated financial statements prepared according to the true and fair view principle: [5]

- Current and future tax effects are to be appropriately taken into account in annual financial statements. A distinction is to be made between the calculation of current income taxes and recognition of deferred income taxes. 29b-1

- In applying values determined by the true and fair view principle, valuation differences may arise as compared to the values relevant for tax law purposes: consequently, deferred income taxes are to be appropriately taken into account. 29b-2

- The annual recognition of deferred taxes is based on a balance sheet perspective and considers all future income tax effects. 29b-3

- Deferred income taxes have to be calculated separately for each business period and each taxable entity. Deferred tax assets and liabilities may only be netted where they relate to the same taxable entity. 29b-4

- Deferred income taxes are to be calculated using applicable tax rates. The actual expected tax rates or — where they are not known — the tax rates applicable at the balance sheet date are relevant. 29b-5

- Deferred tax credits for as yet unused tax loss carryforwards are to be disclosed in the notes. Capitalised and non-capitalised tax credits are to be distinguished in this connection. 29b-6

Value adjustments and provisions:

The valuation principles are to enable a suitable and correct allocation and application of individual and general value adjustments and provisions. 29c

Operationally essential provisions [6]

The treatment of provisions created for operational purposes is based on Swiss GAAP FER 23. The following principles are explicitly applicable: 29d-1

- A provision represents a probable obligation based on a past event whose amount and / or due date is uncertain but can be estimated. This obligation gives rise to a liability. Provisions are not to be used as valuation allowances for assets. 29d-2

- The event giving rise to the obligation must have taken place prior to the balance sheet date. It may be based on an explicitly legal or factual obligation. 29d-3

- Any reduction of future income or margins does not constitute an obligating event. Future expenses also do not constitute an obligating event. Creating provisions for future expenses that are linked to the future rendering of services or goods is not permissible. Provisions to cover future market value fluctuations constitute hidden reserves, since 29d-4

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using such provisions can serve only to smooth the result shown and poses an obstacle to reporting correctly accrued value fluctuations. Provisions for future investments or projects also constitute hidden reserves.

- Liabilities that are due but not yet billed at the balance sheet date and that arise due to goods and services already received are not to be considered as provisions but rather as accrued liabilities. 29d-5

- Legal and factual obligations are to be valued on a regular basis. Where a cash outflow becomes probable, a provision in the corresponding amount is to be created. 29d-6

- The amount of the provision is to be determined on the basis of an analysis of the respective past event as well as of events occurring after the balance sheet date, if the latter analysis contributes to further clarifying the situation. 29d-7
  The amount is to be estimated in accordance with the economic risk posed, which is to be taken into account as objectively as possible. Where the time factor has a significant impact, the amount of the provision must be discounted. The amount of the provision is to correspond to the expected future cash outflow. It is to take account of the likelihood and reliability of these outgoing cash flows.

- An event occurring after the balance sheet date must be subjected to the creation of a provision (or the release of a provision), where it is clear that the bank had an obligation at the balance sheet date (or was released from an obligation) or where it becomes apparent in another manner that the bank has to reckon with a financial loss. 29d-8

- Existing provisions are to be subjected to a reassessment on each balance sheet date. Based on this reassessment, they are to be increased, remain unchanged or released (the release of certain provisions is not compulsory in individual financial statements [cf. margin no. 38]). Freed provisions that are not released are hidden reserves (cf. margin no. 31). 29d-9

- Restructuring provisions are linked to organisational measures (e.g. corporate relocation, spin-off of business units or reorganisations). A restructuring provision may not be created unless the aforementioned criteria are satisfied. To this end, a legally binding decision is required by the governing body for overall direction, supervision and control of restructuring measures. The provision may only cover costs associated directly with the restructuring measures and may not be associated with any of the bank's current ordinary activities. The projected costs must be assessed in a realistic manner. 29d-10

Liabilities exhibiting an original value lower than their notional value:

These liabilities can be recorded either at their net value, or at their gross value combined with an offsetting adjustment entry under the position "accrued income and prepaid expenses" (discount). In either case, the discount is to be reversed through the interest expense account over the term of the bond in accordance with the accrual method. The same applies to premiums. 29e

Derivative financial instruments:

- Derivative financial instruments are always trading transactions, unless they are used for hedging purposes outside of trading transactions. They are to be valued in accordance with margin no. 22 (fair value). The valuation result of trading transactions is to be posted 29f

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to the result of trading activities.

- Hedging transactions are to be valued in the same manner as the underlying hedged transaction. Gains/losses from hedging are to be recorded in the same resultsposition as the corresponding gains/losses from the underlying hedged transaction. In the case of "macro-hedges" relating to interest operations, the balance may be recorded either under the position "interest and discount income" or "interest expense". Accrued interest on hedging positions that are valued according to the accrual method is not to be recorded as accruals or deferrals, but rather in a "compensation account" under the position "other assets" or "other liabilities" in order to avoid being double-counted with the recognised replacement values. In the event of the premature sale of an interest hedging transaction that has been valued according to the accrual method, the general provisions on the treatment of interest transactions valued according to the accrual method are applicable. Where the effect of hedging transactions exceeds the effect of the hedged positions, the excess portion of the derivative instruments is equivalent to a trading transaction. The valuation of the excess portion is to be posted under the position "results from trading activities" (margin no. 117) and not via the compensation account. 29g

- When settling derivative hedging transactions, the hedging relationships as well as the goals and strategies for the hedges are to be documented by the bank's risk management. Documentation is to include the following: 29h
    - identification of the hedged transaction or portions of a transaction and the hedging transaction,
    - identification of the hedged risk, and
    - the method with which the effectiveness of the hedging is to be determined.

- Banks may apply the respective provisions of the International Financial Reporting Standards (IFRS/IAS) or Generally Accepted Accounting Principles of the United States (US GAAP) to the treatment of derivative financial instruments in hedging transactions [5]. The respective provisions of both of these standards must be observed in full. In so doing, they take into account the company law provisions of Switzerland in the statutory individual financial statement, i.e. the resulting postings to equity capital when applying IFRS/IAS or US GAAP are to be recorded separately in the compensation account. 29i

Pension benefit obligations: [6]

The treatment of pension benefit obligations is based on Swiss GAAP FER 16. The following principles are explicitly applicable: 29j-1

- Pension benefit obligations are all plans, institutions and arrangements that provide benefits for retirement, death or disability. 29j-2

- The economic impacts of pension funds (and corporate welfare funds) on banks are considered as either economic benefits or economic obligations. Economic benefits and economic obligations are to be calculated on balance sheet date and are to be treated equally. Economic benefits and economic obligations for the bank follow directly from contractual, regulatory or legal bases (e.g. contributions paid in advance or due). Economic benefits and economic obligations also exist in the banks' option of exercising a positive impact on future cash flows due to pension funds being overfunded (e.g. lowering of contributions) or exercising a negative impact on future cash flows due to pension funds 29j-3

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being underfunded, by the bank respectively wanting or having to contribute to the pension funds' financing (e.g. financial rectification contributions).

- Determining the economic impact is based in principle on the financial situation of each pension fund as of its last annual financial statement, whose reporting date was no more than twelve months back. Where there are indications of material developments (e.g. value fluctuations, partial liquidations etc.) since the last annual financial statement reporting date, their impact must be taken into account. 29j-4

- In the case of underfunding in pension funds, an economic obligation is present where the conditions exist for the creation of a provision. 29j-5

- In the case of overfunding, an economic benefit is present where it is permissible and intended to use the surplus for lowering employer contributions, reimburse it to the employer as provided for in local laws, or to utilise it for the employer's economic benefit outside of the benefits as provided for in the institution's rules. The value fluctuation reserves reported by pension funds due to the practices engaged in by them may not form part of the bank's economic benefit. 29j-6

- The following applies with regard to the recognition of the economic impact of pension funds: 29j-7

  - The contributions accrued during the current accounting period are to be presented as "personnel expenses" in the income statement. The respective accrued assets or liabilities <u>or</u> receivables and obligations are to be recognised that result from contractual, regulatory or legal bases in the balance sheet .

  - It is to be annually assessed whether, from the point of view of the bank, an economic benefit or economic obligation exists from a pension fund (and from a corporate welfare fund). The basis for assessment is contracts, annual financial statements of the pension funds prepared in accordance with Swiss GAAP FER 26 in Switzerland and other calculations showing the financial situation and existing over- or underfunding for each pension fund in accordance with current circumstances. On this basis, the economical benefit or economical obligation is determined and recorded in the balance sheet for each pension fund. The difference to the respective value of the previous year is recognised (together with the adjusted expenses concerning the reporting period) as personnel expenses in the income statement.

- The presentation of the economic impact of pension funds on the bank may also be done fully according to a dynamic method, with a corresponding justification to be included in the notes. To this end, a recognised international accounting standard applicable at the balance sheet date is to be applied in full. 29j-8*

- Employer contribution reserves or similar items are to be recognised as assets. Where the bank has granted a pension fund a conditional waiver of use, or is planning to do so shortly after the balance sheet date, asset items of the employer contribution reserve are to be value-adjusted. The portion of underfunding that has already been recognised in the bank's balance sheet by the value adjustment of the employer contribution reserve no longer needs to be counted as an economic obligation from underfunding. 29j-9

- When initially applying the above principles, the opening balance of the economic benefit or obligation or the resulting changes to previous entries as of this reporting date are to be 29j-10

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taken into account via a restatement (cf. margin no. 260) or via the extraordinary income or expense accounts.

- The future economic benefit (including employer contribution reserves) is not mandatory to capitalise in individual financial statements, but is always to be disclosed in the notes (margin no. 167a).[5] 29j-11

Treatment of own equity stocks in the individual and consolidated financial statements prepared in accordance with the true and fair view principle:

The amount of own equity stocks is to be deducted from equity capital at acquisition cost as a separate item "own shares". Dividend payments and resale gains / losses may not be posted to income but are to be allocated to "capital reserves" in the supplementary individual financial statement and consolidated financial statement or to "other reserves" in the combined individual financial statement. Obligations to supply own shares (e.g. bonus shares) not resulting from trading business are to be recognised in the position "own shares". Costs for the reduction in price of employee shares are to be posted as "personnel expenses". 29k

Treatment of equity transaction costs in supplementary individual and consolidated financial statements:[1 5]

- Equity transaction costs are, as a principle, where they result in equity capital raising (capital increase, sale of own equity stocks) or equity capital repayment (capital reduction, purchase of own equity stocks), to be recorded as a reduction of the capital reserves, subsequent to deducting the associated income taxes. 29l

- Equity transaction costs incurred up until and including the balance sheet date are to be recorded under "accrued income and prepaid expenses" where it is probable that the corresponding equity transaction will take place within the foreseeable future. Otherwise, these costs are to be charged to the income statement.

Amount of own debt in the individual and consolidated financial statements prepared in accordance with the true and fair view principle:

The amount of own bonds, cash bonds and money-market instruments must be matched with the respective corresponding liability positions. 29m

Reporting of securities lending and borrowing <u>and</u> repurchase and reverse repurchase transactions in the case of transactions for the bank's own account and risk (principal):

- The exchanged amounts of cash are to be recorded in the balance sheet. 29n

- The transfer of securities has no effect on the balance sheet where the transferring party maintains economic ownership of the rights associated with the securities. The securities are to be disclosed in the notes in accordance with margin no. 166a.

- The resale of received securities is to be recorded in the balance sheet and posted at market rates as a non-monetary obligation.

- As a rule, the economic ownership of transferred securities is not considered to be lost 29o

[1] Source: Swiss GAAP FER 24.[5]

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where the transferring party continues to carry the market price risk and where it is directly or indirectly entitled to the current income and other rights from the transferred securities. This may be ensured by way of margin agreements, for example, in which the acquiring party is economically in the position of a secured creditor. In the case of non-tradable securities, beneficial ownership remains with the transferring party. Where it is agreed that the transaction is substantively of the same maturity as the transferred securities, beneficial ownership is transferred to the acquiring party.

- Banks that deal in securities lending and borrowing under their own names but act on behalf of clients for whom, however, they assume neither liability nor a guarantee and thus do not act as a principal, are to treat the transactions according to the rules of fiduciary transactions as provided for in margin no. 233 and report them in accordance with margin nos.102 and 198. A performance guarantee on the part of the bank for the proper fulfilment of its services (e.g. margining) does not change the fiduciary character of the transaction. 29p

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IV. Creation and release of hidden reserves and reserves for general banking risks; treatment of value adjustments and provisions no longer required (Art. 24 para. 4 BO)

A. Creation of hidden reserves and reserves for general banking risks [5]

The creation of hidden reserves in individual financial statements [6] is permitted in view of the bank's continued prosperity or the distribution of most uniform possible dividends, as well as in consideration of the interests of shareholders. Hidden reserves may be created only within the limits of Art. 669 CO. 30

The creation of hidden reserves is permitted if it complies with the following: 31

a) charge to the account "depreciation and amortisation of fixed assets" in order to create hidden reserves for participating interests and tangible fixed assets;

b) charge to the position "value adjustments, provisions and losses" or "extraordinary expenses" for the purpose of creating hidden reserves under the position "value adjustments and provisions";

c) transformation of value adjustments and provisions no longer required into hidden reserves insofar as these items have been charged to the accounts listed in Point b above or are no longer required value adjustments for past due interest; [5]

d) market-driven value increases in fixed assets that are not posted, leading to an increased difference between the book value and the statutory maximum value.

The creation of hidden reserves for general banking risks must be carried out in the following manner: [5] 31a

- Individual financial statements: either via "extraordinary expenses" or on the basis of a transformation of value adjustments or provisions no longer required or transfer of hidden reserves.

- individual and consolidated financial statements prepared in accordance with the true and fair view principle: exclusively by way of the "extraordinary expenses" account.

The creation of hidden reserves by charges for amounts not economically required to expense items other than those listed under a) and b) is not allowed. Furthermore, the creation of hidden reserves by charges to income accounts (withholding of profits / reductions of income) is also not allowed. 32

B. Release of hidden reserves and reserves for general banking risks [5]

The release of hidden reserves has occurred when the reserves have decreased as a result of: 33

a) release with income effect of hidden reserves in the position "value adjustments and provisions";

b) revaluation with income effect of fixed assets up to the maximum legal limits;

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c) realisation through the sale of fixed assets whereby the recognition of the increased values resulting from a reclassification of fixed to current assets is deemed to be equivalent to a realisation through sale;

d) market-related declines in the value of fixed assets resulting in a reduction in the difference between the book value and the maximum legal value.

The release with income effect of hidden reserves is to be posted under the position "extraordinary income" as provided for in Art. 25a para. 1 no. 2.5 BO. The release of reserves for general banking risks is to also be posted via this position. [6] 34

Where the release of hidden reserves and/or reserves for general banking risks [6] in any one accounting period is material, it is to be disclosed in the notes as provided for in Art. 25c para. 1 no. 5.5 BO. The materiality of the aggregate release of hidden reserves and/or reserves for general banking risks is to be assessed in particular in relation to the disclosed equity and reported annual profit as well as in relation to the effects on these amounts. A release amounting to at least 2% of the disclosed equity or 20% of the reported annual profit is generally deemed to be material. 35

Revaluation of fixed assets up to acquisition cost at maximum (Art. 665 CO) is to be disclosed and explained in the notes in accordance with Art. 25c para. 1 no. 5.6 BO. 36

Revaluation of fixed assets in excess of their acquisition cost is to be dealt with in accordance with the provisions of Art. 670 CO and is to be reported to FINMA prior to publication of the annual financial statements. 37

C. Treatment of value adjustments and provisions no longer required

Value adjustments and provisions that are no longer necessary and are not utilised elsewhere or released constitute hidden reserves. In this case, no posting is to be made in the income statement of the individual financial statement [6] but rather the re-designation is to be indicated in Table E, provided that the entries were originally charged to "value adjustments, provisions and losses" or "extraordinary expenses" or, in the case of past due interest, were created at the expense of "interest and discount income". By contrast, provisions no longer required that were created for pension benefit obligations or deferred taxes are to be released with income effect in any event. [6] Where the release or change in use in the individual financial statement takes place in a subsequent accounting period (business year), this constitutes a release of hidden reserves and is to be posted with income effect under the position "extraordinary income" as provided for in Art. 25a para. 1 no. 2.5 BO. 38

The use and release of provisions for deferred taxes and pension benefit obligations is to be done respectively via the expense accounts "taxes" and "personnel expenses". [6] 38a

If in the individual financial statement value adjustments and provisions that are not required are used in the same accounting period for the establishment of value adjustments and provisions necessary for another purpose or for the creation of reserves for general banking risks in accordance with margin no. 38 [6] ("re-designation of purpose"), this is to be shown in the notes in the presentation of value adjustments, provisions and reserves for general banking risks, in the corresponding column, as defined in Art. 25c para. 1 no. 3.9 BO (cf. Table E, section XI). 39

In individual and consolidated financial statements [6] prepared in accordance with the true and fair view principle, released and reallocated value adjustments and provisions are to be disclosed in the notes, Table E (also "Default risks" row), gross as releases or newly created 39a

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items.

If value adjustments and provisions that are not required are released in the same accounting period with income effect, the release is to be posted under "extraordinary income" in the individual financial statement [5] and in the individual and consolidated financial statements [6] prepared in accordance with the true and fair view principle (without the provisions for pension benefit obligations or deferred taxes, to which margin no. 38a is applicable). [6] The amount of the provisions and value adjustments released to income is to also be shown in the presentation of value adjustments, provisions and reserves for general banking risks in the notes, in the corresponding column, as provided for in Art. 25c para. 1 no. 3.9 BO (cf. Table E, section XI). 40

When the amount of value adjustments and provisions released or re-designated in any accounting period is material, this is to be commented upon in the notes as provided for in Art. 25c para. 1 no. 5.5 BO. As a general rule of thumb for assessing materiality, the calculation of material releases of hidden reserves as defined in margin no. 35 may be used. 41

The designated purpose of individual and general value adjustments and provisions is to be clearly stated so that these items are traceable and verifiable with regard to their designated purpose, the accounting periods to which they belong, as well as the positions to which they relate. 42

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V. Classification of the balance sheet in the statutory individual financial statement

Minimum classification rules applicable to all banks are designed to ensure a simple and understandable presentation of the balance sheet. Additional information on collateral, remaining maturities and similar information is to be disclosed in the notes. 43

The following comments on the content of individual positions cover the most significant items. However, this list of items to be included is not exhaustive. 44

A. Position 1: Assets

a) Position 1.1: Liquid assets

- Current Swiss coins and bank notes, excluding collectors' pieces; 45*
- Foreign currencies, provided they are freely convertible to Swiss francs;
- Balances with foreign post offices, where freely transferable;
- Giro (clearing) balances with the Swiss National Bank;
- Giro (clearing) balances with a central giro institution (central clearing office) recognised by FINMA;
- Sight deposits with a foreign central bank.
- Clearing balances of foreign branches with a recognised clearing bank of the respective country.

b) Position 1.2: Amounts due arising from money-market instruments

- Commercial bills of exchange; 46
- Rescriptions and treasury bills of public-sector entities;
- Own bills of exchange to the order of the bank (simple collateral bills are to be omitted);
- Cheques;
- Money-market instruments such as BIS bills, bankers' acceptances, commercial papers (CPs), certificates of deposit (CDs), treasury bills and money-market book claims;
- Book-entry securities based on money-market and similar instruments;
- Combined products which, when viewed from an economic point of view, constitute money-market interest instruments.

c) Position 1.3: Amounts due from banks

- All balances (including precious metal account deposits) [6] with domestic and foreign 47

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banks, with the exception of money-market and similar instruments (cf. item 1.2), mortgage loans (cf. item 1.5), as well as securities and book-entry securities (cf. items 1.6 and 1.7);

- Amounts due from central banks, clearing institutions and foreign postal organisations where they are not to be reported under position 1.1;
- Due but unpaid interest.

See new margin no. 29n [6] 48*

See new margin no. 29n [6] 49*

d) Position 1.4: Amounts due from customers

- All amounts due from non-banks that are not to be disclosed under another position; 50
- Receivables in form of current accounts, including receivables secured by mortgage in the form of current accounts including construction credits prior to consolidation and commercial loans;
- Amounts due to the bank in its capacity as lessor in the context of finance leasing, with the exception of real estate finance leasing;
- Delivery commitments arising from precious metal account deposits [6];
- Due but unpaid interest.

e) Position 1.5: Mortgage loans

- Direct and indirect mortgage claims in the form of secured loans (mortgage certificates pledged or assigned as collateral); 51
- Credits for land in the form of loans and fixed advances;
- Real estate finance leasing;
- Due but unpaid interest.

f) Position 1.6: Trading portfolios of securities and precious metals

All of the following if held and owned by the bank for trading purposes: 52

- Securities and book-entry securities;
- Precious metals;
- Combined products that, from an economic point of view, are capital market interest instruments;
- Own shares (individual financial statement).

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In individual and consolidated financial statements prepared in accordance with the true and fair view principle, accounting is to be done in accordance with margin no. 29k. 52a

g) Position 1.7: Financial investments

The following items held and owned by the bank, albeit not for the purpose of trade, and in the case of equity securities and real estate property, nor for the purpose of permanent investment: 53

- Securities and book-entry securities;
- Debt-register claims due from public-sector entities;
- Real estate properties, equity securities and commodities whose ownership has been assumed by virtue of a credit transaction and are destined to be resold;
- Precious metals;
- Combined products that, from an economic point of view, are capital market interest instruments;
- Own shares (individual financial statement).

In individual and consolidated financial statements prepared in accordance with the true and fair view principle, accounting is to be done in accordance with margin no. 29k. 53a

h) Position 1.8: Participating interests

- Equity securities owned by the bank in enterprises (including real estate companies) that are held with the intention of a permanent investment irrespective of the percentage of voting shares held; 54
- Participating interests owned by the bank and possessing an infrastructure character for the bank, in particular holdings in joint organisations;
- Amounts due from enterprises in which the bank has a permanent holding, if such amounts are deemed to be equity for taxation purposes.

i) Position 1.9: Tangible fixed assets

- Real estate property except for current assets recorded under "financial investments"; 55
- Balances of construction and renovation accounts;
- Constructions on properties owned by third parties;
- Other tangible fixed assets;
- Tangible assets acquired under financial leases;
- Self-developed or purchased software; [5]

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- Intangible assets (e.g. goodwill, patents, capitalised incorporation, capital raising, organisational and restructuring costs to be amortised, etc.).

Intangible assets are to be presented in combined individual financial statements under a separate position. [5]

Disclosure of leasing transactions (bank in the capacity of lessee): 56
Assets used by the bank in the capacity of lessee in the context of finance leases (leasing transactions with a purchase character; ownership rights and obligations on the part of the bank) are to be recorded in the balance sheet under the position "tangible fixed assets" at their cash purchase value and are to be shown separately in the presentation of fixed assets in the notes as provided for in Art. 25c para. 1 no. 3.4 BO. Leasing obligations are to be disclosed under the position "amounts due to banks" or "other amounts due to customers" as provided for in Art. 25 para. 1 no. 2.2 and no. 2.4 BO. Depreciation and amortisation of capitalised assets arising from finance leases is to be charged to the position "depreciation and amortisation of fixed assets" as provided for in Art. 25a para. 1 no. 2.2 BO.

Assets used by the bank under operating lease contracts (leasing transactions with loan-for-use character; ownership rights and obligations on the part of the lessor) are not to be capitalised. Operational leasing expenses are to be charged to the position "general and administrative expenses" as provided for in Art. 25a para. 1 no. 1.5.2 BO and the future obligations entered into for the payment of leasing instalments are to be disclosed separately in the presentation of fixed assets in the notes as provided for in Art. 25c para. 1 no. 3.4 BO. 56a

j) Position 1.10: Accrued income and prepaid expenses

All accruals of interest and other types of income, premiums on asset items and discounts on liability items, and assets arising from other prepaid and accrued items are to be disclosed here (transitory assets). 57

k) Position 1.11: Other assets

- Capitalised amount on the basis of employer contribution reserves and any other assets (economic benefit) related to pension funds. [6] 58

- Positive replacement values of all derivative financial instruments outstanding on the balance sheet date and resulting from transactions for the bank's own account and that of customers (for netting, cf. margin no. 14), irrespective of the treatment for income statement, for example hedge transactions.

  The following principles apply to the recording of replacement values resulting from transactions for the account of customers: 59

  The replacement values of derivative financial instruments arising from transactions for the account of customers are to be posted if a risk may arise for the bank during the remaining term of the contract in the event that the customer or the other counterparty (stock exchange, stock exchange member, issuer of instrument, broker, etc.) may no longer be able to honour any of its obligations. The following rules follow from this principle:

  - Over-the-counter contracts (OTC): 60

    - The bank acting as commission agent: the replacement values of commission

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transactions are, as a general rule, to be posted to the balance sheet except where the bank discloses the identity of the counterparty to the customer (cf. also margin no. 223). In this case, the bank assumes a credit risk only if the contract constitutes a loss for the customer. Consequently, only such positive replacement values are to be recorded. The corresponding double entries in book-keeping terms are the corresponding negative replacement values, i.e. the profit realised by the counterparty with whom the bank deals in its name but for the account of a third party. However, the transaction need not be recognised where the contract represents a profit for the customer. Where the bank is not in a position for technical reasons to make this distinction, all replacement values arising from commission transactions are to be recorded. Banks are to disclose in the accounting and valuation policies (Section 2 of the notes) which principles have been followed in arriving at the replacement values for commission transactions.

- The bank acting as principal: report replacement values.
- The bank acting as broker: no replacement values are to be reported.

- Exchange-traded contracts: 61

  The bank acting as commission agent: The replacement values are not to be recorded in the balance sheet as a general rule except where the accrued daily loss ("daily variation margin") is not fully covered by the initial margin effectively received. Only the uncovered portion must be recorded. In the case of traded options, an identification requirement exists only where the maintenance margin effectively charged does not fully cover the customer's daily loss. Here, too, only the uncovered portion must be recorded. Daily gains of customers are to never be reported.

- The credit balance of the compensation account for value adjustments having no income effect during the accounting period (value adjustments with no income effect to the replacement values of derivative financial instruments and value adjustments with no income effect resulting from loan transactions involving assets other than money, interest margins, and borrowing costs on central mortgage institution loans and loans of central issuing institutions, in addition to the interest components of interest transactions that are sold at a loss or repaid prior to maturity where they have been valued according to the accrual method); 62*
- Coupons
- Foreign currencies if they are not included in Position 1.1
- Pure clearing accounts
- Balances arising from internal bank business operations
- Commodities
- Indirect taxes
- Losses shown in the income statement of semi-annual interim financial statements (Where the loss of the semi-annual interim financial statement is not covered by hidden

reserves, it is to be disclosed separately under Position 2.19 "loss for the year" so as to avoid disclosing equity that is no longer intact, with the labelling of this position being changed to "loss for the half-year period").

The composition of this position is to be disclosed in the notes. The balance of the compensation account is to be disclosed separately. 63

l) **Position 1.12: Unpaid capital** 64

m) **Position 1.13: Total assets** 65

aa) Position 1.13.1: Total subordinated claims 66

bb) Position 1.13.2: Total amounts due from group companies and holders of qualified participations 67

- Holders of qualified participations are natural and legal persons as defined in Art. 3 para. 2 let. c[bis] of the Banking Act (BA).
- Cantonal banks are to disclose amounts due from the canton.

B. Position 2: Liabilities

a) **Position 2.1: Liabilities from money-market instruments**

All money-market and similar instruments issued by the bank like those named in position 1.2 as well as book-entry securities based on them. 68

b) **Position 2.2: Amounts due to banks**

Cf. Position 1.3 69

- Liabilities resulting from short positions arising from spot short sales, per security, recognised according to the trade date accounting principle;
- Leasing instalments recognised as a liability and payable for assets leased from banks where they have been capitalised under position 1.9;
- Mortgages in favour of third parties secured by real estate owned by the bank.

c) **Position 2.3: Amounts due to customers in savings or deposit accounts**

- Customer deposits designated as "savings" in any manner; [5] 70
- Commitments in investment form, where they are subject to withdrawal restrictions. [6]

d) **Position 2.4: Other amounts due to customers**

- All liabilities toward non-banks where they are not to be disclosed in any other position, including commitments from precious metal accounts; [5] 71
- Leasing instalments recognised as a liability from assets leased by non-banks, where

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capitalised under position 1.9;

- Liabilities resulting from short positions arising from spot short sales, per security, recognised according to the trade date accounting principle;
- Mortgages in favour of third parties secured by real estate owned by the bank.

e) Position 2.5: Cash bonds 72

f) Position 2.6: Bond issues and central mortgage institution loans

- Own bonds, convertible and warrant bonds; 73
- Loans from central mortgage bond institutions;
- Loans from central issuing institutions.

g) Position 2.7: Accrued expenses and deferred income

Cf. Position 1.10. 74

Taxes payable are to be disclosed here.

h) Position 2.8: Other liabilities

- Negative replacement values of all derivative financial instruments outstanding as of the balance sheet date for the account of the bank and that of customers (for netting, cf. margin no. 14; for reporting of replacement values arising from transactions for the account of customers, cf. margin nos. 58 through 61); 75
- The debit balance of the compensation account for value adjustments having no income effect during the accounting period (adjustments of replacement values of derivative financial instruments and value adjustments resulting from loan transactions with assets other than money);
- "Funds" set up by the bank and possessing no separate legal personality, e.g. pension and charitable funds;
- Pure clearing accounts;
- Balances arising from internal bank business operations;
- Matured, but unredeemed coupons and debt instruments;
- Indirect taxes;
- Profit as disclosed in the income statement of semi-annual interim financial statements.

The composition of this position is to be disclosed in the notes. The balance of the compensation account is to be disclosed separately. 76

i) Position 2.9: Value adjustments and provisions

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- Economically necessary value adjustments and provisions to cover risks that are apparent at the time of the financial statement reporting date and that have not been deducted directly from assets. 77
- Provisions for deferred taxes; [5]
- Provisions for pension benefit obligations; [5]
- Restructuring provisions; [5]
- Other provisions;
- Hidden reserves in the individual financial statement.

j) Position 2.10: Reserves for general banking risks

All reserves that are not included in another position. 78

Reserves for general banking risks are to be created by charges to the position "extraordinary expenses" as provided for in Art. 25a para. 1 no. 2.6 BO, and in the individual financial statement [5] by way of a re-designation of value adjustments and provisions no longer considered economically necessary or by way of a transfer of hidden reserves. Re-designations and transfers of hidden reserves in the individual financial statement are to be disclosed in the corresponding column in the notes, in the presentation as provided for in Art. 25c para. 1 no. 3.9 BO (cf. Table E, section XI). Reserves for general banking risks may only be released via the position "extraordinary income" as provided for in Art. 25a para. 1 no. 2.5 BO. 79

In the individual financial statement [5], it is to be disclosed in the notes (art 25c para. 1 no. 2 BO) whether or not the reserves for general banking risks are taxed. 79a*

In the individual and consolidated financial statements prepared in accordance with the true and fair view principle, deferred taxes are to be taken into account for the amount of and allocations to the reserves for general banking risks. 79b

k) Position 2.11: Bank's capital

- Share, cooperative and endowment capital; 80
- Partners' capital;
- Paid-up capital accounts;
- Participation capital.

Unpaid guarantee capital is to be disclosed in the notes in accordence with the presentation as provided for in Art. 25c sect. 1 no. 3.10 (cf. Table F, Chapter XI). 81

l) Position 2.12: General legal reserve

Allocations to statutory reserves are to comply with the relevant provisions of the Code of 82

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Obligations.

m) **Position 2.13: Reserve for own shares**

The reserve for own shares is to be created in the individual financial statement[6] as provided for in Art. 659 CO, observing the restrictions of Art. 25 para. 5 BO. The reserve is to be established by transfer from positions 2.10, 2.15 and 2.16. The reserve may be dissolved pursuant to Art. 671a CO in the event of sale or voiding of shares up to their acquisition costs. 83

In individual and consolidated financial statements prepared in accordance with the true and fair view principle, own shares are to be treated as provided for in margin no. 29k.

n) **Position 2.14: Revaluation reserve**

This reserve is to be established in accordance with Art. 670 CO. As to the dissolution of the revaluation reserve, the provisions of Art. 671b CO apply. See also margin no. 37. 84

o) **Position 2.15: Other reserves** 85

p) **Position 2.16: Profit carried forward** 86

q) **Position 2.17: Profit for the year[2]** 87

r) **Position 2.18: Loss carried forward** 88

s) **Position 2.19: Loss for the year[3]** 89

t) **Position 2.20: Total liabilities** 90

aa) Position 2.20.1: Total subordinated liabilities 91

bb) Position 2.20.2: Total amounts due to group companies and holders of qualified participations 92

Cf. Position 1.13.2

C. Position 3: Off-balance-sheet transactions

a) **Position 3.1: Contingent liabilities**

- Guarantees to secure credits in the form of bill of exchange guarantees, sureties and other guarantees including guarantee obligations in the form of irrevocable letters of credit, endorsement liabilities arising from rediscounted bills, advance payment guarantees and similar facilities such as pledges in favour of third parties, and unrecorded portions of joint and several liabilities resulting from rights of recourse based on an internal legal relationship (i.e. in the case of ordinary (unincorporated) partnerships), legally binding letters of comfort. 93

[2] Or "six-month profit" where the interim profit is shown separately.[5]
[3] Or "six-month loss" where the interim loss is shown separately.[5]

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These contingent liabilities are characterised by an existing debt on the part of a principal debtor being guaranteed in favour of a third party.

- Bid bonds, delivery and performance bonds, builders' guarantees, letters of indemnity, other performance guarantees including guarantees in the form of irrevocable letters of credit and similar facilities.

  These contingent liabilities are characterised by the fact that at the time of concluding the transaction and disclosing the contingent liability, no debt of the principal debtor in favour of a third party exists as yet, but may arise in the future, e.g. when legal liability arises.

- Irrevocable commitments arising from documentary letters of credit;

- Other contingent liabilities.

b) Position 3.2: Irrevocable commitments

- As of the balance sheet date unused, but firm and irrevocable commitments to grant credit or other facilities. Credit limits granted to customers and banks that can be revoked at anytime by the bank are not to be disclosed unless the contractual period of notice exceeds six weeks; 94

- Firm commitments to underwrite securities issues less firm subscriptions;

- Firm commitments to redeem credits (credit commitments in favour of the buyer, collateralisation of the claims of creditors by way of a bank guarantee). Where both commitments forming an indivisible transaction binding upon the bank are structured in such a manner so that, from the point of view of execution of the transaction as well as from an economic and legal point of view, no risk can arise for the bank, only the irrevocable commitment must be shown in the off-balance sheet since the fulfilment of such a commitment is considered to be a certainty and the fulfilment of the guarantee is strictly contingent;

- Payment commitment related to the deposit guarantee.[5]

c) Position 3.3: Liabilities for calls on shares and other equities

Calls and margin commitments for shares and other equity instruments 95

d) Position 3.4: Commitment credits

- Commitments arising from deferred payments; 96

- Commitments arising from acceptances (only liabilities arising from acceptances in circulation);

- Other confirmed credits;

insofar as they are not fulfilled by at least one party.

e) Position 3.5: Derivative financial instruments

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- All derivative financial instruments outstanding as of the balance sheet date both for the account of the bank and that of customers in interest rates, foreign currencies, precious metals, equity securities/indices and other valuables with disclosure of the positive and negative (gross) replacement values as well as the respective contract volumes, each expressed in a total amount; 97

- Unsettled spot transactions recognised according to the settlement date accounting principle are to be included in forward transactions (cf. margin nos. 2 and 2a).

Positive replacement values: all derivative financial instruments are to be disclosed that are outstanding on the balance sheet date from transactions for the bank's own account and that of customers and have a positive replacement value. This is the amount exposed to credit risk and represents the maximum possible book loss to be incurred by the bank as of the balance sheet date if the counterparties are no longer able to meet their payment obligations. Purchased options are to be included under the positive replacement values. Positive replacement values are to be disclosed on a gross basis, i.e. without being offset against the negative values. 98

Replacement values of derivative financial instruments from customer transactions are to be disclosed applying the following principles: 98a

- Over-the-counter contracts (OTC):
  - The bank acting as commission agent: report replacement values,
  - The bank acting as principal: report replacement values,
  - The bank acting as broker: no replacement values are to be reported.
- Exchange-traded contracts:

  The bank acting as commission agent: the replacement values are not to be disclosed, except in cases where the accrued daily loss ("variation margin) is not fully covered by the initial margin effectively received. Only the uncovered portion must be disclosed. In the case of traded options, a disclosure requirement exists only where the maintenance margin effectively charged does not fully cover the customer's daily loss. Here, too, only the uncovered portion must be disclosed. The daily gains of customers are to never be reported.

Negative replacement values: all derivative financial instruments are to be disclosed that are outstanding on the balance sheet date from transactions for the account of the bank and that of customers and have a negative replacement value. The negative replacement values correspond to the amount which the counterparties would lose if the bank were not to honour its commitments. Written options are to be included under negative replacement values. Negative replacement values are to be disclosed on a gross basis, i.e. without being offset against positive values. Negative replacement values from customer transactions are to be disclosed according to the same basic principles as apply in the case of positive replacement values from customer transactions. 99

The replacement values to be disclosed here do not necessarily correspond to those shown under "other assets" or "other liabilities". Differences may arise from netting positive and negative replacement values in the balance sheet as provided for in margin nos. 45–48 of 100

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FINMA Circular 08/19 "Credit Risks — Banks" [6] under the existing law and in the derivative financial instruments of customer transactions.

Contract volumes: the contract volumes are to be disclosed of all derivative financial instruments entered into by the bank for its own account and that of customers outstanding as of the balance sheet date. "Contract volumes" are defined by the receivables side of the underlying instruments or notional values of derivative financial instruments, as provided for in margin nos. 27–32 of FINMA Circular 08/19 "Credit Risks — Banks" under the existing law. Options are not to be delta-weighted. [6] 101

The following values are relevant for options:

- Purchase call/sale put:
  Receivable side = current market value x quantity of the underlying instruments;

- Sale call/purchase put:
  Receivable side = exercise price x quantity of the underlying instruments;

The following principles apply to the disclosure of contract volumes for customer transactions:

- Over-the-counter contracts (OTC):
  The bank acting as commission agent: report contract volumes;
  The bank acting as principal: report contract volumes;
  The bank acting as broker: no contract volumes are to be reported.

- Exchange-traded contracts:
  The bank acting as commission agent: contract volumes are not to be reported.

f) Position 3.6: Fiduciary transactions

See definition in margin no. 233. Commission income from fiduciary transactions is to be recorded in the Position "commission income from securities and investment activities" as provided for in Art. 25a para. 1 no. 1.2.2 BO. Income from fiduciary placements and payment thereof to the principal may not be recorded in the income statement. 102

VI. Classification of the income statement in the statutory individual financial statement (Art. 25a BO)

Minimum classification rules on income statements applicable to all banks are designed to enable the presentation of the results of the various business areas in a simple and understandable manner for a broad group of readers and thus lead to a better understanding of the sources of the bank's profits. The income statement *must* be prepared compulsorily in an echelon format. 103

As a general rule, the no-netting principle is to be applied to "income" and "expense" items except where the explanations in the text concerning these individual positions expressly state otherwise. Income and expenses can be offset against one another under the positions designated "result". 104

A. Position 1: Income and expense from ordinary banking operations

a) Position 1.1: Result from interest operations

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aa) Position 1.1.1: Interest and discount income

- Interest receivable; 105
- Credit commissions considered to constitute an interest component;
- Income from discounting bills of exchange;
- Result from refinancing trading positions where this income is offset against "result from trading activities" (cf. also margin no. 107);
- Similar items directly linked to interest operations.

Past due interest (including accrued interest) and related commissions are not to be included in interest income. Interest and commissions are past due where they are more than ninety days overdue (cf. margin no. 250). In the case of overdrafts, interest and commissions are considered past due where the overdraft limit has been exceeded for more than ninety days. From then on, future interest and commissions accruing may no longer be credited to the income position 1.1.1. "interest and discount income" until any overdue interest has not been outstanding for longer than ninety days. A retroactive cancellation of interest income is not expressly prescribed. Where no retroactive cancellation is made, all receivables arising from such interest that have accrued and have been owing up to ninety days (due and unpaid interest and accrued interest) are to be written off via the account "value adjustments, provisions and losses". Any treatment of past due [5] interest that is at variance with this rule with regard to the ninety-day time limit, is to be disclosed in the notes as provided for in Art. 25c para. 1 no. 2 BO. 106

bb) Position 1.1.2: Interest and dividend income from trading portfolios

This position is to only be shown where a bank does not offset the interest and dividend income of trading portfolios against the refinancing expense for trading portfolios in the position "results from trading activities" as provided for in Art. 25a para. 1 no. 1.3 BO. Banks that offset the refinancing of positions entered into for trading purposes against interest operations are to disclose this in the notes as provided for in margin no. 149. 107

cc) Position 1.1.3: Interest and dividend income from financial investments

dd) Position 1.1.4: Interest expense

- Interest payable; 108
- Other interest-like expenses;
- Interest on subordinated loans;
- Interest on mortgages in favour of third parties secured with the bank's own real estate properties including the interest components of real estate finance lease instalments.

The interest payable on cooperative and endowment capital, partners' capital and capital accounts as well as guarantee capital is not to be treated as interest expense but as profit appropriation. 109

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ee) Position 1.1.5: Subtotal for interest operations

b) Position 1.2: Result from commission business and services

This position includes not only commissions in the strict sense, but also income and expenses in general arising from the ordinary provision of services. 110

aa) Position 1.2.1: Commission income from lending activities

- stand-by, guarantee, letter of credit confirmation commissions; 111
- Advisory commissions.

bb) Position 1.2.2: Commission income from securities trading and investment activities

- Custodian fees; 112
- Brokerage commissions;
- Income from securities issuing operations both by way of underwriting on a commission basis or firm underwriting where the bank does not elect to account for income from primary market trading activities under the position "result from trading activities". Banks electing to reflect primary market trading income under the position "result from trading activities" must disclose this fact in their valuation principles (Section 2 of the notes);
- Income from coupons;
- Commissions from asset management activities;
- Commissions from fiduciary transactions;
- Investment advisory commissions;
- Commissions from estate planning, company formation and taxation advisory services.

cc) Position 1.2.3: Commission income from other services

- Rent for safe deposit boxes; 113
- Payment transaction commissions;
- Income from the collection of bills of exchange;
- Documentary collection commissions,

dd) Position 1.2.4: Commission expense

- Retrocessions; 114
- Custodian fees paid;

- Brokerage fees paid.

Retrocessions agreed in advance may be offset against the corresponding commission income. 115

Commissions to indemnify guarantee capital are not to be treated as commission expense but as profit appropriation. 116

ee) Position 1.2.5: Subtotal for commission business and services

c) Position 1.3: Result from trading activities

- Gains and losses on trading with securities and book-entry securities, debt register claims, other marketable assets and commitments, foreign exchange and bank notes, precious metals, commodities, derivative financial instruments, etc; 117
- Gains and losses on loaned assets belonging to the trading portfolio;
- Proceeds from subscription rights;
- Valuation result from the translation of foreign exchange positions;
- Components directly linked to trading activities and partly included in the market prices such as brokerage, transportation and insurance expenses, fees and duties, melting costs etc;
- When offsetting the refinancing of trading positions as provided for in Art. 25a para. 5 BO (cf. also margin no. 107), both interest and dividend income from securities trading portfolios as well as refinancing expenses are to be included in this position.

In the individual and consolidated financial statements prepared in accordance with the true and fair view principle, the gains and losses from trading with own shares (in the trading portfolio) are to be treated in accordance with margin no. 29k. 117a

d) Position 1.4: Other result from ordinary activities

aa) Position 1.4.1: Result from the disposal of financial investments

Realised gain or loss in connection with financial investments valued according to the lower of cost or market value principle.[6] The realised result corresponds to the difference between the book value and the sale price. Value adjustments already posted during the current year are not to be reclassified to "result from the disposal of financial investments".[6] 118

bb) Position 1.4.2: Income from participating interests

- Dividend income from participating interests; 119
- Interest income from loans deemed part of equity capital (cf. also margin no. 54);
- Income from participating interests reported according to the equity method in the supplementary individual and consolidated financial statements.[6]

In the combined individual financial statements, the effects on the income statement of a

theoretical application of the equity method are to be disclosed in the notes.[6]

Gains and losses from the sale of participating interests are not to be included here but under "extraordinary income" or "extraordinary expenses" instead. 120

cc) Position 1.4.3: Result from real estate

Income from the use of real estate not utilised for banking operations (including real estate included in "financial investments"), i.e. 121

- Rental income,
- Maintenance expenses for own real estate properties.

Gains and losses from the sale of real estate properties recorded under fixed assets are not to be entered under this position, but as "extraordinary income" or "extraordinary expenses". Gains and losses from the sale of real estate properties recorded under financial investments are not to be entered here, but as "result from the disposal of financial investments" (gains), or their balance as amortisation and depreciation on financial investments in the position "other ordinary income" or "other ordinary expenses" (realised depreciations in value). 122

dd) Position 1.4.4: Other ordinary income

- Positive balance of market-related value adjustments to financial investments valued according to the lower of cost or market value principle 123
  (It should be noted that where real estate assets are acquired as the result of a forced realisation without interested third parties, any necessary initial depreciation of the property to the effective market value possesses the character of a value adjustment dictated by a decline in the credit standing of the debtor and, accordingly, the balance is to be charged to the expense account "value adjustments, provisions and losses");

- In the individual and consolidated financial statements prepared in accordance with the true and fair view principle, the gains from trading with own shares (in financial investments) are to be treated in accordance with margin no. 29k. 123a

ee) Position 1.4.5: Other ordinary expenses

- Negative balance of market- and/or creditworthiness-related value adjustments to financial investments valued according to the lower of cost or market value principle (cf. corresponding supplementary remark in margin no. 123); 124

- In the individual and consolidated financial statements prepared in accordance with the true and fair view principle, the losses arising from trading with own shares (in financial investments) are to be treated in accordance with margin no. 29k. 124a

ff) Position 1.4.6: Subtotal other result from ordinary activities

e) Position 1.5: Operating expenses

aa) Position 1.5.1: Personnel expenses

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All expenses for the bank's governing bodies and personnel are to be included, including in particular: 125

- Meeting attendance fees and retainers for the bank's governing bodies;
- Salaries and benefits, contributions to the Old-age and Surviving Dependants' Pension/Disability Insurance Schemes (AHV/IV), Unemployment Insurance Scheme (ALV) and other statutory contributions;
- Premiums and voluntary appropriations to pension and other funds as well as in-house funds with the same purpose, but without any separate legal personality, where they do not have the character of a profit distribution;
- Value adjustments for economic benefits and commitments arising from pension funds; [5]
- Premiums for life and pension insurance policies;
- Ancillary personnel expenses, including direct training and recruitment costs;
- Costs related to enabling price reductions associated with employee participation plans.

bb) Position 1.5.2: General and administrative expenses

- Office space expenses 126
    - Rent paid and maintenance and repair costs that do not increase the market value or value-in-use of tangible fixed assets used for banking operations, [6]
    - Operating lease expenses for premises used for banking operations;
- IT expenses (including the costs for the services of external data processing centres), machinery, furniture, motor vehicles and other equipment and fixtures, in addition to operating lease expenses. Finance lease instalments are not to be recorded here but recorded, applying the annuity method, as an interest expense and repayment of leasing instalments recognised as liabilities. If low-value items are not concerned, depreciation and amortisation, , are not to be recorded here, but rather under Position 2.2; 126a
- Other operating expenses 126b
    - Office supplies and consumables, printed matter, telephone, telegraph, telex, postage and other transport costs,
    - Travelling allowances,
    - Insurance premiums,
    - Advertising expenses,
    - Legal and debt collection costs, commercial register and land registry fees,
    - Auditing expenses,
    - Issuing costs including expenses associated with the procurement of third-

party capital where they are not regarded as interest expense and are amortised over the term of the loan,

- Donations where they are not distributions associated with profit appropriations,
- Value-added tax if it does not represent a component of the cost price of tangible fixed assets.

cc) Position 1.5.3: Subtotal operating expenses

f) Position 1.6: Gross profit

B. Position 2: Profit/loss for the year

a) Position 2.1: Gross profit

b) Position 2.2: Depreciation and amortisation of fixed assets

- Depreciation and amortisation of Positions 1.8 "participating interests" and 1.9 "tangible fixed assets" [and "intangible assets"] including any additional depreciation and amortisation required due to periodical verifications of valuations. 127
- Depreciation and amortisation of assets capitalised under finance leases (cf. margin no. 56);
- Creation of hidden reserves in the individual financial statement [5] for Positions 1.8 "participating interests" and 1.9 "tangible fixed assets" if not created via "extraordinary expenses".

Losses from disposals of participating interests and tangible fixed assets are to be included in the position "extraordinary expenses". 128

c) Position 2.3: Value adjustments, provisions and losses

- Creation of value adjustments and provisions required for economic reasons, (cf. margin no. 29d-1 et. seq.) [5] dedicated to default, country and other business risks; 129
- Creation of other provisions required for economic reasons (cf. margin no. 29d-1 et. seq.)[5], including restructuring provisions where they are not created via "personnel expenses" (personnel expenses related to restructuring decisions) [5];
- Creation of hidden reserves in the individual financial statement [5] where not created by way of "extraordinary expenses";
- Losses.

In the individual and consolidated financial statements prepared in accordance with the true and fair view principle, the creation of value adjustments and provisions is to be recorded as a net amount (new adjustments and provisions minus items mandatorily dissolved that are no longer required for economic reasons). Where the dissolutions/releases of old value adjustments and provisions exceed the new value adjustments and provisions, the excess 130

amount is to be posted to "extraordinary income" (cf. margin no. 133).

Recoveries of receivables written off in prior periods may be credited directly to provisions and are to be disclosed separately in the corresponding column of the presentation of value adjustments, provisions and reserves for general banking risks in the notes as provided for in art 25c para. 1 no. 3.9 BO (cf. Table E, section XI). 130a

As to hidden reserves on financial investments in the individual financial statement [6], the no-netting principle applies, i.e. these hidden reserves are to be posted to "value adjustments and provisions" as liabilities. Understating the value of the position "financial investments" is prohibited. 131

d) Position 2.4: Result before extraordinary items and taxes

In the individual financial statement [6], the result before taxes is to be shown only where the profit or loss for the year is impacted to a material extent by extraordinary income and expenses. 132

In the individual and consolidated financial statements prepared in accordance with the true and fair view principle, the subtotal is to always be disclosed where extraordinary income and/or extraordinary expenses are present.

e) Position 2.5: Extraordinary income

"Extraordinary income" refers to non-recurring and non-operating income. The following are to be disclosed in particular: 133

- Gains realised from the disposal of participating interests, tangible fixed assets and intangible assets; [6]
- Upward revaluations of fixed assets up to the legal maximum value;
- Release of hidden reserves and reserves for general banking risks;
- Dissolution of value adjustments and provisions no longer required and not re-designated in the individual financial statement and in the individual and consolidated financial statements prepared in accordance with the true and fair view principle;
- Subvention payments received from shareholders during the course of the current year;
- Partial or full reversal of impairment (cf. margin no. 28b-16).

Income not relating to the current period is to be included here only where it is attributed to corrections of errors or mistakes from previous years.

Subvention payments from shareholders not received until after the end of the current year are to be disclosed under Position 3.4 as loss coverage. 134

Guarantees covering a loss are not to be shown as "extraordinary income" but rather disclosed in a note to Position 3. 135

f) Position 2.6: Extraordinary expenses

Extraordinary expenses are non-recurring and non-operating expenses. The following are to be disclosed in particular: 136

- Losses realised from the disposal of participating interests, tangible fixed assets and intangible assets; [5]
- Creation of hidden reserves in the individual financial statement [5] where not created under Positions 2.2 and 2.3;
- Creation of reserves for general banking risks.

Expenses not relating to the current period are to be included here only where they are attributed to corrections of errors or mistakes from previous years.

g) Position 2.7: Taxes

- Direct income and capital taxes; 137
- Creation of provisions for deferred taxes.

Current income taxes payable on the result of the respective period are to be determined in compliance with the relevant rules and regulations on the calculation of income tax.

Taking into account the tax effects on losses carried forward in the statutory individual financial statement is prohibited (deferred tax assets). For deferred taxes, cf. margin no. 79b.

Current taxes and deferred taxes are to be disclosed separately in the notes to the individual and consolidated financial statements prepared in accordance with the true and fair view principle. [5] 137a

h) Position 2.8: Profit / loss for the year[4]

C. Position 3: Appropriation of profit / coverage of losses

Guarantees for covering any losses are to be noted here. 138

a) Position 3.1: Profit / loss for the year

b) Position 3.2: Profit / loss carried forward

c) Position 3.3: Distributable profit / accumulated loss

d) Position 3.4: Appropriation of profit / coverage of losses

e) Position 3.5: Profit / loss carried forward

VII. Classification of the cash flow statement in the statutory

[4] Or "six-month profit" or "six-month loss" where the interim profit or loss is shown separately. [5]

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individual financial statement (Art. 25b BO)

Table A in section XI is designed to serve as a model and may be adapted to the bank's requirements, subject to compliance with the minimum classification requirements as provided for in Art. 25b para. 2 and para. 3 BO. 139

The comparative figures for the previous year must be presented in each case. 140

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VIII. Classification of the notes in the statutory individual financial statement (Art. 25c BO)

The notes are an integral part of the annual financial statements. They complement and provide information on the balance sheet and income statement, and the cash flow statement where necessary, and thus enable the informed reader to obtain a better understanding of significant aspects of the bank's financial position (net assets, financial positions and results). The notes are designed to unburden the balance sheet and income statement with regard to an overabundance of details so as to provide for an improved understanding at first glance. 141

In preparing the compulsory components of the respective notes, the size and business activities of the individual bank and materiality are to be taken into consideration. As a consequence, the notes must show a varying degree of detail and scope with regard to the various bank types. This differentiation is to be justified in the notes by way of summary disclosures of the bank's business activities as defined in Art. 25c para. 1 no. 1 BO. 142

In order to unburden the balance sheet and income statement with regard to an overabundance of details, yet at the same time structure the notes in a clear and legible manner, a certain minimum layout has been specified for the purpose of organising the content of certain presentations in the notes. Further analyses and supplementation of these presentations are possible. By the same token, insignificant positions can be grouped in accordance with their content (Art. 25c para. 2 BO). 143

The notes must contain the following subsections: 144

1. Explanatory notes on the bank's business activities, number of staff employed;
2. Accounting and valuation policies;
3. Information on the balance sheet;
4. Information on off-balance-sheet transactions;
5. Information on the income statement;
6. Any other significant indications, explanatory notes and justifications.

The bank is free to choose the form of presentation within the framework of the minimum disclosure and sequence as required by legal rules. 145

Unless expressly provided for otherwise by the remarks and tables set out in Section XI, all financial information is to be accompanied by comparative figures from the previous year. 146

The terms used in the notes have the following meaning: 147

- Disclosure: simple statement without further elaboration; depending on the respective circumstances, this may be expressed in figures or as text.
- Explanatory note: commentary in text form and interpretation of facts.
- Justification: disclosure of considerations and arguments on which certain actions or omissions have been based. Justification is to be provided in the form of text. Impacts and effects are to be quantified.

- Breakdown: quantitative segmentation of a figure into its component parts in such a manner that their relation to one another is clear.

- Presentation: rendering in two-dimensional summarised tabular format in accordance with a particular minimum layout of content. The tables pursuant to Section XI are to be understood as models with regard to format; as to their content, they represent the minimum requirements, with the exception of the table for the cash flow statement (cf. margin no. 139).

The disclosed tables may be expanded in order to satisfy the requirements of FINMA Circular 08/22 "Capital Adequacy Disclosure — Banks". Table J "3.15 Presentation of Total Assets According to Country or Group of Countries" may be replaced with Model Table 6 "Geographical Credit Risks" of FINMA Circular 08/22 "Capital Adequacy Disclosure — Banks". [6]

A. Position 1: Notes on business activities, disclosure of headcount

Summarised disclosures of the bank's business lines and size; disclosures of the outsourcing of business operations in accordance with regulatory provisions [6]. Mention is to be made in particular of the types of business activities for which no disclosure is made either because they are negligible or are not present. The content, scope and degree of detail of the information contained in the notes are to be indicated. The number of employees as at year end must be expressed in terms of full-time employees and adjusted for part-time employees (trainees = 50%). The annual report under Art. 662 para. 1 and Art. 663d CO does not form part of the annual financial statements and is therefore not to be included here. 148

Disclosures with regard to no. 12 and no. 13 of Art. 663b CO as from the first business year that begins upon or subsequent to their entry into force. [6] 148a

B. Position 2: Disclosure of the accounting and valuation policies

- Disclosure of the accounting and valuation policies for the individual balance sheet and off-balance sheet positions (cf. also margin nos. 20a, 28, 28a, 28b, 29, 29b, 29g, 29j, 29k, 29m, 29n, 79, 167); [6] 149

- Justification of changes in the accounting and valuation policies as well as disclosure and explanatory notes on their effects, i.e. their impact on the hidden reserves;

- Disclosures concerning the treatment of past due interest where the treatment employed is at variance with that set out in margin no. 106;

- Disclosures of the treatment of the refinancing of trading positions (cf. margin no. 107);

- Explanatory notes on risk management, in particular on the treatment of interest rate risk, other market risks and credit risks. In this connection, the Guidelines on the Management of Country Risk issued by the Swiss Bankers' Association are to be followed;

- Explanatory notes on the bank's business policy regarding the use of derivative financial instruments;

- Disclosures as to how transactions are recorded (cf. margin nos. 2 and 2a);

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- Explanatory notes on the methods used for identifying default risks and measuring the need for creating value adjustments;
- Explanatory notes on the valuation of collateral for loans, in particular key criteria for the calculation of the current market value and the lending value;
- Treatment of translation differences of foreign currencies: cf. margin nos. 20–21.[5]

C. Position 3: Information on the balance sheet[5]

a) Position 3.1: Overview of collateral for loans and off-balance-sheet transactions

aa) Overview according to collateral[6]

Presentation of collateral for amounts due from customers, mortgage loans, contingent liabilities, irrevocable commitments, calls commitments and commitment credits, broken down into: 150

- Secured by mortgage,
- Secured by other collateral, and
- Unsecured;

in accordance with the minimum classification as per Table B "Overview of Collateral for Loans and Off-balance-sheet Transactions" (Section XI).

Collateral by way of mortgage is the firm assumption of mortgage claims and of mortgage certificates pledged or assigned as collateral. All other forms of collateral are deemed those that are not mortgage-backed. Loans that have been granted without any valid collateral and those for which collateral has ceased to be valid in form or substance are to be included under the "unsecured" position.[6] 151

Receivables resulting from a spot transaction recognised according to the trade date (cf. margin no. 2) may be recorded in the "Secured by other collateral" column until the settlement date.

The following are not considered collateral: assignments of wages and salaries, collector's items, expected future benefits or entitlements, debtor's promissory notes, claims contested by the courts, shares of the bank itself where not traded on a recognised stock exchange, equity securities, debt certificates and guarantees of debtors or of companies affiliated with these debtors, and assignments of future receivables. 152

Collateral is to be considered at its fair market value. 153

bb) Disclosures of impaired loans/receivables[6]

The total amount of impaired loans/receivables is to be disclosed here (cf. definition in margin no. 239). Explanations are to be provided for material changes as compared to the previous 153a[6]

[5] See also margin nos. 27a, 29b-6, 63, 76, 79a.
[6] The previous margin no. 150a is now margin no. 153a.[5]

year. The impaired loans/receivables are to be stated at their gross and net values. In addition, the estimated liquidation values of the collateral and the existing individual value adjustments applied to the net debt amount are to be disclosed.

b) Position 3.2: Breakdown of trading portfolios of securities and precious metals, financial investments and participating interests

Presentation of trading portfolios of securities and precious metals broken down according to: 154

- Debt instruments (further broken down into listed and unlisted instruments), disclosing the bank's holdings of its own debentures and "cash bonds" (applicable only to the individual financial statement [6]);
- Equity securities, specifying the bank's holdings of its own shares (applicable only to the individual financial statement [6]); and
- Precious metals.

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Presentation of financial investments broken down according to: 156

- Debt instruments with information on the holdings of
  - The bank's own debentures and cash bonds (applicable only to the individual financial statement [6])
    (bonds of central issuing institutions and central mortgage institution loans are not considered to be the bank's own debt instruments);
  - Debt instruments held until maturity, and
  - Debt instruments valued according to the lower of cost or market value principle;
- Equity securities, specifying the bank's holdings of qualified participations (at least 10% of the share capital or voting rights);
- Precious metals; and
- Real estate.

In the case of financial investments, both the book value and the fair value must be disclosed. 157

As to the holdings of the bank's own shares included in the financial investments of the individual financial statement, [6] the opening and closing balance and changes during the current year resulting from purchases, sales, write-offs and upward revaluations are to be disclosed.

Presentation of participating interests broken down into: 158

- those with a listed value, and
- those without a listed value.

The minimum classification as set out in Table C "Trading Portfolios of Securities and Precious Metals", "Financial Investments" and "Participating Interests" (Section XI) is compulsory. 159

c) Position 3.3: Disclosure of the company name, registered office, business activities, capital and equity interests (voting shares, capital shares and any contractual commitments) of significant participating interests

All material holdings of equity investments in enterprises that are included in "financial investments" are to be disclosed. 160

Any material changes as compared to the previous year are to be disclosed.

Obligations to assume further shares, e.g. by way of a firm agreement or an option (purchased call option or written put option) or the release of shares, e.g. by way of a firm commitment or an option (purchased put option or written call option) are to be disclosed.

d) Position 3.4: Presentation of fixed assets

Presentation of fixed assets structured according to: 161

- Acquisition costs,
- Accumulated depreciation and amortisation,
- Book value at previous year end,
- Reclassifications,
- Additions,
- Disposals,
- Adjustments from equity valuation or reversals of impairment, [5]
- Depreciation and amortisation for the current year, and
- Book value at the end of the current year

in accordance with the minimum classification as per Table D "Presentation of fixed assets" (Section XI).

Where fixed assets are insignificant or where their book value is less than 10 million Swiss francs, the breakdown may be limited to the gross additions and disposals and depreciation and amortisation for the current year. Where disclosure details of the determination of acquisition cost are omitted, this omission has to be justified. 162

Foreign-currency translation differences, if any, are to be recorded in the "Disposals" column of Table D. 163

The future obligations to effect payment of leasing instalments for non-recognised assets subject to operating leases are to be disclosed in Table D as the total amount of non-recognised operating lease commitments. 164

e) Position 3.5: Disclosure of capitalised formation, capital increase and organisation costs 165

f) Position 3.6: Disclosure of pledged or assigned assets to secure own commitments and of assets subject to reservation of title

The book value of assets that are pledged or assigned as collateral and the effective commitments to which they are subject are to be disclosed. 166

Disclosure of securities lending and repurchase transactions [5]

The following values are to be disclosed for securities lending and repurchase transactions: [b] 166a

- Book value of receivables from cash collateral in securities borrowing and reverse repurchase agreements;
- Book value of obligations from cash collateral in securities lending and repurchase agreements;
- Book value of securities lent in connection with securities lending or delivered as collateral in connection with securities borrowing as well as securities in own portfolio transferred in connection with repurchase agreements,
    - with unrestricted right to resell or pledge.
- Fair value of securities serving as collateral in connection with securities lending or securities borrowed in connection with securities borrowing or securities received in connection with reverse-repurchase agreements for which the right to resell or repledge is unrestricted,
    - Fair value of associated resold or repledged securities.

g) Position 3.7: Disclosure liabilities relating to own pension and welfare funds

Debentures and cash bonds of the bank as well as negative replacement values are to also be included. 167

Disclosures of pension funds [5]

To be disclosed in the notes for the employer contribution reserves in tabular form, and where applicable, classified into: 167a-1

- Patronage funds / patronage pension institutions and;
- Pension funds.

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The following is also to be disclosed: 167a-2*

- Nominal value of the employer contribution reserves as per the balance sheet date;
- Amount of any possible waiver of use as per the balance sheet date;
- Allocation to the employer contribution reserves;
- Status of assets as per the current and previous balance sheet dates;
- Result of the change in employer contribution reserves as a component of personnel expenses — for the current as well as previous year. The result of the employer contribution reserve for the current year is equal to the difference between the status of assets as per the current balance sheet less the status of assets as per the previous balance sheet date, taking into account a possible allocation. If the result of the employer contribution reserve includes an interest income or charge, this can be disclosed separately in the result from interest operations. The elected treatment is to be disclosed in the notes. The eventual discounting of the nominal value of the employer contribution reserve is to be disclosed in an additional row.

To also be disclosed in the notes in tabular form, and where applicable, classified into: 167a-3

- patronage funds / patronage pension institutions
- Pension funds without any overfunding/underfunding
- Pension funds with overfunding
- Pension funds with underfunding
- Pension plans without own assets.

The following is also to be disclosed: 167a-4

- Amount of overfunding or underfunding as of the balance sheet date;
- Economic benefit or obligation as per the current and previous balance sheet dates;
- Change in economic benefit or obligation calculated as the difference between the two balance sheet dates disclosed;
- The contributions accrued to the period (including the result from the employer contribution reserve), disclosing extraordinary contributions if valid, temporary measures have been taken to remedy coverage gaps.
- Pension expenses along with material factors — as a component of personnel expenses — for the current and previous year. The pension expenses of the current year are equal to the sum of the change in economic benefit/obligation and the contributions accrued to the period (including the result from the employer contribution reserve).

An explanatory note is to be given for the recognition of any economic benefit or obligation. [5] 167a-5

Explanatory notes are to be provided for any employer contribution reserves and future economic benefit not capitalised in the individual financial statement. [5] 167b

Banks applying the relevant valid provisions of internationally recognised accounting standards as an alternative must satisfy the disclosure requirements of the respective standard. [5] 167c

h) Position 3.8: Presentation of bonds outstanding

To be individually disclosed for all outstanding bonds: the year of issue, interest rate, type of bond, maturity, and early termination possibilities, in addition to the amount outstanding. Central mortgage institution loans and loans of central issuing institutions are to be reported in one total amount each. 168

Where there are more than 20 issues, the information may be summarised, disclosing at minimum the total amount of subordinated and non-subordinated bonds. In addition, the weighted average interest rate and the range of years until maturity are to be indicated for each. To be disclosed in an overview: the total amounts due for repayment per year for the five years following the year of the current financial statement; maturities exceeding five years may be summarised. Summarised disclosure per issuer is permitted in the consolidated financial statements. See Model Table P. 168a

i) Position 3.9: Presentation of value adjustments and provisions, reserves for general banking risks, and changes therein during the current year

The following positions are to be presented: 169

- Provisions for deferred taxes,
- Value adjustments and provisions for default risks (collection and country risks),
- Value adjustments and provisions for other business risks,
- Restructuring provisions, [5]
- Provisions for pension benefit obligations, [5]
- Other provisions,
- Total value adjustments and provisions,
- Less value adjustments directly offset against assets,
- Total value adjustments and provisions as per balance sheet,
- Reserves for general banking risks;

broken down according to:

- Balance at end of previous year,

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- Use in conformity with designated purpose,
- Re-designation of purpose (reclassifications),
- Recoveries, past due interest, currency translation differences,
- value adjustments, provisions and reserves for general banking risks charged to income,
- Value adjustments, provisions and reserves for general banking risks released to income
- Balance at end of year

in accordance with the minimum classification as per Table E "Value Adjustments and Provisions / Reserves for General Banking Risks" (Section XI).

Past due interest charged to customers but not collected as interest income is to be disclosed in the fourth column of Table E together with recoveries and any currency translation differences in value adjustments and provisions. 170

Both individual value adjustments and general value adjustments for defined risk types may be posted under "value adjustments and provisions for default and country risks". 171

Items such as provisions for settlement risks, value adjustments for insufficient market liquidity, etc. are to be included under "value adjustments and provisions for other business risks". 172

Provisions for litigation expenses or amounts earmarked for severance pay, for instance, are to be included under "other provisions". All hidden reserves contained in the position "value adjustments and provisions" in the individual financial statement are to be shown in the sub-position "other provisions". 173

The figures are to be supplemented in the notes by a brief explanation for significant provisions that discloses the nature of the obligation and its degree of uncertainty. If a provision is discounted, the discount rate applied is to be disclosed. 173a

j) Position 3.10: Presentation of the bank's capital and disclosure of holders of interests exceeding 5% of all voting rights

Presentation of the composition of the bank's capital, broken down into: 174

- Total par value,
- Number of shares or interests, and
- Capital eligible for dividend

in accordance with the minimum classification as per Table F "Bank's Capital" (Section XI). Private bankers who prepare Table F are to adapt it in keeping with the composition of their capital.

Direct as well as indirect shareholders must be disclosed, applying the principle of substance over form. 175

k) Position 3.11: Statement of shareholders' equity

Presentation in accordance with the minimum classification as per Table G "Statement of Shareholders' Equity". 176

In combined individual financial statements, Table G is to be expanded with the following disclosures.[8 6]

- Number and nature of recorded own shares at the beginning and end of the reporting period; 176a-1
- Number, nature, average transaction price and average net market value (where different from transaction price) of purchased and sold own shares during the reporting period, with the shares issued in connection with share-based compensation plans being presented separately; 176a-2
- Any contingent liabilities associated with purchased or sold own shares (e.g. repurchase and resell obligations); 176a-3
- Number and nature of equity instruments of the bank that are held by subsidiaries, joint ventures, affiliated companies, pension funds and to the bank related foundations; 176a-4
- Number, nature and conditions of own shares reserved for specific purposes and of equity instruments held by to the bank related persons (e.g. employee profit-sharing plans or convertible or warrant bonds) as at the beginning and end of the reporting period. 176a-5
- The following information is to be disclosed on the equity components: Details on the individual categories of the bank's capital (number and nature of issued and paid-up shares, par values and rights and restrictions linked to the shares), amount of conditional and authorised capital, amount of non-distributable — statutory or legal — reserves. 176a-6

l) Position 3.12: Presentation of the maturity analysis of current assets, financial investments and third-party liabilities

Presentation of current assets, financial investments and third-party liabilities broken down according to: 177

- At sight,
- Cancellable,
- Due within 3 months.
- Due between 3 and 12 months,
- Due between 12 months and 5 years,
- Due after 5 years, and
- No maturity,

[8] Source: Swiss GAAP FER 24.[5]

in accordance with the minimum classification as per Table H "Maturity Analysis of Current Assets, Financial Investments and Third-Party Liabilities" (Section XI).

Assets and liabilities are to be disclosed according to their remaining period to maturity, i.e. according to the capital maturities. 178

Portfolios of securities and precious metals held for trading purposes and equity securities and precious metals included in financial investments must all be reported under sight deposits. 179

Categories of capital that are in principle subject to withdrawal restrictions are to be reported in full in the "cancellable" column in Table H. "Cancellable" means a certain maturity is not established until after withdrawal notice has been given. Call deposits are to also be included in the "cancellable" column. 180

Amounts due from customers in the form of current account credits and construction credits are considered to be "cancellable"; obligations toward customers in the form of current accounts are considered to be "at sight". 181

m) Position 3.13: Disclosure of amounts due from/to related companies as well as loans to members of governing bodies

One total amount to be disclosed for each. 182

For the definition of related companies and loans to members of governing bodies, cf. margin nos. 219 and 246.

Amounts due from / to holders of qualified participations in the bank are to be recorded in the Positions as provided for in Art. 25 para. 1 no. 1.13.2 and no. 2.20.2 BO and not to be included here, even if they possess the function of a member of a governing body. 183

Cantonal banks must include, under affiliated companies, public-law institutions of the respective canton or public-private enterprises in which the canton has a qualified participation. Amounts due to / from the respective canton itself are to be reported in the positions as provided for in Art. 25 para. 1 no. 1.13.2 and no. 2.20.2 BO. 184

The amounts to be disclosed according to margin nos. 67, 92 and 182 are considered transactions with related parties. All significant transactions and the resulting amounts due from / to related parties are to be disclosed according to the no-netting principle (margin nos. 67, 92 and 182). The following information is to be additionally disclosed:[9] 184a

- Description of the transactions,
- Volume of the transactions (generally the amount or ratio),
- Significant other conditions.

Individual and consolidated financial statements prepared in accordance with the true and fair view principle are to additionally disclose the following transactions with shareholders in their 184b

[9] Source: Swiss GAAP FER 15.[6]

capacity as shareholders to transactions:[10] [6]

- Description and amount of transactions with shareholders that were not settled in cash or that were offset against other transactions;
- Indication of the reasons for using a different valuation basis, and the basis itself, applied to transactions with parties that could not be recognised at net market values;
- Description of transactions with shareholders that were not conducted at arm's length, including the difference between the net market value and the contractually agreed price of the transaction that was recognised in the capital reserves.

The disclosures pursuant to Art. 663b[bis] and Art. 663c CO are to be made here.[b] 184c

n) Position 3.14: Presentation of assets and liabilities by domestic and foreign origin

Presentation in accordance with the minimum classification as per Table I "Analysis of Assets and Liabilities by Domestic and Foreign Origin" (Section XI). 185

The breakdown according to domestic and foreign origin is to be done according to the domicile of the customer, with the exception of mortgage loans, for which the domicile of the real estate property is the determining factor. The Principality of Liechtenstein is deemed to be of foreign origin. 186

o) Position 3.15: Presentation of total assets broken down by country or group of countries

Presentation in accordance with the minimum classification as per Table J "Analysis of Assets by Country / Group of Countries" (Section XI). The level of detail in the breakdown by country / group of countries may be established by the bank as needed. 187

The breakdown by country or group of countries is to be done according to the domicile of the customer, with the exception of mortgage loans, for which the domicile of the real estate property is the determining factor. The Principality of Liechtenstein is deemed to be of foreign origin. 188*

Model Table 6 "Geographical Credit Risk" of FINMA Circular 08/22 "Capital Adequacy Disclosure — Banks" may be used instead of Table J "Analysis of Assets by Country / Group of Countries".[5] 188a

p) Position 3.16: Presentation of assets and liabilities broken down by the most significant currencies for the bank

Presentation in accordance with the minimum classification as per Table K "Analysis of Assets and Liabilities According to Currency" (Section XI). 189

The level of detail in the breakdown by currency may be established by the bank as needed. 190

[10] Source: Swiss GAAP FER 24.[5]

D. Position 4: Information on off-balance-sheet transactions

a) Position 4.1: Analysis of contingent liabilities

See margin no. 93 concerning the allocation of individual contingent liabilities to the categories "guarantees to secure credits", "performance guarantees", "irrevocable commitments" and "other contingent liabilities". 191

b) Position 4.2: Analysis of commitment credits

See margin no. 96 concerning the allocation of individual confirmed credits to the categories "commitments arising from deferred payments", "commitments arising from acceptances" and "other confirmed credits". 192

c) Position 4.3: Analysis of derivative financial instruments outstanding at financial year end *

Presentation to be done in accordance with the minimum classification as per Table L "Outstanding Derivative Financial Instruments" (Section XI). 193

Margin nos. 97-101 are applicable with regard to the disclosure of the contract volumes and positive and negative replacement values. 194

Unsettled spot transactions as of the balance sheet date that are recognised according to the settlement date are to be included in forward transactions. 195

In all cases, a distinction is to be made between over-the-counter transactions and exchange-traded transactions. Unsettled spot transactions are to be treated as over-the-counter transactions. 196

In addition, the provisions concerning the disclosure of the balance of the adjustment account must be adhered to (cf. explanations in margin nos. 63 and 76). 197

d) Position 4.4: Analysis of fiduciary transactions

Presentation to be done in accordance with Art. 25c para. 1 no. 4.4 BO. 198

e) Position 4.5: Disclosure of managed assets [6]

Information on managed assets is to be disclosed (cf. Table Q, section XI) if the balance of Positions 1.2.2. "commission income from securities trading and investment activities" and 1.2.4 "commission expense" is higher than a third of the Positions 1.1.5 "result from interest operations", 1.2.5 "result from commission business and services" and 1.3 "result from trading activities". 198a

For the calculation of the relevant value according to margin no. 198a, the positions are to be accumulated over the last 3 years (smoothing of yearly fluctuations). 198b

This table is to contain, in addition to the assets in collective investment schemes managed by the bank, the assets of investors managed under an asset management agreement (including assets deposited with third parties) as well as other assets held for investment purposes ("other managed assets"). The bank's own investments are normally not to be included in 198c

"managed assets".[6]

As a general rule, all assets are considered managed assets for which investment advisory or discretionary portfolio management services are rendered. This includes, in particular, amounts owed to customers in savings and deposit accounts (as per Art. 25 no. 2.3 BO), fixed-term deposits, fiduciary funds and all valued portfolio assets (this list is not exhaustive; details are to be derived from the principle of investment purpose).[6] 198d

The table is not to include assets that are held exclusively for custody and transaction settlement purposes ("custody assets"). The bank typically does not provide any investment advisory or asset management services for these assets.[6]

Each bank must establish and document criteria with regard to its specific differentiation of custody assets vs. assets under management. These criteria are to be explained in each annual publication the form of a footnote at the end of Table Q. By the same token, an explanatory note is to be included on the treatment of reclassifications between assets under management and assets not disclosed in Table Q.[6] 198e

Banks subject to a publication requirement must take the schedule of publication scheme (cf. Table Q) into account. The presentation of additional information is possible where the relevant positions and positions are disclosed in a clear-cut manner in accordance with the respective established definitions. Any voluntary subdivision into customer segments is to be shown in separate columns.[6] 198f

The row "of which double-counted" primarily takes into account collective investment schemes managed by the bank that are in custody accounts already included in "managed assets".[6] 198g

Disclosure of net new money inflows/outflows: When reporting this information for the first time, disclosure of the previous year values is not mandatory.[6] 198h

The net inflow or outflow of assets under management (net new money) during a particular period is to include new clients acquired, client departures, and the inflow and outflow of investments of existing clients. The term "net new money" not only includes cash inflows and outflows but also the inflow and outflow of other typical investments (e.g. securities or precious metals). The calculation of net new money inflow/outflow is be done at the level of "total managed assets", i.e. before the elimination of double-counting. Market-driven asset value changes (e.g. price changes, interest and dividend payments) are not to be included as inflow or outflow.[6] 198i

Each bank decides how new money inflows/outflows are to be calculated. The methods used are to be commented upon in each annual publication in the form of a footnote at the end of Table Q. The treatment of interest, commissions and fees charged to managed assets is to be disclosed in this context.[6] 198j

E. Position 5: Information on the income statement[11]

a) Position 5.1: Disclosure of significant refinancing income in the Position "interest and discount income" 199

[11] See also margin nos. 29b-6, 119, 137a.

b) Position 5.2: Analysis of result from trading activities

The breakdown of trading income by business segment is to be done in accordance with the organisation of these business activities. Trading gains or losses that cannot be attributed to a particular business area because of the overlapping nature of the organisation are to be reported in the position "combined trading operations". 200

Gains or losses from commodities trading are to be reported as "other trading transactions". 201

All gains/losses from spot trading and trading in forward / option contracts in all business segments are to be reported. 202

c) Position 5.3: Analysis of the position "personnel expenses"

- Salaries: meeting attendance fees and retainers to bank authorities, salaries and benefits; 203
- Social insurance benefits (cf. also margin no. 125);
- Value adjustments for economic benefits or obligations arising from pension funds; [5]
- Other personnel expenses.

d) Position 5.4: Analysis of the position "general and administrative expenses"

See margin no. 126 for the allocation of individual general and administrative costs to the categories "office space expenses" and "IT expenses, machinery, furniture, motor vehicles and other equipment and fixtures, and other business expenses". 204

e) Position 5.5: Explanatory notes on significant losses, extraordinary income (i.e. additional capital contributions from shareholders) and extraordinary expenses, as well as significant releases of hidden reserves, reserves for general banking risks, and value adjustments and provisions no longer required 205

The amounts of significant impairment losses and partial or full reversals of impairment are to be disclosed individually. Events and circumstances that led to them are to be commented upon. [6] 205a

f) Position 5.6: Disclosure and justification of revaluations of fixed assets up to acquisition cost at maximum (Art. 665 and 665a CO) 206

g) Position 5.7: Disclosure of income and expenses from ordinary banking operations analysed according to domestic and foreign origin, according to the principle of permanent establishment 207

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IX. Classification of the consolidated financial statement (Art. 25d to Art. 25k BO) and supplementary individual financial statement [5]

The respective provisions on the statutory [5] individual financial statements as per Sections V to VIII accordingly apply as a general rule to the classification of the balance sheet, income statement, cash flow statement, and notes to the consolidated financial statement and supplementary individual financial statement. They are to be accordingly applied in keeping with the specifics and special requirements of consolidated financial statements. Significant departures from the aforementioned provisions are expressly indicated below. 208

Insignificant participating interests may be excepted from consolidation. 209

A. Consolidated balance sheet (Art. 25f BO) / balance sheet of the supplementary individual financial statement [5]

The consolidated balance sheet (and the balance sheet of the supplementary individual financial statement) [5] is to be classified in accordance with Art. 25f and Art. 25 BO as follows:

1. Assets 210
   - 1.1 Liquid assets
   - 1.2 Amounts due arising from money-market instruments
   - 1.3 Amounts due from banks
   - 1.4 Amounts due from customers
   - 1.5 Mortgage loans
   - 1.6 Trading portfolios of securities and precious metals
   - 1.7 Financial investments
   - 1.8 Non-consolidated participating interests/participating interests [12 5]
   - 1.9 Tangible fixed assets
   - 1.10 Intangible assets
   - 1.11 Accrued income and prepaid expenses
   - 1.12 Other assets
   - 1.13 Unpaid-up capital
   - 1.14 Total assets
     - 1.14.1 Total subordinated claims
     - 1.14.2 Total amounts due from non-consolidated participating interests and holders of qualified participations

2. Liabilities 210a
   - 2.1 Liabilities from money-market instruments
   - 2.2 Amounts due to banks
   - 2.3 Amounts due to customers in savings or deposit accounts
   - 2.4 Other amounts due to customers
   - 2.5 cash bonds
   - 2.6 Bond issues and central mortgage institution loans
   - 2.7 Accrued expenses and deferred income
   - 2.8 Other liabilities
   - 2.9 Value adjustments and provisions
   - 2.10 Reserves for general banking risks

[12] In supplementary individual financial statements. [5]

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2.11 Bank's capital
2.12 Capital reserves
- Reserves for own shares of the parent company not considered to be held for trading purposes are to be recorded here
2.13 Profit reserves
2.13a Own shares (negative position) [5]
2.14 Minority interests in equity[13]
2.15 Revaluation reserves
- Upward revaluation reserves are to be disclosed here.
2.16 Consolidated profit / profit for the year[14]
2.16.1 Of which minority interests in profit [15]
Less
2.17 Consolidated loss / loss for year [16 5]
2.17.1 of which minority interests in loss [17]
2.18 Total liabilities
2.18.1 Total subordinated liabilities
2.18.2 Total amounts due to non-consolidated participating interests and holders of qualified participations

3. Off-balance-sheet transactions 210b
3.1 Contingent liabilities
3.2 Irrevocable commitments
3.3 Liabilities for calls on shares and other equities
3.4 Commitment credits
3.5 Derivative financial instruments
3.6 Fiduciary transactions

B. Consolidated income statement (Art. 25g BO) / income statement of the supplementary individual financial statement [5]

Classification of the consolidated income statement (and the income statement of the supplementary individual financial statement [5]) is to be done in accordance with Art. 25g and Art. 25a BO as follows: 211

1. Income and expenses from ordinary banking operations 211a

1.1. Result from interest operations
1.1.1 Interest and discount income
1.1.2 Interest and dividend income from trading portfolios
1.1.3 Interest and dividend income from financial investments
1.1.4 Interest expense
1.1.5 Subtotal result from interest operations

1.2 Result from commission business and services 211b
1.2.1 Commission income from lending activities
1.2.2 Commission income from securities trading and investment activities

[13] In consolidated financial statements. [5]
[14] In supplementary individual financial statements. [5]
[15] In consolidated financial statements *
[16] In supplementary individual financial statements *
[17] In consolidated financial statements *

1.2.3 Commission income from other services
1.2.4 Commission expense
1.2.5 Subtotal result from commission business and services

1.3 Result from trading activities 211c

1.4 Other result from ordinary activities 211d
1.4.1 Result from the disposal of financial investments
1.4.2 Total income from participating interests
1.4.2.1 of which from participating interests accounted for by the equity method
1.4.2.2 of which from other non-consolidated participating interests
1.4.3 Result from real estate
1.4.4 Other ordinary income
1.4.5 Other ordinary expenses
1.4.6 Subtotal other result from ordinary activities

1.5 Operating expenses 211e
1.5.1 Personnel expenses
1.5.2 General and administrative expenses
1.5.3 Subtotal operating expenses

1.6 Gross profit 211f

2. Consolidated profit / consolidated loss 211g

2.1 Gross profit
2.2 Depreciation and amortisation of fixed assets
2.3 Value adjustments, provisions and losses
2.4 Result before extraordinary items and taxes
2.5 Extraordinary income
2.6 Extraordinary expenses
2.7 Taxes
2.8 Consolidated profit/loss / profit/loss for the year[18] δ
2.8.1 of which share of minority interests in result[19]

C. Consolidated cash flow statement (Art. 25h BO) / Cash flow statement of the supplementary individual financial statement δ

Table A in Section XI is a model and may be adapted to the bank's requirements and the specifics of the consolidated financial statement, subject to compliance with the minimum classification requirements as provided for in Art. 25b para. 2 and para. 3 BO. 212

[18] In supplementary individual financial statements. δ
[19] In consolidated financial statements. δ

D. Notes to the consolidated financial statement (Art. 25i BO) and supplementary individual financial statement [5]

The information on accounting and valuation policies, the principles concerning how business transactions are recorded, and the explanatory notes regarding risk management pursuant to Art. 25c para. 1 no. 2 BO are to be supplemented by disclosures concerning the principles underlying the preparation of the consolidated financial statement and supplementary individual financial statement [5]. 213

The presentation of fixed assets and the statement of shareholders' equity must follow tables M and N respectively (Section XI). The other analyses according to the tables set out in Section XI apply in the same manner to the consolidated financial statement and the supplemantary individual financial statement [5] as they do to the statutory individual financial statement. Table F (Bank's Capital) is not applicable to consolidated financial statements. 214

Table N is to be supplemented with the disclosures of margin no. 176a. [5] 214a

The consolidation goodwill [5] must be capitalised and amortised over its estimated useful life. The amortisation is to be done applying the straight-line method unless another method of amortisation is more appropriate in a particular case. The amortisation period may not exceed five years unless a longer period, which may not exceed twenty years as calculated from the time of acquisition, is justified. 215

E. Disclosure exemptions in the statutory individual financial statement (Art. 25k BO)

Banks that are subject to the preparation of consolidated financial statements or that prepare supplementary individual financial statements are exempt from the disclosure of the following information in the statutory individual financial statement, i.e. without limitation also where the consolidated financial statements are prepared in accordance with internationally recognised standards: [5] 216*

- Cash flow statement (Art. 25b BO, Table A)
- In the notes (Art. 25c para. 1 BO):

  3.1 Overview of collateral for loans and off-balance-sheet transactions (Table B)
  3.2 Breakdown of trading portfolios of securities and precious metals, financial investments and participating interests (Table C)
  3.3 Company name, registered office etc. of significant participating interests
  3.4 Presentation of fixed assets (Table D)
  3.6 Subsection on disclosures of securities lending and repurchase transactions [5]
  3.7 Subsection on disclosures of pension funds [5]
  3.8 Outstanding bonds
  3.12 Maturity analysis of current assets, financial investments and third-party liabilities (Table H)
  3.14 Analysis of assets and liabilities by domestic and foreign origin (Table I)
  3.15 Analysis of assets by country/group of countries (Table J)
  3.16 Analysis of assets and liabilities according to currency (Table K)
  4.1 Analysis of contingent liabilities
  4.2 Analysis of commitment credits
  4.3 Analysis of outstanding derivative financial instruments (Table L)

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4.5 Disclosure of managed assets (Table Q)[20 6]
5.1 Refinancing income in the position "interest and discount income"
5.3 Analysis of the position "personnel expenses"
5.4 Analysis of the position "general and administrative expenses"
5.7 Income and expenses analysed according to domestic and foreign origin applying the principle of permanent establishment

- Interim financial statements (Art. 23b BO)

[20] Where Table Q is published in consolidated financial statements on a voluntary basis, the exemption from disclosure is applicable only when margin nos. 198a-198j are fully adhered to.

X. Definitions

Accrual method (amortised cost method) 217

According to the accrual method, the interest component is to be recognised in the income statement pro rata or applying the compound interest method over the term until maturity. When allocating premiums and/or discounts of fixed-interest debt instruments over their respective term, the expression "amortised cost method" is also used in this context.

Activity abroad 218

Banks with their registered office in Switzerland are active abroad where they have branches outside of Switzerland, when they directly or indirectly hold more than 50% of the voting rights in the capital of banks, securities dealers, finance companies or real estate companies with a registered office located outside of Switzerland, or they exercise a controlling influence over such enterprises in another manner such that they are to be included in the consolidated financial statement as provided for in Art. 23a and Art. 25e BO.

Affiliated companies 219

Companies that are not part of the group constituted by the bank, but are integrated under the same management in a group structure by a company situated above the bank, are considered affiliated companies.

Banks 220

For accounting purposes, banks are deemed to be: (a) in Switzerland: the institutions subject to the banking law in terms of Art. 1 para. 1 BA, central mortgage bond and securities dealers subject to the Federal Law on Stock Exchanges and Trading in Securities (Art. 10 Stock Exchange Act, SESTA); (b) abroad: central banks, credit and other institutions that are banks and savings banks under the laws of the respective country; securities dealers, brokerages and agents de change, if they are subject to regulation comparable to banking supervision in Switzerland and must comply with statutory capital adequacy requirements. Multilateral development banks are also deemed to be banks.

Broker (arranger) 221

According to the provisions of Art. 412 para. 1 CO, a bank acts as a broker if, upon the instructions of a customer and in exchange for the payment of a fee, it introduces the customer to another party willing to enter into a contract and advises the parties during the contract negotiations. If a contract comes about, it is concluded bilaterally between the two parties. The bank assumes no market or credit risk.

Capital reserves 222

Capital reserves consist of the premium resulting from issuing shares and exercising conversion or option rights, as well as from gains from buying back the bank's own shares.

Commission agent 223

A commission agent pursuant to Art. 425 para. 1 CO is a person who, acting in their own name, but for the account of a customer, concludes a transaction with another counterparty (e.g. broker) in exchange for payment of a commission. Since the bank is acting in its own

name, but for the account of a customer, it is obligated to honour its contractual obligations towards the counterparty if customers do not honour their obligations. If, on the other hand, the counterparty defaults, the bank is liable to its customers only if it did not disclose to them the name of the party with whom it was dealing for the customer accounts. If the bank does not disclose to the customer the name of the party with whom it is dealing for the customer's account, the bank is acting for its own account (cf. Art. 437 CO).

Completed transaction 224

A transaction is regarded as completed if the contractual agreements between the contracting parties have been concluded in accordance with the general provisions of contract law and are legally binding.

Contract volume 225

The contract volume corresponds to the receivable side of the underlying value or notional amount on which the derivative financial instrument is based, subject to the provisions of margin nos. 27–31 of FINMA Circular 08/19 "Credit Risks — Banks" under the existing law. Derivative financial instruments outstanding on the balance sheet date from customer transactions and proprietary transactions (bank acting as principal) are taken into account. Transactions undertaken by the bank for other banks are deemed to be customer transactions.

Customers (clients) 226

Customers are all commercial partners that are not banks as defined in margin no. 220.

Debt servicing 227

Debt servicing includes interest and commission payments, amortisation and repayments of principal.

Derivative financial instruments [5] (derivatives) 228

Derivative financial instruments are financial contracts whose value is derived from the price of one or more of their underlying asset values (equity securities or other financial instruments, commodities) or reference rates (interest, currencies, indexes, credit ratings). In general, they do not require any or only a small initial investment as compared to the direct purchase of their underlying instruments. Derivative financial instruments may be essentially subdivided into the following two groups:

- Fixed forward contracts: exchange-traded forward contracts (futures), OTC forward contracts (forwards), swaps and forward rate agreements (FRAs).
- Options: OTC options and exchange-traded options. The distinction between purchased and written option contracts is of significance.

When defining derivative financial instruments banks may apply the more comprehensive terms of IAS/IFRS or US GAAP. [6]

Derivative financial instruments traded over the counter (OTC derivatives) 229

These are financial instruments that are not standardised and not traded in terms of the

definition of derivative financial instruments traded on a qualified stock exchange. According to this definition, the following are also included under OTC derivatives: spot, forward and premium transactions are deemed OTC transactions if the daily margining requirement is not satisfied.

Exchange-traded 230

See "exchange-traded derivative financial instruments".

Exchange-traded derivative financial instruments (exchange-traded derivatives) 231

This refers to all derivative financial instruments traded on EUREX or another options and/or financial futures stock exchange that is subject to appropriate governmental or stock exchange supervision of the market and market participants, and guarantees financial security comparable to that of EUREX for the performance of contracts through a clearing house, which participates in each stock market transaction as a contracting party or guarantor.

Fair value 232

The fair value corresponds to the amount at which an asset can be traded or a liability settled in an arm's length transaction between knowledgeable, interested and independent parties. Where a price-efficient and liquid market exists, valuation at fair value may be based on the prevailing market price. In the absence of such a market, the fair value is to be established on the basis of a valuation model.

Fiduciary transactions 233

"Fiduciary transactions" encompass customer deposits, loans, participations, and securities lending and borrowing transactions entered into or granted by the bank in its own name however exclusively for the customer's account and risk on the basis of written instructions. The customer assumes the currency, transfer, price and default risks, with all income from the transaction accruing to the customer. The bank receives only a commission.

Fixed assets 234

Fixed assets extend to the infrastructure elements for the bank's use on an ongoing basis (real estate, investments in furniture etc.), intangible assets (goodwill), and participating interests.

Goodwill 235

Where the acquisition cost exceeds the worth of net assets assumed and valued according to uniform group standards, the remaining difference is to be labelled goodwill.

Group companies 236

Group companies are all legally independent entities and their branches that are directly or indirectly under the single management of the bank which is the parent bank.

Hidden reserves 237

"Hidden reserves" refers to the difference between book values and the legally permissible maximum values. Compulsory reserves — defined as the difference between the legal

maximum values and their economic real values — are not considered hidden reserves.

Hybrid instruments (structured products) [6] 238

A hybrid or structured product consists of at least two components: an underlying or host contract (host instrument) and an embedded derivative. Together they form a combination investment product.

Impaired loans/receivables 239

Loans/receivables for which the debtor will unlikely be able to fulfil its future obligations. Indications for an impaired loan/receivable include:

- Considerable financial difficulties on the part of the debtor
- Actual breach of contract (e.g. default on or delay in interest or principal payments)
- Concessions on the part of the lender to the borrower based on economic or legal circumstances linked to the financial difficulties of the borrower that would not be granted under normal conditions
- High probability of bankruptcy or otherwise need for restructuring on the part of the debtor
- Recording of impairment for the respective asset in a previous reporting period
- Disappearance of an active market for this particular financial asset due to financial difficulties
- Prior experience in connection with debt collection that indicates that the total face value of a portfolio of receivables is not collectible.

Impairment of receivables 240

An impairment is applicable where the projected collectible amount (including collateral) is lower than the book value of the receivable.

Individual financial statement, statutory 241

Financial statement according to Art. 6 BA; statutory financial statements are subject to approval by the general meeting of shareholders.

Generally, these financial statements are prepared so as to provide as reliable an assessment as possible of the bank's financial position (net assets, financial and earnings situation) ("individual financial statement"). They can also be voluntarily prepared in accordance with the true and fair view principle ("combined individual financial statement"). [8]

Interest operations 242

Interest operations extend to transactions where a bank, using its available equity and monies accepted by it from third parties, grants loans to third parties, acquires financial investments and finances its trading activities with the objective of earning a positive interest margin between the interest received and paid. Income and expenses from interest hedging transactions also fall under interest operations.

Latent default risks 243

Inherent default risks are risks that experience shows to be present in a credit portfolio on a specific valuation date and that, however, cannot be allocated to a particular borrower or receivable. The determination of latent default risks is based on rule-of-thumb values, for example.

Liquidation value 244

The liquidation value represents an estimated realisable disposal value. Determining the liquidation value is based on the item's estimated market value. The following have to be deducted from this amount: the usual declines in value, current holding costs (maintenance costs, refinancing costs until liquidation), and the liquidation costs incurred such as liquidation taxes, reversion costs etc. In the case of subordinated real estate liens, the interest from preceding liens must also be taken into account.

Listed equity holdings 245

Listed equity holdings are equity securities traded on a recognised stock exchange or regularly traded on a representative market.

Daily margining takes place for each contract traded on the stock exchange, i.e. a daily re-evaluation is undertaken with new additional margin cover requirements, as applicable.

Loans to members of governing bodies 246

All amounts owed to the bank by members of a bank's governing bodies and by members of governing bodies of the parent company are deemed to be loans to governing bodies for the purpose of the financial statements at the individual institute level. Where consolidated financial statements are published for a subgroup, all amounts owing by members of the governing bodies of the sub-holding company are to be additionally taken into account. At the consolidated level, loans to governing bodies encompass all receivables owed to the parent company and to the individual group companies by the governing bodies of the parent. "Governing bodies" refers to members of the body responsible for the bank's overall direction, supervision and control (board of directors, bank council or supervisory board), executive bank management, statutory auditors, and any and all companies controlled by them.

Money-market book claims 247

Money-market book claims are short-term receivables that are not documented as securities, but rather are carried in debt registers as portions of large loan that issuers have taken out with a large number of investors subject to uniform terms and conditions and that are publicly offered.

Money-market instruments 248

Receivables in the form of certificates for short-term funds, as a rule of up to one year, made available by debtors of good credit-worthiness.

Mortgage business 249

Lending business that is directly or indirectly secured by a mortgage inscribed in the land

register (mortgage assignment, certificate of land charge or mortgage note). In the case of direct collateral, the mortgagor receives the land directly as security. In the case of indirect collateral, the mortgagor is given a mortgage note as pledged or assigned collateral.

Non-performing loans/past due receivables 250

Loans are non-performing where at least one of the following payments has not yet been effected in full as of ninety days from the due date:

a) interest payments

b) commission payments

c) amortisation (partial repayments of principal)

d) full repayment of principal

If payments for interest, commission and/or amortisation are overdue, the face value of the loan is to also be considered to be non-performing. Loans to debtors undergoing liquidation are to always be considered non-performing. Loans subject to special conditions based on the borrower's credit standing (e.g. significant reductions in interest rates, with interest dipping below the bank's refinancing costs) are to be considered non-performing.

Past due receivables are frequently a component of impaired loans/receivables according to margin no. 239.

Over-the-counter/OTC 251

See "derivative financial instruments traded over the counter (OTC derivatives)".

Principal 252

The bank acts as a principal for proprietary transactions (i.e. transactions effected for the bank's own account). In customer transactions, the bank acts as a principal when it acts as a contracting party interposed directly between two counterparties. The bank must also fulfil the contract vis-à-vis one of the counterparties if the other counterparty fails to fulfil its contractual obligations.

Profit reserves 253

Profit reserves are equity earned by the group; they include negative goodwill arising upon initial consolidation and elimination of participating interests, undistributed profits, foreign exchange differences, differences arising from changes in the scope of consolidation.

Provisions [6] 254

See margin nos. 29d-1 et seq.

Public-sector entities 255

Public-sector entities are corporations, foundations and establishments that are organised under public law, e.g. the Confederation, cantons, local municipal bodies (political communes, communes of citizen, religious communes and school communities), state-owned and

operated enterprises. Outside of Switzerland, by analogy: states, countries, departments and municipalities. Public-private enterprises, publicly owned but subject to private law, do not fall into this category, irrespective of the extent of the shareholding unless public funds are used to guarantee their liabilities in full and without limitation. In any event, cantonal banks are deemed to be banks for accounting purposes as defined in margin no. 220.

Related parties 256

Related persons are deemed natural persons or legal entities that have direct or indirect material influence on the financial or operational decisions of a company or a group of companies. Companies that in turn are themselves controlled by related parties are also considered related.

The following are considered related parties according to the provisions of this Circular: group companies and holders of qualified participations (margin nos. 67 and 92) as well as related companies (margin no. 219) and the members of governing bodies.

Replacement value 257

The replacement value corresponds to the market value of derivative financial instruments outstanding on the balance-sheet date arising from customer and proprietary transactions. Transactions undertaken by the bank for other banks are deemed to be customer transactions. Positive replacement values constitute a receivable and thus an asset of the bank. Negative replacement values constitute a financial obligation and thus a liability of the bank.

Repurchase and reverse repurchase agreements 258

Repurchase and reverse repurchase agreements are contracts for the purpose of transferring securities from one party (transferor) to another party (transferee) in exchange for payment of a cash amount with the simultaneous agreement to transfer the securities back to the transferor in exchange for the repayment of this cash amount or for a predetermined different cash amount. As a general rule, margin agreements are established, this causing the beneficial ownership of the securities to remain with the transferor. The transferee is generally in the position of a secured creditor.

Reserves for general banking risks 259

The reserves for general banking risks are reserves that are established as a precaution and charged to "extraordinary expenses" for the purpose of covering latent banking risks.

Restatement 260

When changes are made to the accounting and valuation policies applied in supplementary individual financial statements and consolidated financial statements, a restatement of the previous year's figures is to be performed accordingly. The financial statements including the previous year's figures are to be presented as if the amended accounting and valuation policies had always been in effect. In so doing, the new accounting and valuation policies are to be applied to events and transactions as from the date of origin of these items. The corrective amounts for previous periods not included in the current financial statements are to be offset in equity in the earliest period presented. Restatement of the previous year's figures is not necessary where prospective application is permitted.

If with a reasonable amount of effort restatement is not possible, it may be waived. However, the reasons must be disclosed.

Valuations often require estimates based on information available at the time of the estimate. Subsequent developments and additional findings may lead to a change in the estimate. As an example, new findings may result in a reduction or extension of the depreciation period for tangible fixed assets. Changes of estimates impact the current (and possibly future) business year(s). In this case, no previous years are to be restated.

Changes in the accounting and valuation policies and as the result of estimates are to be disclosed in the notes as specified in margin no. 10. If the figures of the previous year have been restated, this is to be disclosed.

A restatement is never mandatory in statutory individual financial statements. However, it is permissible when posting is done via the position "reserve for general banking risks".[6]

Securities 261

Securities are standardised debt or equity instruments designated for mass trading; rights with comparable functions but without a certificate (book-entry securities) are deemed equivalent to securities.

Securities dealers 262

Securities dealers are natural persons, legal entities and partnerships as defined in Art. 2 let. d SESTA and Art. 2 SESTO.

Settlement date accounting 263

Between the trade date and settlement date, replacement values of assets purchased and sold are recognised in the balance sheet in the positions "other assets" or "other liabilities". Recognition in or derecognition from the relevant asset position is done on the settlement date. The associated payable or receivable is recognised at the same time.

Subordination 264

Claims are deemed to be subordinated where they arise from an irrevocable written declaration that in the event of liquidation, bankruptcy or restructuring, they rank after the claims of all other creditors and may not be offset against amounts payable to the debtor nor secured by its assets.

Sub-participation 265

A sub-participation is the assumption of shares in a credit transaction entered into by another bank, the lead bank. The sub-participating bank does not act as the lender vis-à-vis the borrower. It assumes the default risk for its share of the loan and is entitled to receive its share of the interest income in keeping with its share of the loan. The lead bank must deduct the sub-participations from the total credit amount; the sub-participating bank must recognise its share of the loan in accordance with the respective borrower.

Trade date accounting 266

Assets acquired as the result of a spot trade are recorded in the related asset position as of

the trade date. The obligation to effect payment is recognised at the same time in the balance sheet. Sold assets are derecognised from their associated asset positions as of the trade date, with the receivable corresponding to the sales price being recognised at the same time.

Trading 267

"Trading" means entering into actively managed positions in order to profit from fluctuations in the market price with an ongoing willingness to increase, decrease, close or hedge the risk position. The classification as a trading position is to be established and accordingly documented when the transaction is concluded. Results from trading transactions are to be disclosed exclusively in the income statement positions "result from trading activities" and "interest and dividend income from trading portfolios".

Value adjustments 268

Value adjustments are corrections of value for assets to adjust for losses in value that have already occurred or are expected to occur. Value adjustments are allocated to specific assets.

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XI. Tables

A. Table according to Art. 25b BO (individual and consolidated financial statements)

CASH FLOW STATEMENT	Source of funds	Use of funds
Cash flow from operating activities (internal financing) Profit / loss for the year Depreciation of fixed assets Value adjustments and provisions Accrued income and prepaid expenses Accrued expenses and deferred income Other positions Previous year dividend **Subtotal**		
Cash flow from shareholder's equity transactions Share / participation / dotation capital etc. Share premium **Subtotal**		
Cash flow from investment activities Participating interests Real estate Other tangible fixed assets Intangible assets Mortgages on own real estate **Subtotal**		
Cash flow from banking operations **Medium- and long-term business (> 1 year)** - Amounts due to banks - Amounts due to customers - Debenture bonds - Cash bonds - Central mortgage institution loans - Loans of central issuing institution - Savings and deposits - Other amounts payable - Amounts due from banks - Amounts due from customers		

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- Mortgage loans - Financial investments - Other amounts receivable **Short-term business** - Liabilities from money-market instruments - Amounts due to banks - Amounts due to customers - Amounts due from money-market instruments - Amounts due from banks - Amounts due from customers - Trading portfolios of securities and precious metals **Liquidity** - Liquid assets **Total**		

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B. Table according to Art. 25c para. 1 no. 3.1 BO
(individual and consolidated financial statements)

OVERVIEW OF COLLATERAL FOR LOANS AND OFF-BALANCE-SHEET TRANSACTIONS				
	TYPE OF COLLATERAL			
	Secured by mortgage	Other collateral	Unsecured	Total
Loans and advances				
Amounts due from customers				
Mortgage loans				
- Residential property				
- Office and business premises				
- Trade and industry				
- Other				
Total loans and advances Current year				
Previous year				
Off-balance-sheet				
Contingent liabilities				
Irrevocable commitments				
Liabilities for calls on shares and other equities				

Commitment credits					
Total off-balance sheet	Current year Previous year				

Impaired loans/receivables:

	Gross debt amount	Estimated liquidation proceeds of collateral**	Net debt amount	Individual value adjustments
Current year				
Previous year				

**Credit or liquidation value per customer: the lower value is to be applied.

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C. Tables according to Art. 25c para. 1 no. 3.2 BO
(individual and consolidated financial statements)

TRADING PORTFOLIOS OF SECURITIES AND PRECIOUS METALS	CURRENT YEAR	PREVIOUS YEAR

Trading portfolios of securities and precious metals
- Debt securities
  - Listed**
  - Unlisted
  - of which own issued bonds and cash bonds***
- Equity securities
  Of which own equities shares***
- Precious metals		

Total trading portfolios of securities and precious metals of which securities eligible for repo transactions in accordance with liquidity regulations [5]		

** Listed = traded on a generally recognised exchange
*** Applies only to individual financial statements [6]

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C. Tables according to Art. 25c para. 1 no. 3.2 BO
(individual and consolidated financial statements) (continued)

FINANCIAL INVESTMENTS	Book value		Fair value	
	Current year	Previous year	Current year	Previous year
Debt securities • of which own issued bonds and cash bonds*** • of which held until maturity • of which recognised in accordance with the lower of cost or market principle Equity securities • of which qualified participations** Precious metals Real estate				
Total				
including securities eligible for repo transactions in accordance with liquidity regulations [8]			—	—

** minimum of 10% of capital or voting rights
*** Applies only to individual financial statements [3]

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C. Tables according to Art. 25c para. 1 no. 3.2 BO (continued)

DISCLOSURES OF OWN SHARES IN FINANCIAL INVESTMENTS (applies only to individual financial statements *)	Quantity		Book value	
	Current year	Previous year	Current year	Previous year
Opening balance				
Purchased				
Sold				
Write-downs	—	—		
Revaluations	—	—		
Closing balance				

PARTICIPATING INTERESTS (individual and consolidated financial statements)	Current year	Previous year
With listed value		
Without listed value		
Total participating interests		

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D. Table according to Art. 25c para. 1 no. 3.4 BO (statutory individual financial statements)

STATEMENT OF FIXED ASSET ADDITIONS AND DISPOSALS								
	Cost value	Accumulated depreciation	Book value Previous year end	Current year Reclassifications **	Additions	Disposals	Depreciation	Book value Current year end
Participating interests - Majority participations - Minority participations								
Total participating interests								
Real estate - Bank buildings - Other real estate Other tangible fixed assets Finance lease assets Other***								
Total tangible fixed assets								

Fire insurance value of real estate
Fire insurance value of other tangible fixed assets

Commitments: future leasing instalments arising from operating leases

** where required

*** including self-produced or purchased software. Intangible assets are to be reported separately in combined individual financial statements. Any goodwill is to be reported separately (e.g. goodwill from mergers).[5]

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E. Table according to Art. 25c para. 1 no. 3.9 BO
(individual and consolidated financial statements)

VALUE ADJUSTMENTS AND PROVISIONS / RESERVES FOR GENERAL BANKING RISKS							
	Balance at previous year end	Use in conformity with designated purpose	Re-designation of purpose (reclassifications) **	Recoveries, past due interest, currency translation differences	New provisions charged to income	Releases to income	Balance at current year end
Provisions for deferred taxes							
Value adjustments and provisions for default and other risks: – Value adjustments and provisions for default risks (collection and country risks) – Value adjustments and provisions for other business risks – Restructuring provisions [5] – Provisions for pension benefit obligations [5] – Other provisions **Subtotal**							
Total value adjustments and provisions							
Less: Value adjustments directly offset against assets		–	–	–	–	–	
Total value adjustments and provisions as per		–	–	–	–	–	

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balance sheet							
Reserves for general banking risks							

** for statutory individual financial statements only
In consolidated financial statements, the impact of any changes in the scope of consolidation is to be shown in a separate column. [6]

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F. Table according to Art. 25c para. 1 no. 3.10 BO (statutory individual financial statements) *

BANK'S CAPITAL						
	CURRENT YEAR			PREVIOUS YEAR		
Bank's capital	Total par value	No. of shares/interests	Capital eligible for dividend	Total par value	No. of shares/interests	Capital eligible for dividend
Share capital / endowment capital Participation capital						
Total bank's capital						
Authorised capital of which capital increases completed Conditional capital of which capital increases completed						
For cantonal banks: donation capital according to maturity						

	CURRENT YEAR		PREVIOUS YEAR	
Significant shareholders and groups of shareholders with pooled voting rights	Nominal	% of equity	Nominal	% of equity

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With voting rights Without voting rights 	....				

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G. Table according to Art. 25c para. 1 no. 3.11 BO (statutory individual financial statements)

STATEMENT OF SHAREHOLDERS' EQUITY	
Equity at beginning of current year Paid-up capital General statutory reserve Reserve for own shares** Revaluation reserve Other reserves Reserves for general banking risks Distributable profit / accumulated loss	
Total equity at beginning of current year (before appropriation of profit/coverage of losses)	
+ / - Capital increases / decreases + Share premium + / - Other transfers to / from reserves - Dividends and other distributions from previous year's profit + / - Profit / loss for the current year	
Total equity at end of current year (before appropriation of profit/coverage of losses)	
of which Paid-up capital General statutory reserve Reserve for own shares** Revaluation reserve Other reserves Reserves for general banking risks Distributable profit / accumulated loss	

** In combined individual financial statements, the "reserve for own shares" is to be replaced by the negative position "own shares".

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H. Table according to Art. 25c para. 1 no. 3.12 BO
(individual and consolidated financial statements)

MATURITY ANALYSIS OF CURRENT ASSETS AND THIRD-PARTY LIABILITIES								
	At sight	Cancellable	Due					Total
			within 3 months	within 3 to 12 months	within 12 months to 5 years	after 5 years	No maturity	
Current assets								
Liquid assets		–	–	–	–	–	–	
Amounts due from money-market instruments							–	
Amounts due from banks							–	
Amounts due from customers							–	
Mortgage loans							–	
Trading portfolios of securities and precious metals		–	–	–	–	–	–	
Financial investments								
Total current assets **Current year**								
Previous year								
Third-party capital								
Liabilities from money-market instruments								
Amounts due to banks								
Amounts due to customers in savings and deposit accounts								
Other amounts due to customers								
Cash bonds	–	–						
Bond issues and central mortgage institution loans	–	–						
Total third-party capital **Current year**								
Previous year								

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I. Table according to Art. 25c para. 1 no. 3.14 BO
(individual and consolidated financial statements)

ANALYSIS OF ASSETS AND LIABILITIES BY DOMESTIC AND FOREIGN ORIGIN				
	CURRENT YEAR		PREVIOUS YEAR	
	Domestic	Foreign	Domestic	Foreign
Assets				
Liquid assets				
Amounts due from money-market instruments				
Amounts due from banks				
Amounts due from customers				
Mortgage loans				
Trading portfolios of securities and precious metals				
Financial investments				
Participating interests				
Tangible fixed assets				
Accrued income and prepaid expenses				
Other assets				
Unpaid-up capital				
Total assets				
Liabilities				
Liabilities from money-market instruments				
Amounts due to banks				
Amounts due to customers in savings or deposit accounts				
Other amounts due to customers				
Cash bonds				
Bond issues and central mortgage institution loans				
Accrued expenses and deferred income				

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Other liabilities				
Value adjustments and provisions				
Reserves for general banking risks				
Bank's capital				
General statutory reserve				
Reserve for own shares				
Revaluation reserve				
Other reserves				
Profit / loss carried forward				
Profit / loss for the year				
Total liabilities				

The positions are to be adapted for individual and consolidated financial statements prepared in accordance with the true and fair view principle.[5]

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J. Table according to Art. 25c para. 1 no. 3.15 BO
(individual and consolidated financial statements)

ANALYSIS OF ASSETS BY COUNTRY / GROUP OF COUNTRIES				
	CURRENT YEAR		PREVIOUS YEAR	
	Absolute	Share as %	Absolute	Share as %
Assets				
For example:				
Europe				
Switzerland				
...				
North America				
...				
South America				
...				
Africa				
...				
Asia				
...				
Australia / Oceania				
...				
Total assets				

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K. Table according to Art. 25c para. 1 no. 3.16 BO
(individual and consolidated financial statements)

ANALYSIS OF ASSETS AND LIABILITIES ACCORDING TO CURRENCY		CHF	EUR	USD	ETC.	...	...
Assets	Liquid assets						
	Amounts due from money-market instruments						
	Amounts due from banks						
	Amounts due from customers						
	Mortgage loans						
	Trading portfolios of securities and precious metals						
	Financial investments						
	Participating interests						
	Tangible fixed assets						
	Accrued income and prepaid expenses						
	Other assets						
	Unpaid-up capital						
Total assets shown in balance sheet							
Delivery entitlements from spot exchange, forward forex and forex options transactions**							
TOTAL ASSETS							
Liabilities	Liabilities from money-market instruments						
	Amounts due to banks						
	Amounts due to customers in savings or deposit accounts						
	Other amounts due to customers						
	Cash bonds						
	Bond issues and central mortgage institution loans						
	Accrued expenses and deferred income						
	Other liabilities						
	Value adjustments and provisions						

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Reserves for general banking risks Bank's capital General statutory reserve Reserve for own shares Revaluation reserve Other reserves Profit / loss carried forward Profit / loss for the year						
Total liabilities shown in balance sheet						
Delivery obligations from spot exchange, forward forex and forex options transactions**						
TOTAL LIABILITIES						
NET POSITION PER CURRENCY						

The positions are to be adapted for individual and consolidated financial statements prepared in accordance with the true and fair view principle. *

** Options are to be delta-weighted [5]

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L. Table according to Art. 25c para. 1 no. 4.3 BO
(individual and consolidated financial statements)

OUTSTANDING DERIVATIVE FINANCIAL INSTRUMENTS

		TRADING INSTRUMENTS			HEDGING INSTRUMENTS***		
		Positive replacement values	Negative replacement values	Contract volumes	Positive replacement values	Negative replacement values	Contract volumes
Interest rate-related instruments	▪ Forward contracts including FRAs ▪ Swaps ▪ Futures ▪ Options (OTC) ▪ Options (exchange-traded)						
Foreign exchange / precious metals	▪ Forward contracts ▪ Combined interest / currency swaps ▪ Futures ▪ Options (OTC) ▪ Options (exchange-traded)						
Equity securities / indices	▪ Forward contracts ▪ Swaps[6] ▪ Futures ▪ Options (OTC) ▪ Options (exchange-traded)						
Credit derivatives[8]	▪ Credit default swaps ▪ Total return swaps ▪ First-to-default swaps ▪ Other credit derivatives						
Other**	▪ Forward contracts ▪ Swaps[8] ▪ Futures						

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	▪ Options (OTC) ▪ Options (exchange-traded)						
Total before netting contracts:	Current year						
	Previous year						

Total after netting contracts:	Positive replacement values (cumulative)	Negative replacement values (cumulative)
Current year		
Previous year		

** e.g. commodities
*** Hedging instruments as defined in margin no. Z9g [6]

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M. Table according to Art. 25i para. 4 and Art. 25c para. 1 no. 3.4 BO
(supplementary individual/consolidated financial statements)

STATEMENT OF FIXED ASSET									
	Cost value	Accumulated depreciation and value adjustments (equity valuation) [5]	Carry value, previous year end	Current year					
				Reclassifica-tions	Additions	Disposals	Depreciation	Value adjustment in case of equity valuation/depreciation reversals	Book value, current year end
Participating interests - Participations valued according to equity method - Other participating interests									
Total participating interests									
Real estate Bank buildings Other real estate Other tangible fixed assets Finance lease assets Other**									
Total tangible fixed assets									
Goodwill Other intangible assets									

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Total intangible assets									

Fire insurance value of real estate Fire insurance value of other tangible fixed assets

Commitments: future leasing instalments arising from operating leases

In consolidated financial statements, the impact of any changes in the scope of consolidation is to be shown in a separate column. [8]

** including self-produced or purchased software.

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N. Table according to Art. 25i para. 5 and Art. 25c para. 1 no. 3.11 BO
(supplementary individual financial statements [δ]/consolidated financial statements)

STATEMENT OF SHAREHOLDERS' EQUITY	
Equity at beginning of current year	
Paid-up capital	
Capital reserves	
Profit reserves	
Revaluation reserves	
Reserves for general banking risks	
Consolidated profit / loss**	
+ / - Foreign-currency translation	
- Own shares	
Subtotal	
+ / - Effect of restatement	
Total equity at beginning of current year	
+ / - Capital increases / decreases	
+ Share premium	
+ / - Other transfers to / from reserves	
- Dividends and other distributions	
+ / - Consolidated profit / loss for the year	
- Purchases of own shares (acquisition cost)	
+ Sales of own shares (acquisition cost)	
+/- Gains / losses on sales of own shares	
+/- Translation differences	
Total equity at end of current year	
of which Paid-up capital	
Capital reserves	
Profit reserves	
Revaluation reserves	

Own shares:	Quantity
Own shares on 1 January	
+ purchases	
- sales	
= Balance as at 31 December	

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Reserves for general banking risks Consolidated profit / consolidated loss + / - Foreign currency translation - Own shares	

** or profit/loss for the year in supplementary individual financial statements.

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O. Table according to Art. 25i para. 5 and Art. 25c para. 1 no. 3.6 BO
(individual and consolidated financial statements)

A) **Pledged or assigned assets and assets subject to retention of title, excluding lending transactions and securities repurchase agreements**	
Book value of pledged assets and assets assigned as collateral:	Effective obligations:

B) **Lending transactions and securities repurchase agreements**	**Current year**	**Previous year**
Receivables from cash collateral delivered in connection with securities borrowing and reverse repurchase agreements		
Obligations from cash collateral received in connection with securities lending and repurchase agreements		
Securities lent in connection with securities lending or delivered as collateral in connection with securities borrowing as well as securities in own portfolio transferred in connection with repurchase agreements		
with unrestricted right to resell or pledge		
Securities received and serving as collateral in connection with securities lending or securities borrowed in connection with securities borrowing as well as securities received in connection with reverse-repurchase agreements with an unrestricted right to resell or repledge		
including repledged or resold securities		

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P. Model Table of Summarised Presentation of Bonds Outstanding under Margin No. 168

Issuer	Weighted average interest rate	Maturities	Amount	
				Non-subordinated
				Subordinated
				Non-subordinated
				Subordinated
				Non-subordinated
				Subordinated
TOTAL				

Overview of Maturities of Bonds Outstanding

Issuer	Within one year	>1 – ≤ 2 years	>2 - ≤ 3 years	>3 - ≤ 4 years	>4 - ≤ 5 years	> 5 years	TOTAL
TOTAL							

(Grey: applies only to consolidated financial statements (where presentation according to issuer is selected).

Q. Table associated with margin nos. 198a and 198b
(individual and consolidated financial statements)

Managed assets: [5]

Type of managed assets:	Current year	Previous year
Assets in collective investment schemes managed by the bank		
Assets under discretionary asset management agreements		
Other managed assets		
Total managed assets (including double-counting)		
Of which double-counted items		
Net new money inflow/outflow (including double-counting)		

In consolidated financial statements, the impact of any changes in the scope of consolidation on the total of managed assets is to be presented appropriately. [5]

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XII. Overview of the various disclosure options according to BAG

Subject	Individual financial statements (assessment to be as reliable as possible)	Combined individual financial statements	Supplementary individual financial statements (and consolidated financial statements)
Formal consideration			
Balance sheet/assets	Intangible assets are to be included under tangible fixed assets.	Intangible assets are to be recognised separately (between tangible fixed assets and accrued income and prepaid expenses)	Intangible assets are to be recognised separately (between tangible fixed assets and accrued income and prepaid expenses)
Balance sheet/own capital	In addition to the bank's own capital: ▪ General statutory reserve ▪ Reserve for own shares ▪ Revaluation reserve ▪ Other reserves ▪ Profit / loss carried forward ▪ Profit / loss for the year	In addition to the bank's own capital: ▪ General statutory reserve ▪ Revaluation reserve ▪ Other reserves ▪ Profit / loss carried forward ▪ Profit / loss for the year ▪ - Own shares	In addition to the bank's own capital: ▪ Capital reserves ▪ Profit reserves ▪ Minority interests ▪ Revaluation reserves ▪ Profit/loss ▪ - Own shares
Own shares	Capitalisation in accordance with CO, with simultaneous creation of "reserve for own shares".	Direct deduction under negative position from own capital instead of capitalisation with simultaneous creation of "reserve for own shares" (dividend payments and resale gains and losses are to be allocated to "other reserves").	Direct deduction from own capital (dividend payments and resale gains and losses are to be allocated to "capital reserve").
Income statement/income from participating interests	Summarised presentation of income	Summarised presentation of income with a comment in the notes on the effects	Breakdown of income from participating interests in:

Subject	Individual financial statements (assessment to be as reliable as possible)	Combined individual financial statements	Supplementary individual financial statements (and consolidated financial statements)
		that would have occurred if the equity method had been applied. [6]	▪ participations consolidated according to the equity method ▪ other participations.
Notes	Disclosure exemptions where individual supplementary financial statements or consolidated financial statements are prepared. To be mentioned in the notes to statutory individual financial statements: further information is contained in the notes to the financial statements prepared in accordance with the true and fair view principle.		
Material consideration			
Arbitrary hidden reserves	The following is permissible in accordance with the options established herein: ▪ No understatement of current assets (including financial investments) ▪ Hidden reserves in the subposition "other provisions" under liabilities ▪ Creation by charging to "value adjustments, provisions and losses" or "extraordinary expenses" ▪ Understatement of fixed assets as the result of unnecessary depreciation	No arbitrary hidden reserves. Released and reallocated value adjustments and provisions no longer necessary are to be disclosed in the notes, Table E (also "default risks" row), gross as releases or newly created items.	No arbitrary hidden reserves. Released and reallocated value adjustments and provisions no longer necessary are to be disclosed in the notes, Table E (also "default risks" row), gross as releases or newly created items.

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Subject	Individual financial statements (assessment to be as reliable as possible)	Combined individual financial statements	Supplementary individual financial statements (and consolidated financial statements)
	and amortisation (charged to "depreciation and amortisation of fixed assets" or "extraordinary expenses") ▪ Option of not releasing provisions no longer required but rather allocating them to arbitrary hidden reserves without any effect on income ("Re-designation of purpose (reclassifications)" in Table E).		
Compulsory hidden reserves	Arise due to the application of the lower of cost or market principle. Bonds and notes held until maturity are to be valued according to the accrual method. Exception to the rule: trading transactions, to which the fair value is to be applied.	Arise due to the application of the lower of cost or market principle. Bonds and notes held until maturity are to be valued according to the accrual method. Exception to the rule: trading transactions, to which the fair value is to be applied. As the valuation of participations upon which a material influence can be exercised is not done according to equity method, the effects of this are to be disclosed in the notes.	The same situation as with statutory individual financial statements, with the following exception: the equity method must be applied to the valuation of participations upon which a material influence can be exercised.
Reserve for general banking risks	Allocation possible by: ▪ charging to "extraordinary expenses" ▪ reclassification of value adjustments and provisions no longer necessary ▪ transfer from hidden reserves formerly	Creation possible only by charging to "extraordinary expenses".	Creation possible only by charging to "extraordinary expenses".

Subject	Individual financial statements (assessment to be as reliable as possible)	Combined individual financial statements	Supplementary individual financial statements (and consolidated financial statements)
	classified as "other provisions".		
Goodwill paid upon acquisition of participations	Remains under the position "participating interests".	Is to be separated out and allocated to "intangible assets". Amortisation of goodwill is to be reduced in the amount of the appreciation in value of the participation, which cannot be recorded in the income statement, due to the equity method not being applied.	Is to be removed and allocated to "intangible assets".
Own debt instruments (repurchased securities)	May either be capitalised or offset against the corresponding liability item.	Must be offset.	Must be offset.
Taxes *	▪ Tax effects of losses carried forward may not be recorded in the balance sheet. ▪ Brief comment in the notes on whether "reserves for general banking risks" have been taxed.	Full application of margin nos. 29b-1 – 29b-6, with the following precision: tax effects of losses carried forward may not be recorded in the balance sheet (margin no. 29a). The uncapitalised amount is to be disclosed in the notes.	Full application of margin nos. 29b-1 – 29b-6 (capitalisation is permitted where it is highly probable that the tax effects of losses carried forward can be utilised [future profits]).
Change in valuation principles applied	No obligation to restate previous year's figures.	No obligation to restate previous year's figures.[6]	Obligation to restate previous year's figures.
"Results before extraordinary items and taxes" position	To be disclosed only if extraordinary income and expenses have a material impact on profit/loss for the year.	To always be disclosed if extraordinary income and/or extraordinary expenses occur.	To always be disclosed if extraordinary income and/or extraordinary expenses occur.

List of modifications

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The amendments of 21 December 2006 made by the SFBC to its Circular "RRV-EBK" of 14 December 1994 are indicated with this symbol "δ".

This Circular has been modified as follows:

These modifications were adopted on 19 November 2009 and will enter into force on 1 January 2010 (indicated with an asterisk *):

Modified margin no.	167a-2

These modifications were adopted on 4 March 2011 and will enter into force immediately (indicated with an asterisk *):

Modified margin nos.	1h, 29j-8, 48, 49, 62, 79a, footnote to margin no. 89, 188, heading before margin no. 193, footnote to margin nos. 210a and 216

These modifications were adopted on 1 June 2012 and will enter into force on 1 January 2013:

References to the Capital Adequacy Ordinance (CAO; SR 952.03) have been adapted according to the version which will enter into force on 1 January 2013.

This modification will enter into force on 26 June 2013 (indicated with an asterisk *):

Modified margin no.	45

The appendices have been modified as follows:

These modifications were adopted on 4 March 2011 and will enter into force immediately (indicated with an asterisk *):

modified	Chapter XI, Tables F and K Chapter XII, subject "taxes"

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TAB 2

CREDIT SUISSE

Credit Suisse
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P-04890
Policy

Reporting of Assets under Management and Net New Assets

Valid from	29.06.2012	Version 2.1
Issuing Unit	Group Finance	
Author	Noël von Däniken (TABD); Monique Coulin (TABD 3)	
Replaces	P-04890 version 2.0 issued on July 01, 2007	
Original Language	English	
Scope/Recipients	AM, PB, CFO	

Summary
This policy describes the Assets under Management (AuM) metrics that are used for internal monthly and quarterly executive information to CSG's senior management bodies (e.g., ExB, BoD) as well as for the purpose of external disclosures and regulatory reporting compliant to FINMA circular 2008/2 Accounting - banks. Furthermore, it regulates the definitions, duties and responsibilities pertaining to the reporting of Assets under Management and Net new assets (NNA).

Changes
As a result of changes in the business model (e.g., UHNWI, customized lending, new investment products or market exits) the policy has been revised in order to reflect current practice and methodology of AuM/NNA treatment.

Minimum Global Standards
The AuM/NNA reporting obligation is valid to all companies included in CSG's scope of consolidation as well as all funds, investment companies and special purpose vehicles managed by CSG if these entities accept and manage client assets as defined under section 2. The reporting must take place at least once a month.

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PSI-CreditSuisse-50-000113

CREDIT SUISSE

P-04890

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1. Scope and Purpose

This policy applies to all employees of Asset Management (AM), Private Banking (PB) and Chief Financial Officer (CFO) divisions.

It regulates the definitions, duties and responsibilities pertaining to the reporting of AuM/NNA for the purpose of measuring internal performance, providing internal executive information to CSG's senior management bodies, e.g., Executive Board (ExB) or Board of Directors (BoD) as well as for the purpose of external disclosures. It also acts as a basis for the publication of these

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figures in "Table G" as defined in margins 198a –198j of FINMA circular 2008/2 Accounting - banks, which is part of regulatory reporting and the Annual Report.
The reporting obligation is valid to all companies included in CSG's scope of consolidation as well as all funds, investment companies and special purpose vehicles managed by CSG if these entities accept and manage client assets as defined under section 2. The reporting must take place at least once a month.

2. Definitions

2.1 Client Assets

Client assets consist of the passive balances of all client related balance-sheet accounts, fiduciary investments (deposits) and client safekeeping accounts, including accrued interest. Client assets are valued on the basis of the end-of-month prices used in financial accounting and in the valuation of client safekeeping accounts.

In principle, proprietary assets of banks and brokers (bank assets) do not form part of the client assets. The investments of other CSG entities (intercompany assets) also do not qualify as client assets.

Client assets are broken down into the following asset categories:
- Assets under Management
- Custody and Commercial Assets

2.2 Assets under Management (AuM)

Assets under management include assets from clients for which the Group provides investment advisory or discretionary asset management services. These also include investment fund assets and assets invested in other investment fund-like pooled investment vehicles managed by CSG (see section 5.4). The AuM correspond to the German term "Verwaltete Vermögen" pursuant to FINMA circular 2008/2 Accounting – banks, margins 198a-j.

In principle, the classification of AuM is conditional on the investment purpose of the assets which is individually assessed on the basis of each client's intentions and objectives and the banking services provided to the client.

2.2.1 Assets under Management – Discretionary Assets

Discretionary assets are defined as assets for which the customer transfers a significant portion of the discretionary power to a CSG entity with an asset management mandate.

Discretionary assets also include pooled investment vehicles managed by CSG entities (see section 5.4) as well as AuM for the life insurance business (see section 5.7) and index-/unit-linked insurance (see section 5.8).

2.2.2 Assets under Management – Advisory Assets

Advisory assets usually include all other assets placed with CSG entities for the purpose of investment where the client has access to investment advice from Credit Suisse but retains discretion over investment decisions.

2.3 Custody Assets

Custody assets of private or institutional clients that are held solely for transaction-related or safekeeping/custody purposes are not considered AuM since the bank does not provide specific advice regarding asset allocation or investment decisions. Due to their lower added

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value, the profitability of these assets is usually substantially lower than the profitability of assets classified as AuM.

2.4 **Commercial Assets**
Assets of corporate clients and public institutions that are used primarily for cash management or transaction-related purposes are not considered AuM. If the purpose of investment can be demonstrated (e.g., in case of a discretionary asset management mandate), commercial assets can be recognized as AuM.

3. **Net New Assets, Net Earnings, Market Performance and Structural Effects**
Net new assets (NNA): Net new assets refer exclusively to AuM and measure the degree of success in acquiring assets under management. The calculation is based on the direct method, taking into account individual cash and securities transactions (flow of funds), and any new or repaid loans (see Appendix 1).

The NNA correspond to the net inflow/outflow of new money that must be disclosed in accordance with margins 198h - 198j of FINMA circular 2008/2 Accounting - banks.

Net earnings: The net earnings of a client are composed of interest earned and paid, dividends earned, as well as fees, commission and taxes charged to the client. These are reported separately and are not added to the NNA, as such charges are not directly related to the Group's success in acquiring AuM.

Currency and market impact: Changes in assets under management due to currency and market volatility are not part of NNA.

Structural effects: Inflows and outflows of assets in connection with the purchase and sale of parts of companies, exit from businesses or markets (as defined in Appendix 3), reorganizations and client transfers between CSG entities at the instigation of the bank are reported as structural effects.

Outflows are considered acquisition related and classified as structural effect, if they occur within 12 months after the purchase of a (part of a) company and the remaining AuM are still higher than the AuM upon which the acquisition price was based. Group Finance decides about acquisition related outflows on a case-by-case basis.

In the following cases, inflows and outflows of assets in connection with transfers from one entity to another offset one another for the purpose of the NNA calculation and are reported as structural effects:
- Active assignment of clients against payment of compensation (referrals).
- Client transfers as part of reorganizations or portfolio adjustments initiated by the bank.

If a client requests a transfer to another entity, mandate or product without any active involvement on the part of the bank, this kind of transfers are excluded from structural effects. Hence, these assets are reported as negative NNA by the former entity (e.g., organization unit, line of business) and as positive NNA by the new entity.

If assets are re-classified from custody/commercial assets to AuM or vice versa the corresponding increase or reduction of AuM is reported as net new assets. Reclassifications are only permissible to reflect changes in a client relationship since its initial classification.

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4. Duties and Responsibilities

4.1 Group Finance

Group Finance is responsible for reporting consolidated AuM/NNA figures for internal management reporting to CS's ExB and BoD as well as for the purpose of external disclosure for CSG consolidated, legal entity CS and the segment reporting in the Management Discussion and Analysis (MD&A). It defines and maintains the global standards and methods that must be applied to measure and report the AuM/NNA and client assets.

Group Finance decides on the AuM/NNA treatment of new products, special cases and multiple counts of AuM/NNA not covered by this policy and takes the final decision on the classification of investments by pooled investment vehicles as AuM. Group Finance decides on special cases covered by this policy, on the re-classification between AuM and the other client assets categories and on Structural effects for all individual cases greater than CHF 500m.

External ad-hoc disclosures that are not regulatory mandatory are subject to prior approval by Group Finance. Furthermore, existing policies regarding the involvement of Legal & Compliance and Corporate Communications have to be adhered to.

4.2 Divisional Chief Operating Officers (COO)

Divisional COO are responsible to ensure compliance with this policy, timely reporting to Group Finance by their division, and the correct classification of the client assets managed by their division. They decide on special cases covered by this policy, on the re-classification between AuM and the other client assets categories and on structural effects up to CHF 500m per individual case.

Divisional COO are responsible to set up appropriate decision, monitoring and reporting processes within their division to ensure correct and compliant AuM/NNA reporting (including adequate audit trails).

For all operational aspects of the AuM/NNA reporting the COO appoints an AuM/NNA reporting officer to act as contact person with Group Finance. The divisional COO may delegate decisions on special cases covered by this policy, on the re-classification between AuM and the other client assets categories and on structural effects up to CHF 250m per individual case to the AuM/NNA reporting officer.

If no or more than one divisional COO is appointed, the Divisional CEO is responsible to determine who will assume the COO tasks as defined by the policy.

4.3 Divisional AuM/NNA Reporting Officers

The divisional AuM/NNA reporting officers are responsible: i) to issue appropriate reporting instructions for their division; and ii) for the development and operation of the systems required to measure and report the AuM/NNA, custody and transactional/commercial assets.

AuM/NNA reporting officers are responsible for escalating reporting issues, that require special attention, to the appropriate decision making responsible as defined in this policy.

Divisional AuM/NNA reporting officers will establish appropriate sign off procedures and nominate a person within each legal entity with material AuM/NNA volumes who ensures that division-specific data is reported in the requested quality. This person must be independent from

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the functions managing the respective assets. This person will support the local legal entity controller in ensuring compliance of AuM/NNA reporting with local regulatory requirements.

4.4 Relationship, Portfolio and Sales Managers, and their Line Managers
Relationship, portfolio and sales managers are responsible for allocating assets to the correct client asset category (i.e., discretionary, advisory, custody and commercial assets). The classification of AuM is generally assessed on the basis of each client's intentions and objectives and the banking services provided to the client.

Relationship, portfolio or sales managers may request their respective AuM/NNA reporting officer to handle special cases and to take care of any subsequent reclassification across asset categories.

In the case of AuM in third-party custody, the relationship, portfolio or sales manager ensures that the required information is obtained on time.

Relationship, portfolio or sales managers review the AuM/NNA reports for their client portfolios once a month and inform the AuM/NNA reporting officer of any discrepancies without delay.

4.5 Legal Entity Controllers (LEC)
If legal entities disclose client assets or AuM/NNA as part of their local regulatory reporting, the legal entity controllers must ensure compliance with local laws as well as with the principles set forth in this policy. The responsibility of the LEC applies as set forth in section 2 on local regulatory reporting of policy P-23064 'Key Roles & Responsibilities of the Legal Entity Controllers'.

5. Special Cases

5.1 AuM in Third-Party Custody
Assets managed by CSG but held in custody by a third-party bank can be reported as AuM by CS if **all** of the following criteria are met:
- an asset management agreement (discretionary mandate or selected agreements upon approval by the appropriate decision-making body as defined in section 4) is in place
- the overall client relationship qualifies as AuM
- periodic valuation (at least quarterly), audit trail and materiality is provided.

The following reference values apply to materiality considerations:
- Total client AuM > CHF 20 million and net revenues > CHF 100,000.

Divisions have the discretion to set more stringent references.

The divisional AuM/NNA reporting officer establishes appropriate documentation requirements and controls in order to ensure the correctness of reported AuM in third-party custody.

5.2 Assets Managed by External Asset Managers (EAMs)
In general, external asset managers make use of services from CSG that exceed simple custodian or transaction processing. These assets are therefore usually classified as AuM/NNA (advisory assets). If CS provides only custody and transaction services these assets are classified as custody assets.

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5.3 Assets of Third-Party Banks
In principle, proprietary assets of banks and brokers (including their affiliated subsidiaries without banking license) are not classified as client assets. If a third-party bank explicitly invests assets with CSG for asset management purposes (e.g., based on a discretionary mandate), an exception can be approved by the appropriate decision making responsible as defined in section 4.

5.4 Pooled Investment Vehicles Managed by Credit Suisse
Assets held by pooled investment vehicles (e.g., mutual funds, structured investment products, private equity funds) are only to be considered as Assets under Management, if **all** of the following criteria are met:

- Purpose of investment management
- Separate asset management process
- Substantial additional value creation and fee income
- Management by a CSG entity

Case-by-case decisions for each product must be taken and documented within this analysis framework.

Generally, the amount that serves as a basis for the calculation of management fees is reported as AuM.

5.5 Securities Lending and Borrowing, Repurchase and Reverse Repurchase Agreements
For purposes of AuM reporting, the impact from securities lending and borrowing, repurchase agreements and reverse repurchase agreements may typically not be reported as NNA inflows and NNA outflows. Exceptions will be decided by Group Finance.

5.6 Minority Stakes in not Fully Consolidated Entities
AuM, client assets and net new assets of entities for which the equity-accounting method is applied may be included in the same percentage as the Divisional participation in the minority stake if **all** of the following criteria are met:

- The investment is a strategic participation
- The entity must be able to demonstrate an auditable process for the production of AuM and NNA according to this policy
- The entity must provide financial information to CSG in a timely manner

5.7 Traditional Life Insurance
Traditional life insurance policies in clients' safe custody accounts qualify as AuM/NNA if they are properly valued.
The client relationship manager must ensure that re-valuation of life insurance products occurs at least quarterly.

5.8 Index-/Unit-linked Insurance
For such policies the obligations of the insurance company towards the clients are usually based on the present value of the underlying assets. Correspondingly, the AuM are reported on the basis of the current market value of these assets.

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5.9 Private Equity

In principle, clients' private equity investments qualify as AuM/NNA.

Clients' private equity investments have to be reported based on the effectively paid-in amount. Hence, invested capital represents AuM and NNA.

From the fund management prospective, management fees are calculated on committed capital (= unfunded commitments + invested capital). Hence, committed capital represents AuM and NNA. This implies that market appreciation or depreciation are excluded from AuM and NNA in private equity.

During the unwind period of the private equity investment, the AuM reduction is reported as negative NNA.

About unfunded commitments which do not generate any recurring revenues, Group Finance decides on a case-by-case basis, whether those assets could count as AuM.

5.10 Private Label Funds

Private label funds are customized fund solutions for institutional investors, external asset managers and individual clients. Underlying assets of private label funds are only to be considered as advisory or discretionary AuM, if all of the following criteria are met:

- Purpose of investment management is given
- Management services exceed pure custody and administration which is reflected in an adequate fee generation

In principle, double counts of fund units in clients' safekeeping accounts and underlying assets of the fund vehicle are not permissible. An exception applies to private label funds managed by Asset Management for Private Banking clients, if they serve as a substitute for a discretionary mandate. These are treated according to section 5.2.

Private label fund assets in third-party custody can be recognized as AuM if the criteria mentioned under 5.1 are met.

5.11 Classification of custody assets pledged for loans

Typical custody assets such as single stock positions can be reported as AuM if the assets are used as pledge in asset-backed loans. The assets need to be booked with a consolidated CS entity or qualify for inclusion as AuM in third-party custody and further criteria defined by the AuM committee are met.

If the pledged assets exceed the typical haircuts, only the amount up to the typical haircut qualifies as AuM. If the pledged assets qualifying for AuM exceed CHF 200m, the assets shall be locked at inception (freeze loan-to-value ratio).

Where the client reinvests the proceeds of the loan in additional client assets managed by CS, such assets are to be classified according to the AuM policy.

5.12 Pension Fund business

Client groups with mainly self-administrated clients where no active advisory services are provided by CS shall be classified as Assets under Custody (AuC).

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6. Multiple reporting

6.1 Permissible Double Counting for consolidated CSG Reporting

Double Counting of AuM/NNA arises when assets under management are subject to more than one level of asset management services. Each such separate advisory or discretionary service provides additional benefits to the client and represents additional income for the Group.

The following Double Counting of AuM/NNA is permissible:

- Pooled investment vehicles managed by CSG: AuM from CS clients invested in pooled investment vehicles managed by CSG are reported once for the division managing the client's AuM and a second time for the division managing the investment vehicle.

Double Counting in any other cases may only be done with the prior consent of Group Finance.

6.2 Permissible Multiple Reporting for Divisional Reporting

Discretionary mandates for private banking clients managed by the Asset Management division and vice versa are reported as AuM and NNA by the Private Banking and the Asset Management division. For purposes of CSG consolidated reporting this double count is eliminated.

6.3 Impermissible Multiple Reporting

Multiple reporting is not permitted in the following cases:

- *Umbrella funds*: In the case of umbrella funds, only the assets of the umbrella fund's sub-funds are reported.
- *Fund of own funds*: If a pooled investment vehicle managed by CSG holds units of another such vehicle managed by CS, these units are not included in the calculation of the AuM/NNA.
- *In-house funds*: For in-house funds as defined in art. 4 of the Federal Collective Investment Schemes Act (CISA), only the corresponding units in client safekeeping accounts are included in the AuM/NNA calculation.
- *Trust and foundation assets*: Client assets held via trusts and foundations are not reported more than once for the AuM/NNA calculation.
- *Rerouted fiduciary investments*: Fiduciary deposits of client funds with other CSG entities are only reported as AuM/NNA by the entity that concluded the fiduciary transaction with the client.
- *Depositary function for own funds*: Assets deposited by own funds and fund-like SIPs are classified as intercompany investments and are neither reported as AuM/NNA nor as client assets by the unit managing the safekeeping account.

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7. **Entry Into Force**
This policy enters into force with immediate effect.

David Mathers
Chief Financial Officer
sig.

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Appendix 1: Calculation of Net new assets

In general, Net new assets must be calculated in accordance with the direct calculation method:

The direct method measures the inflows and outflows of assets for each client. inflows/outflows as a result of borrowings/loan repayments (currency adjusted) are included. The asset change during a specific period is determined as follows:

net flow of funds during reporting period (in reporting currency)
+ currency-adjusted change in credit balances of clients (incl. overdrafts) during reporting period
= Net new assets

closing balance Assets under Management, at end of previous period
+ Net new assets during current period
+ Net earnings during current period
+ performance of securities markets during current period (calculated)
+ performance of foreign currency markets during current period (calculated)
+/- Structural effects
= closing balance Assets under Management at end of current period

Based on a materiality assessment Group Finance may approve the use of the indirect method for the Net new assets calculation as an exception:

With this method the Net new assets are estimated based on the following calculation:
closing balance Assets under Management, at end of current period
- opening balance Assets under Management, at end of previous period
- interest (incl. accrued interest) and dividends during current period (calculated)
- performance of securities markets during current period (calculated)
- performance of foreign currency markets during current period (calculated)
+/- Structural effects
= Net new assets

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Appendix 2: Growth metrics and average calculation

Growth metrics

Growth in assets under management:
[(AuM $_{\text{end of period}}$) - (AuM $_{\text{beginning of period}}$)] / (AuM $_{\text{beginning of period}}$), in %

Net new assets growth, rolling four quarter average in %:
[(NNA $_{\text{quarter -4}}$) + (NNA $_{\text{quarter -3}}$) + (NNA $_{\text{quarter -2}}$) + (NNA $_{\text{reported quarter}}$)] / (AuM $_{\text{end of quarter -4}}$), in %

Annualized net new assets growth:
(NNA $_{\text{YTD}}$) * 12 / number of months YTD / [(AuM $_{\text{beginning of period YTD}}$), in %

Average calculation

Year-to-date (YTD) average assets under management calculation:
[(1/2 AuM $_{\text{beginning of Month -1}}$) + (AuM $_{\text{end of Month -1}}$) + (AuM $_{\text{end of Month -2}}$)+...+(1/2 AuM $_{\text{end of Month -n}}$)] / n

Yearly Average assets under management calculation:
[(1/2 AuM $_{\text{end of year -1}}$) + (AuM $_{\text{end of January}}$) + (AuM $_{\text{end of February}}$)+...+(1/2 AuM $_{\text{end of reported year}}$)] / 12

Quarterly average assets under management calculation:
[(1/2 AuM $_{\text{beginning of Month -1}}$) + (AuM $_{\text{end of Month -1}}$) + (AuM $_{\text{end of Month -2}}$)+(1/2 AuM $_{\text{end of Month -3}}$)] / 3

Monthly average assets under management calculation:
[(AuM $_{\text{beginning of Month}}$) + (AuM $_{\text{end of Month}}$) / 2

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Appendix3: Guidelines for the classification of exits of businesses or markets

The exit of a business or market qualifies as structural effect if it fulfils one of the following criteria:

- the divisional management committee decides to discontinue the provision of asset management services to a whole client segment or geographical market. Such a segment or market contains at least 100 clients or 10 relationship managers and at least CHF 500m AuM. The closure of the market is communicated to the clients without any alternative or reduced offering to them.
- New regulation limits the ability to provide asset management services in the respective jurisdiction in such a way that the assets do not qualify as AuM any longer.

Only assets reclassified as custody assets or transferred to third parties are reported as structural outflow. Assets transferred to another CS entity are treated as transfers at the instigation of the bank according to the AuM policy.

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Policy

Reporting of assets under management and net new assets

Valid from	30.07.2007	Version 2.0
Issuing Unit	TAR	
Author	TAR	
Contact	Tobias Kilb; Noël von Daenken	
Replaces	D-4890	
Original Language	English	
Scope/Recipients	CS (AM, CS-AM); CS (PB, CS-PB); CS (CFO, CS-CFO)	

Summary
The purpose of this policy is to define the assets under management metrics that are used for internal monthly and quarterly executive information to CSG's senior management bodies (e.g., BoD, GxB) as well as for the purpose of external disclosures and regulatory reporting compliant to Swiss Federal Banking Commission's 'Richtlinien zu den Rechnungslegungsvorschriften'.

It regulates the definitions, duties and responsibilities pertaining to the reporting of assets under management/net new assets

The reporting obligation applies to all companies included in Credit Suisse Group's scope of consolidation as well as all funds, investment companies and special purpose vehicles managed by Credit Suisse if those entities accept and manage client assets as defined below. Assets under management reporting must take place at least once a month.

Changes
The existing policy was merged with GARM Assets under Management Reporting Instructions. Changes due to the new Swiss Federal Banking Commission's 'Richtlinien zu den Rechnungslegungsvorschriften (RRV-EBK)', version 2006, were incorporated.
The scope was adapted due to discontinued AUM/NNA reporting in Investment Banking.

Minimum Global Standards
Policy P-04890 is a policy related to the reporting of assets under management and net new assets. It regulates the definitions, duties and responsibilities pertaining to the reporting of assets under management/net new assets for the purpose of measuring internal performance, providing internal executive information to CSG's senior management bodies (e.g., BoD, GxB) as well as for the purpose of external disclosures. It also acts as a basis for the publication of these figures in 'Table D' (Tabelle Q, Tabelle in Verbindung mit Rz 198a und 198b) as defined in notes 198a -198j of the Swiss Federal Banking Commission's 'Richtlinien zu den Rechnungslegungsvorschriften (RRV-EBK)', version 2006, Section '4.5 Angaben über verwaltete Vermögen'.

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The reporting obligation applies to all companies included in Credit Suisse Group's scope of consolidation as well as all funds, investment companies and special purpose vehicles managed by CSG if these entities accept and manage client assets as defined below. The reporting must take place at least once a month.

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1. Definition

1.1 Client Assets

Client assets consist of the passive balances of all client related balance-sheet accounts, fiduciary investments (deposits) and client safekeeping accounts (including accrued interest). Client assets are valued on the basis of the end-of-month prices used in financial accounting and in the valuation of client safekeeping accounts.

In principle, proprietary assets of banks and brokers (bank assets) do not form part of the client assets. The investments of other CSG entities (intercompany assets) also do not qualify as client assets.

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Client assets are broken down into the following asset categories:
- Assets under Management
- Custody and Commercial Assets

1.2 Assets under Management (AuM)
Assets under management include assets from clients for which the Group provides investment advisory or discretionary asset management services. These also include investment fund assets and assets invested in other investment fund-like pooled investment vehicles managed by CSG (see section 4.4). The AuM correspond to the German term "Verwaltete Vermögen" pursuant to RRV-EBK Rz. 198a-j.

In principle, the classification of assets under management is conditional on the investment purpose of the assets which is individually assessed on the basis of each client's intentions and objectives and the banking services provided to the client.

1.2.1 Assets under Management – Discretionary Assets
Discretionary assets are defined as assets for which the customer transfers a significant portion of the discretionary power to a CSG entity with an asset management mandate.

Discretionary assets also include pooled investment vehicles managed by CSG entities (see section 4.4) as well as assets under management for the life insurance business (see section 4.7) and index-/unit-linked insurance (see section 4.8).

1.2.2 Assets under Management – Advisory Assets
Advisory assets usually include all other assets placed with CSG entities for the purpose of investment where the client has access to investment advice from Credit Suisse but retains discretion over investment decisions.

1.3 Custody Assets and Commercial Assets
Custody assets that are held solely for transaction-related or safekeeping/custody purposes are not considered assets under management since the bank does not provide specific advice regarding asset allocation or investment decisions. Due to their lower added value, the profitability of these assets is usually substantially lower than the profitability of assets classified as AuM.

Assets of corporate clients and public institutions that are used primarily for cash management or transaction-related purposes are also not considered assets under management. Exceptions from this general rule are only allowed on a case-by-case basis, in which the purpose of investment is clearly demonstrable (e.g., in case of a discretionary asset management mandate).

2. Net New Assets, Net Earnings, Market Performance and Structural Effects
Net new assets (NNA): Net new assets refer exclusively to AuM and measure the degree of success in acquiring assets under management. The calculation is based on the direct method, taking into account individual cash and securities transactions (flow of funds), and any new or repaid loans (see Appendix 1).

The net new assets correspond to the net inflow/outflow of new money that must be disclosed in accordance with Notes 198h, and 198j of the Swiss Federal Banking Commission's "Richtlinien zu den Rechnungslegungsvorschriften".

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Net earnings: The net earnings of a client are composed of interest earned and paid, dividends, as well as fees, commission and taxes charged to the client. These are reported separately and are not added to the NNA, as such charges are not directly related to the Group's success in acquiring AuM.

Market impact: Changes in assets under management due to currency and market volatility are not part of NNA.

Structural effects: Inflows and outflows of assets in connection with the purchase and sale of whole parts of companies, reorganizations and client transfers between CSG entities at the instigation of the bank are reported as structural effects.

In the following cases, inflows and outflows of assets in connection with transfers from one entity to another offset one another for the purpose of the NNA calculation and are reported as structural effects:
- Active assignment of clients against payment of compensation (referrals).
- Client transfers as part of reorganizations or portfolio adjustments initiated by the bank.

If a client requests a transfer to another entity without any active involvement on the part of the bank, the assets are reported as negative NNA by the entity handing over the client and as positive NNA by the new entity.

If assets are re-classified from custody/commercial assets to AuM or vice versa the corresponding inflow or outflow of AuM is reported as net new assets.

3. Duties and Responsibilities

3.1 Group Controlling

Group Controlling is responsible for reporting consolidated AuM/NNA figures for internal management reporting to Credit Suisse's Executive Board and Board of Directors as well as for the purpose of external disclosure for CSG consolidated, legal entity CS and the segment reporting in the MD&A (Management Discussion and Analysis). It defines and maintains the global standards and methods that must be applied to measure and report the AuM/NNA and client assets.

Group Controlling decides on the AuM/NNA treatment of new products, special cases and multiple counts of AuM/NNA not covered by this policy and takes the final decision on the classification of investments by pooled investment vehicles as AuM. Group Controlling decides on special cases covered by this policy and the re-classification between AuM and the other client assets categories for all individual cases greater than CHF 500m.

External ad-hoc disclosures that are not regulatory mandatory are subject to prior approval by Group Controlling. Furthermore, existing policies regarding the involvement of Legal & Compliance and Corporate Communications have to be adhered to.

3.2 Divisional Chief Operating Officers (COO)

Divisional COO are responsible to ensure compliance with this policy, timely reporting to Group Controlling by their division, and the correct classification of the client assets managed by their division. They decide on special cases covered by this policy and the re-classification between AuM and the other client assets categories up to CHF 500m per individual case.

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Divisional COO are responsible to set up appropriate decision, monitoring and reporting processes within their division to ensure correct and compliant AuM/NNA reporting (including adequate audit trails).

For all operational aspects of the AuM/NNA reporting the COO appoints an AuM/NNA reporting officer to act as contact person with Group Controlling. The divisional COO may delegate decisions on special cases covered by this policy and the re-classification between AuM and the other client assets categories up to CHF 250m per individual case to the AuM/NNA reporting officer.

3.3 Divisional AuM/NNA Reporting Officers

The divisional AuM / NNA reporting officers are responsible: i) to issue appropriate reporting instructions for their division; and ii) for the development and operation of the systems required to measure and report the AuM/NNA, custody and transactional/commercial assets.

AuM/NNA reporting officers are responsible for escalating reporting issues, that require special attention, to the appropriate decision making responsible as defined in this policy.

Divisional AuM / NNA reporting officers will establish appropriate signoff procedures and nominate a person within each legal entity with material AuM / NNA volumes who ensures that division-specific data is reported in the requested quality. This person must be independent from the functions managing the respective assets. This person will support the local legal entity controller in ensuring compliance of AuM / NNA reporting with local regulatory requirements.

3.4 Relationship, Portfolio and Sales Managers, and their Line Managers

Relationship, portfolio and sales managers are responsible for allocating assets to the correct client asset category (i.e., discretionary, advisory, custody and commercial assets). The classification of assets under management is generally assessed on the basis of each client's intentions and objectives and the banking services provided to the client.

Relationship, portfolio or sales managers may request their respective AuM/NNA reporting officer to handle special cases and to take care of any subsequent reclassification across asset categories.

In the case of AuM in third-party custody, the relationship, portfolio or sales manager ensures that the required information is obtained on time.

Relationship, portfolio or sales managers review the AuM/NNA reports for their client portfolios once a month and inform the AuM/NNA reporting officer of any discrepancies without delay.

3.5 Legal Entity Controllers

If legal entities disclose client assets or AuM/NNA as part of their local regulatory reporting, the legal entity controllers must ensure compliance with local laws as well as with the principles set forth in this policy. The responsibility of the legal entity controllers applies as set forth in section 2.3 on local regulatory reporting of policy P-23064 'Key Roles & Responsibilities of the Legal Entity Controllers'.

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4. Special Cases

4.1 AuM in Third-Party Custody

AuM managed by CSG but held in custody by a third-party bank can be reported as AuM by the CSG unit if there is a discretionary management agreement and materiality is provided. The following reference values apply: AuM > CHF 20 million and net revenues > CHF 100,000; however, divisions have the discretion to set more stringent references.

The divisional AuM/NNA reporting officer establishes appropriate documentation requirements and controls in order to ensure the correctness of reported AuM in third-party custody.

4.2 Assets Managed by External Asset Managers (EAMs)

In general, external asset managers make use of services from CSG that exceed simple custodian or transaction processing. These assets are therefore usually classified as AuM/NNA (advisory assets). If Credit Suisse provides only custody and transaction services these assets are classified as custody assets.

4.3 Assets of Third-Party Banks

In principle, proprietary assets of banks are not classified as client assets. If a third-party bank explicitly invests assets with CSG for asset management purposes (e.g., based on a discretionary mandate), an exception can be approved by the appropriate decision making responsible as defined in section 3.

4.4 Pooled Investment Vehicles Managed by Credit Suisse

Assets held by pooled investment vehicles (e.g., mutual funds, structured investment products, private equity funds) managed by CSG entities are only to be considered as Assets under Management, if **all** of the following criteria are met:

- Purpose of investment management
- Separate asset management process
- Substantial additional value creation and fee income
- Management by a CSG entity

Case-by-case decisions for each product must be taken and documented within this analysis framework.

Generally, the amount that serves as a basis for the calculation of management fees is reported as AuM.

4.5 Securities Lending and Borrowing, Repurchase and Reverse Repurchase Agreements

For purposes of AuM reporting, the impact from securities lending and borrowing, repurchase agreements and reverse repurchase agreements may typically not be reported as NNA inflows and NNA outflows. Exceptions will be decided by Group Controlling.

4.6 Minority Stakes in not Fully Consolidated Entities

AuM, client assets and net new assets may be included in the same percentage as the Divisional participation of the minority stake using the equity method of accounting. The entity (investee) must be able to demonstrate an auditable process for its production of financial information and the information must be provided to CSG in a timely manner.

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4.7 Traditional Life Insurance
Traditional life insurance policies in clients' safe custody accounts qualify as AuM / NNA if they are properly valued.
The client relationship manager must ensure that re-valuation of life insurance products occurs at least quarterly.

4.8 Index-/Unit-linked Insurance
For such policies the obligations of the insurance company towards the clients are usually based on the present value of the underlying assets. Correspondingly, the AuM are reported on the basis of the current market value of these assets.

4.9 Private Equity
In principle, clients' private equity investments qualify as AuM / NNA.

5. Multiple reporting

5.1 Permissible Double Counting for consolidated CSG Reporting
Double Counting of AuM/NNA arises when assets under management are subject to more than one level of asset management services. Each such separate advisory or discretionary service provides additional benefits to the client and represents additional income for the Group.

The following double counting of AuM/NNA is permissible.

- Pooled investment vehicles managed by CSG: AuM from CS clients invested in pooled investment vehicles managed by CSG are reported once for the division managing the client's AuM and a second time for the division managing the investment vehicle.

- Own insurance policies: insurance policies issued by a CSG subsidiary are counted in the client's safekeeping account and reported as insurance AuM for the respective subsidiary.

Double Counting in any other cases may only be done with the prior consent of Group Controlling.

5.2 Permissible Multiple Reporting for Divisional Reporting
Discretionary mandates for private banking clients managed by the Asset Management division are reported as AuM and NNA by the Private Banking and the Asset Management Division. For purposes of CSG consolidated reporting this double count is eliminated.

5.3 Impermissible Multiple Reporting
Multiple reporting is not permitted in the following cases:

Umbrella funds: In the case of umbrella funds, only the assets of the umbrella fund's sub-funds are reported.

Fund of own funds: If a pooled investment vehicle managed by CSG holds units of another such vehicle managed by CS, these units are not included in the calculation of the AuM/NNA.

Bank-internal special assets: For bank-internal special assets as defined in art. 4 of the Federal Act on Investment Funds (KAG, Bundesgesetz über die kollektiven Kapitalanlagen), only the corresponding units in client safekeeping accounts are included in the AuM/NNA calculation.

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PSI-CreditSuisse-50-000133

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P-04890

Trust and foundation assets: Client assets held via trusts and foundations are not reported more than once for the AuM/NNA calculation.

Rerouted fiduciary investments: Fiduciary deposits of client funds with other CSG entities are only reported as AuM/NNA by the entity that conducted the fiduciary transaction with the client.

Depositary function for own funds: Assets deposited by own funds and fund-like SIPs are classified as intercompany investments and are neither reported as AuM/NNA nor as client assets by the unit managing the safekeeping account.

6. **Entry Into Force**
This policy enters into force with immediate effect.

Renato Fasstbind
Chief Financial Officer
sig.

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P-04890

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Beilage / Appendix / Annexe / Allegato 1

Calculation of Net New Assets

In general, net new assets must be calculated in accordance with the direct calculation method:

The direct method measures the inflows and outflows of assets for each client. Inflows/outflows as a result of borrowings/loan repayments (currency adjusted) are included. The asset change during a specific period is determined as follows:

net flow of funds during reporting period (in reporting currency)
\+ currency-adjusted change in credit balances of clients (incl. overdrafts) during reporting period
= net new assets

closing balance assets under management, at end of previous period
\+ net new assets during current period
\+ net earnings during current period
\+ performance of securities markets during current period (calculated)
\+ performance of foreign currency markets during current period (calculated)
+/- structural effects
= closing balance assets under management at end of current period

Based on a materiality assessment Group Controlling may approve the use of the indirect method for the NNA calculation as an exception:

With this method the net new assets are estimated based on the following calculation:
closing balance assets under management, at end of current period
\- opening balance assets under management, at end of previous period
\- interest (incl. accrued interest) and dividends during current period (calculated)
\- performance of securities markets during current period (calculated)
\- performance of foreign currency markets during current period (calculated)
+/- structural effects
= net new assets

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CS-SEN-00432284

PSI-CreditSuisse-50-000135

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Growth Metrics and Average Calculation

Growth in Assets under Management:
[(AuM $_{\text{end of period}}$) - (AuM $_{\text{beginning of period}}$)] / (AuM $_{\text{beginning of period}}$), in %

Growth in Assets under Management, rolling four quarter average in %:
[(NNA $_{\text{quarter -3}}$) + (NNA $_{\text{quarter -2}}$) + (NNA $_{\text{quarter -1}}$) + (NNA $_{\text{reported quarter}}$)] / (AuM $_{\text{end of quarter -4}}$), in %

Annualized Net New Assets growth:
(NNA $_{\text{YTD}}$) * 12 / number of months YTD / [(AuM $_{\text{beginning of period YTD}}$), in %

Year-to-date (YTD) Average Assets under Management calculation:
[(1/2 AuM $_{\text{beginning of Month 1}}$) + (AuM $_{\text{end of Month 1}}$) + (AuM $_{\text{end of Month 2}}$)+...+(1/2 AuM $_{\text{end of Month n}}$)] / n

Yearly Average Assets under Management calculation:
[(1/2 AuM $_{\text{end of year -1}}$) + (AuM $_{\text{end of January}}$) + (AuM $_{\text{end of February}}$)+...+(1/2 AuM $_{\text{end of reported year}}$)] / 12

Quarterly Average Assets under Management calculation:
[(1/2 AuM $_{\text{beginning of Month 1}}$) + (AuM $_{\text{end of Month 1}}$) + (AuM $_{\text{end of Month 2}}$)+(1/2 AuM $_{\text{end of Month 3}}$)] / 3

Monthly Average Assets under Management calculation:
[(AuM $_{\text{beginning of Month}}$) + (AuM $_{\text{end of Month}}$) / 2

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TAB 3

To: Parekh, Minesh <minesh.parekh@credit-suisse.com>; de David, Gilbert <gilbert.dedavid.2@credit-suisse.com>; Soh, Chee Mun <cheemun.soh@credit-suisse.com>; Tee, Shirley <shirley.tee@credit-suisse.com>; Salaba, Arno <arno.salaba@credit-suisse.com>; Besch, Ingmar <ingmar.besch@credit-suisse.com>; Picozzi, Alberto <alberto.picozzi@credit-suisse.com>; Baldanzi, Andrea <andrea.baldanzi@credit-suisse.com>; Turelli, Rodolfo <rodolfo.turelli@credit-suisse.com>; Varela, Ronaldo <ronaldo.varela@credit-suisse.com>; scheibel, dirk <dirk.scheibel.2@credit-suisse.com>; Sharma, Payal <payal.sharma@credit-suisse.com>; Alejandre, Ignacio <ignacio.alejandre@credit-suisse.com>; Laso, Victor <victor.laso@credit-suisse.com>; dwelch@johim.co.uk <dwelch@johim.co.uk>; ngupta@johim.co.uk <ngupta@johim.co.uk>; Bangor-Jones, Charles <charles.bangor-jones@credit-suisse.com>; Mealing, Tony <tony.mealing@credit-suisse.com>; Waller, Peter <peter.waller@credit-suisse.com>; Turnquest, Roderick <roderick.turnquest@credit-suisse.com>; Bolt, Urs <urs.bolt@credit-suisse.com>; O'Callaghan, Barry <barry.o'callaghan@credit-suisse.com>; Fritschi, Thomas <thomas.fritschi@credit-suisse.com>
From: Bluntschli, Thomas </O=CREDIT-SUISSE/OU=GL/CN=RECIPIENTS/CN=THOMAS.BLUNTSCHLI>
Cc: Schüepp, Patrick <patrick.schuepp@credit-suisse.com>; Beeler, Markus <markus.beeler@credit-suisse.com>; Kübler, Mark <mark.kuebler@credit-suisse.com>; Zollinger, Marco <marco.zollinger@credit-suisse.com>; Wehle, Philipp <philipp.wehle@credit-suisse.com>; Früh, Jan <jan.frueh@credit-suisse.com>; Rübel, Christian <christian.ruebel@credit-suisse.com>; Coray, Markus <markus.coray@credit-suisse.com>; Studer, Adrian <adrian.studer@credit-suisse.com>; Staas, Carsten <carsten.staas@credit-suisse.com>; Späh, Roland <roland.spaeh@credit-suisse.com>; Schellhammer Jelzer, Melanie <melanie.schellhammer-jelzer@credit-suisse.com>
Bcc:
Received Date: 2012-09-14 08:18:23 EST
Subject: Updated PB AuM/NNA Reporting Instructions

Dear colleagues

Enclosed you receive the updated PB divisional reporting instructions of Assets under Management (AuM) and Net New Assets (NNA), which are based on the updated P-04890 policy. This policy primarily has integrated current practices and few methodology modifications to reflect changes in the business model. These amendments in the policy primarily refer to assets pledged for loans, private label funds and the pension funds business.

Please do not hesitate to contact Melanie Schellhammer, AuM / NNA Competence Center, SOIF 221, if you have any questions regarding the updated policy or reporting instructions.

Yours sincerely

Thomas Bluntschli

Head of PB Business Information & Systems

Divisional AuM/NNA Reporting Officer

Attachments:

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Memorandum

To	Local AuM/NNA Reporting Officer, Management Support Institutional Clients	From	Thomas Bluntschi, PB Business Information & Systems, SOI Divisional AuM/NNA Reporting Officer thomas.bluntschli@credit-suisse.com
c.c.	PB Financial Management, PB Business Information & Systems Regions	Date	September, 2012
		Classification	For internal use only
		☒ Memorandum	☐ Invitation
		☐ Minutes	☐ Order
Re	**PB Divisional Reporting Instructions: Assets under Management (AuM) and Net New Assets (NNA); Policy P-04890; §4.3**		

Introduction

In June 2012, an updated version of the policy P-04890 (Reporting of Assets under Management and Net New Assets) entered into force. The main changes of this policy are the amendment of rules regarding the classification of custody assets pledged for loans, the pension funds business, the private label funds and the classification of exit of businesses / markets. These divisional reporting instructions are amendatory to P-04890 and binding for all locations reporting into the Division Private Banking.

Duties and responsibilities

The duties and responsibilities are defined in chapter 4 of the policy. The Private Banking divisional COO is Rolf Bögl (SO), who appointed Thomas Bluntschli (SOI) as AuM/NNA reporting officer.

For the international locations, the divisional AuM/NNA reporting officer delegates decisions on special cases covered by this policy and reclassifications between AuM and other client assets categories to the local AuM/NNA reporting officer, if the impact of the case or reclassification is not material (up to CHF 50m). The Local AuM/NNA Reporting Officer informs Business Information & Systems about such reclassifications and special cases and ensures its documentation and audit trail.

PB divisional reporting instructions

Reclassification of assets for existing clients

Requests for reclassifications with an impact on AuM/NNA > CHF 500'000 must be sent to the regional Financial Management Sub department. Financial Management Sub department reviews the request regarding completeness and appropriateness prior to sending it to PB Business Information & Systems, which is responsible for the approval process.

Quarterly sign-off

Locations with material AuM and / or NNA per quarter must confirm that the reported data are in line with the policy. In addition, the Divisional AuM/NNA Reporting Officer can decide that other locations and/or other data providers have to provide a quarterly sign-off. The locations required to provide a quarterly sign-off are informed by Business Information & Systems at the beginning of the year.
The confirmation is based on a booking center view and needs a sign-off from the local AuM/NNA Reporting Officer.

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Microsoft Word
97-2003-Dokument

Classification of assets pledged for loans
According to paragraph 5.11 in the policy, assets qualifying as AuM due to their use as a pledge for an asset-backed loan transaction and exceeding CHF 200m, shall be locked at inception:

- *The positive or negative difference between the locked value and the market value* shall be reported as assets under custody. As an exception, if the respective client is a commercial client of Corporate & Institutional Clients, this difference shall be reported as commercial assets.
- This ensures the compliance with paragraph 2.1 of the policy, requiring that client assets are valued on the basis of prices used in financial accounting and the valuation in the clients safekeeping account.
- Locations reporting such locked assets as AuM are required to track these cases and report them on a quarterly basis to Business Information & Systems. Further, before initially reporting these assets as AuM, Business Information & Systems must be informed.

Microsoft Excel
97-2003-Arbeitsblatt

Manual corrections
Manual corrections affecting AuM and/or NNA must be documented to ensure an audit trail. If a single correction has a significant impact on AuM (> CHF 50mio) and/or NNA (> CHF 50mio), PB Business Information & Systems must be informed.

PB managed assets on CS Investment Banking (IB) platform and AuM in third party custody
Assets managed by PB but held in custody with IB or a third party bank can be reported as AuM/NNA by PB, if PB provides active advice and materiality is given. Before starting the initial reporting of such assets, an approval from PB Business Information & Systems is mandatory.
The following reference values apply: Assets > CHF 20m, Net revenues p.a. > CHF 100'000. Correct valuation of assets and audit trail must be ensured by reporting entity.

Pension fund business
Assets of pension funds client groups, which are mainly self-administrated, e.g. where no active advisory services are provided by CS, are classified as assets under custody. Assets of pension funds are only classified as AuM, if PB provides services exceeding pure custody and administration, such as global custodian services or discretionary mandates.

Bank acting as private clients
In principle, proprietary assets of banks and brokers are not classified as client assets but as bank assets. Only if a third-party bank explicitly invests assets with PB for asset management purposes (e.g. based on a discretionary mandate), the assets classify as AuM. An approval from PB Business Information & Systems is mandatory, before starting the initial reporting of AuM/NNA.

Private label funds
Private label funds are customized fund solutions for institutional investors, EAM and individual clients. Underlying assets are only to be reported as AuM, if the purpose of investment management is given and management services, exceeding pure custody and administration, are reflected in an adequate fee generation. Double counts of fund units in clients' safekeeping accounts and underlying assets of the fund vehicle are not permissible. To avoid such double

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counts, an approval from PB Business Information & Systems is mandatory, before starting the initial reporting of AuM/NNA.

Policy P-048go: https://my.csintra.net/applications/dataFiles/MyPolicies/documents/p-048go-22027/p-048goen.pdf

On the BI Competence Center Homepage additional information is availab'e
http://csintra.net/mis/en/aum_nna/aum_nna.html

Entry into Force
This reporting instruction enters into force with immediate effect.

Yours sincerely

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Sig.

Thomas Bluntschli
Head PB Business Information & Systems
Divisional AuM/NNA Reporting Officer

Appendix

Local AuM/NNA Reporting Officers and Contacts

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Roles based on Policy P-04890

Role	Name	Function
	Carlos Cerny, CA	Fixed Income Finance
	Hot Dogs, GO	Fixed PB CCO Director
	Thomas Blumenthal, SCI	Fixed PB Management Accounting
	Roland Epel, SCIP 2	IB Competence Center
	Melanie Schaffhausser, SCIP 221	AuM / NNA Competence Center

Financial Management / PB Controlling

Responsible	Name
	Patricia Schenck, SCP
	Markus Bieller, SCPB
	Mark Kuster, SCPF
	Marco Bellinger, SCPU
	Philippe Wenzel, SCPK
	Ian Bish, SCPI

Local AuM / NNA Reporting Officer - Nomination International Locations

Location	Region	Function	Local AuM/NNA Reporting Officer	Deputy
			Minesh Parekh	Gilbert de Cauly
			Chew Mun Son	Shirley Tee
			Ana Salazar	Ingmar Bolch
			Alberto Pujadas	Andrea Salazar
			Rodolfo Turbik	Ramona Varela
			Chew Mun Son	Shirley Tee
			Don Schwarzl	Eleanor Floyd
			Ignacio Alejandro	Victor Leao
			David Welch	Nicholas Gupta
			Charles Bangarangas	Tony Mooney
			Peter Walter	Ronnie Turnquist
			Lisa Link	Barry McCaughan

TAB 4

Net New Assets by Region Q1 2011 through Q3 2013
Private Bank
(CHF billion)

Region	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013
Switzerland	4.7	4.1	(0.4)	(2.3)	(0.8)	0.7	0.1	0.2	0.4	2.7	(0.7)
EMEA	4.0	2.9	2.7	4.1	(0.9)	0.3	1.3	(2.7)	0.9	1.9	(1.3)
Americas	3.0	2.0	1.3	1.3	4.3	2.5	0.2	3.6	1.6	0.0	1.9
Asia Pacific	4.0	2.5	3.0	0.9	3.2	2.0	3.5	1.8	2.6	2.9	3.3
Wealth Management Clients	15.7	11.5	6.6	4.0	5.8	5.5	5.1	n/a	n/a	n/a	n/a
Corporate & Institutional Clients (Switzerland)	2.3	0.0	0.8	3.6	2.6	(2.1)	0.1	n/a	n/a	n/a	n/a
Net new assets	18.0	11.5	7.4	7.6	8.4	3.4	5.2	2.9	5.5	7.5	3.2

Source: CSAG SEC filings

TAB 5

To: Bluntschli, Thomas <thomas.bluntschli@credit-suisse.com>; Egli Kehrle, Christian <christian.eglikehrle@credit-suisse.com>; Späh, Roland <roland.spaeh@credit-suisse.com>; Schellhammer Jetzer, Melanie <melanie.schellhammer-jetzer@credit-suisse.com>; Rongetti, Michael <michael.rongetti@credit-suisse.com>; Bruno, Phil <phil.bruno@credit-suisse.com>; Khanna, Sumit <sumit.khanna@credit-suisse.com>; Onis, Carlos <carlos.onis@credit-suisse.com>; Meyer, Bruno (2) <bruno.meyer.2@credit-suisse.com>; von Däniken, Noel <noel.vondaeniken@credit-suisse.com>; Innamorato, Valentina <valentina.innamorato@credit-suisse.com>
From: Coulin, Monique </O=CREDIT-SUISSE/OU=GL/CN=RECIPIENTS/CN=MONIQUE.COULIN>
Cc:
Bcc:
Received Date: 2012-04-27 09:00:06 EST
Subject: Meeting minutes of the March 01, 06, 13, and April 02, 04, 2012, review committee meetings - final version

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Dear all,

Please find attached the final version of the meeting minutes of the March 01, 06, 13, and April 02, 04, 2012, review committee meetings.

Kind regards

Monique Coulin

CREDIT SUISSE AG

CREDIT SUISSE | AuM Governance, TARR 4

Gleshübelstrasse 45 | 8070 Zürich | Switzerland

Phone +41 44 332 44 16

HYPERLINK "mailto:monique.coulin@credit-suisse.com"monique.coulin@credit-suisse.com | HYPERLINK "http://www.credit-suisse.com"www.credit-suisse.com

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Attachments:

201203-01_06_13_AuM Review Meeting Minutes_Final.pdf
201204-02_04_AuM Review Meeting Minutes_Final.pdf

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CREDIT SUISSE GROUP
Group FP&A, TAR

Meeting Minutes

Present		
P - Prep Meeting	Thomas Blunschli	C
C - Committee Meeting	Phil Bruno	P,C
S - Special Meeting	Monique Coulin	P,C
	Valentina Innamorato	P,C
	Christian Egli Kehrle	P,C
	Sumit Khanna	P,C
	Bruno Meyer	P,C
	Carlos Onis	C
	Mike Rongetti	C
	Melanie Schellhammer	P,C
	Roland Späh	P,C
	Noel von Däniken	P,C

Prepared by Monique Coulin
TARR 4
044/332 44 16
monique.coulin@credit-suisse.com

c.c.

Date April 27, 2012

Classification For internal use only

☐ Memorandum ☐ Invitation
☒ Minutes ☐ Order

Re **Monthly AuM Review Committee**
Preparation Meeting (P) on April 02, 2012
Committee Meeting (C) on April 04, 2012

Version: Final (no changes to draft version)

Content

1. Preparation meeting
2. Committee meeting
3. List of references

1. Preparation meeting

Cases	Decisions
PB USA: [redacted] Longstanding and strategic client relationship with Credit Suisse which now has new dynamics with the M&A deal transforming the single stock position into investable assets. • CHF 1,1bn are already classified as AuM. • PB USA jointly with PBS, IB CH, IB US and Solution Partners provided wide-ranging advisory services in 1Q12. • Strategic relevance of the client and further client potential with intention to invest the assets. • 10-15 bps margin compared to less than 1bp in prior years on custody assets. PB requests to count CHF 4.3bn NNA out of the total anticipated proceeds of CHF 6.4bn for 1Q12. PB argues that the assets are already in house (AuC). The deal has been announced and there were significant discussions with the client on investing [redacted]	• To be discussed in Committee meeting. Subject to obtaining the signed client agreement by 1Q12 close (latest before Earnings Release on April 25).

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Version: Final (no changes to draft version)
April 27, 2012
Page 2/3

Cases	Decisions
PB: policy review – Life insurance products (LIP) (refer to "120319 Policy review classification Institutional Clients.ppt" and "120323 Financials impact analysis_AM transfer and LIP.ppt" • After the CL integration the LIP business is the only residue within PBs manufacturing view. Currently, the AuM are counted as advisory and manufacturing view • This business has been transferred from Winterthur Group to PB in 2005 (including the AuM reporting). • Policy paragraph in question: 5.1 - own insurance policies: "insurance policies issued by a CSG subsidiary are counted in the client's safekeeping account and reported as insurance AuM for the respective subsidiary" • Discontinuance of LIP business would increase the WMC gross margin by 3 bps and reduce AuM by 20bn CHF. PB is currently reviewing the potential for a policy review case.	• Information only. • Pension Advisory assets to stay in AuM for 1Q12
PB: policy review – Potential Market exit strategy (refer to "20120309_Ch.Egli to B.Meyer_Market Exit-Future PB.msg" and "120227 Exit of markets v3.ppx"). In conjunction with the "PB future program" PBMC needs to decide on how it will treat unprofitable smaller markets in the future. In this context it requires guidance on asset outflow treatment of closed markets, i.e. transparency under which conditions outflows are reported as a NNA neutral effect or as negative NNA. PB requests the approval from Group FP&A for the following rules: • Active exit strategy: communication to client that market will be closed without any alternative or reduced offering to him. -> structural effect • Passive exit strategy: long-term exit of the market through 'out-pricing' the client (pricing measures). -> NNA outflow	• To be approved in Committee Meeting

2. Committee meeting

Cases	Decisions
[redacted]	• Approved • Confirmation from Rolf Bögli that the clients family office has signed the mandate, followed after the meeting on April 23, 2012 (refer to email "20120423_R.Bögli to D.Mathers [redacted] CH USA.msg") • The NNA is shown 50% USA and 50% Switzerland reflecting the advice and support from the RM's in both organisations during the past month.
PB: policy review – Potential Market exit strategy (refer to "20120309_Ch.Egli to B.Meyer_Market Exit-Future PB.msg" and "120227 Exit of markets v3.ppx").	• Group FP&A approved the two rules of AuM treatment for active and passive exit strategies.

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Final (no changes to draft version)
April 27, 2012
Page 3/3

3. List of references

Item	Storage
• 120320 [redacted] • 120319 Policy review classification Institutional Clients.ppt • 120323 Financials impact analysis_AM transfer and LIP.ppt • 20120423_R Bögli to D.Mathers_[redacted]NNA split CH USA.msg	P:\TA_GROUP_CONTROLLING\TAR\AuM + NNA\AuM_NNA_Review_Committee_Meetings\2012_meetings\05 Meeting_201204_02_04

TAB 6

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Memorandum

PB Americas / Reclassification of USD 1bn in 4Q12

Background

In 2002, client [redacted] started relationship with Credit Suisse, placing his [redacted] - with PB USA. The portfolio size over the years reported values in the range of CHF 6-7bn, depending on market appreciation. The titles were held solely for safekeeping purpose, no investment advice was given (gross margin < 1bp)

Towards YE 2011 (15 Dec), the client decided to [redacted] and starting in 2012, he is focusing on managing his wealth and dedicating time to philanthropic matters. As a consequence, the safekeeping only position with no investment advice opportunity turns now into an actively managed portfolio with plenty of investment opportunities (such as alternative investments). Nevertheless, at year end 2011, the client intention regarding future banking services and banking relation (tremendous banking pitches to compete for investment advisory services) was not yet clarified by the client. Hence – applying the accounting rule of prudence – the position was still classified as 'Custody'.

In 1Q12, Credit Suisse now started with a comprehensive advice, channeled through the responsible relationship manager in the US and Switzerland, supported by the various expert functions (e.g. solution partners, IB). The advice included FX hedging, investment proposals, options for leveraged financial solutions, global custody solution & consolidated client reporting, M&A advisory and other services such as philanthropic investments advice.

On February 22, 2012, the client made his final decision to [redacted] client communicated to PB USA/PBS that Credit Suisse will be his wealth manager of choice and he would like to further diversify his portfolio [redacted] already started). Given the long-term investment character of the assets and level of advice / banking services provided to the client, it was decided to reclass CHF 4.3bn of assets (of which CHF 2.3bn cash and 2.0bn in shares) from custody into AuM as per 1Q12 which resulted in Net New Assets of the same amount. As the client had already CHF 1.1bn of AuM with Credit Suisse at that time (charitable vehicle), the clients AuM grew to CHF 5.4bn in total. The remaining CHF 2.1bn single stock position was reported as custody.

Events since 2Q12 to date

In 2Q12, there was an inflow of USD 1.8bn / CHF 1.7bn belong to client's daughter. The inflow was classified as AuM based on active portfolio management.

During 2Q12 and 3Q12, the clients plan was executed as initially discussed. i.e. customized Trust Structures were set up, investment in AI/HF type assets were performed, etc. As a result, the clients cash deposit balances have reduced during 2012 (in CHF):

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PSI-CreditSuisse-50-000152

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Ending balance	in CHF
June	1.9bn
July	1.7bn
August	1.3bn
September	1.0bn
October	1.0bn
November	0.9bn
December	0.9bn

This cash position is held with Swiss Custody (former CSPA) which organizationally belongs to PB USA. Beginning 2012, the cash position was held with PB USA. The new Swiss Custody setup allowed the client to diversify his assets across different booking platforms. Full-Year average cash deposits was at CHF 1.5bn.

Current Situation

In December 2012, the client relationship includes the assets as follows[1]:

Asset breakdown by type	USD	CHF
Charity vehicle with customized Trust Structure	1.9	1.2
Advisory assets (reclassified from Custody to AuM in 1Q12)	4.4	4.0
Assets belonging to client's daughter (inflows during 2Q12)	1.8	1.6
Classified as AuM / Actively managed	7.5	6.9
No advisory services provided, only short-term invested, (foreseen for future tax payments)	1.0	0.9
Investible assets which will be used to fund new investments based on Credit Suisse's advise	1.0	0.9
Classified as Custody	2.0	1.8
Total Assets with PB USA	**9.5**	**8.7**

The client has currently more than 50 accounts, all held in the New York and Philadelphia branch and invested across fixed income, equity and proprietary products.

Reclass in 4Q12

Whereas about half of the custody leg of USD 2.0bn is foresean for future tax payments and therefore likely to leave the bank in the first semester, the remaining USD 1.0bn /CHF 0.9bn are investible assets for which the client will use advisory services from Credit Suisse. These 50% of the USD 2.0bn custody position is to be reclassified from Custody Assets to AuM in 4Q12. This results in Net New Assets of USD 1.0bn / CHF 0.9bn. This is due to the following triggering events:

- Clarification about future cash needs. There is now more information available on the future tax liability. Also, the potential for the client to withdraw assets to diversify risk is reduced as the client informed Credit Suisse that the remaining investible assets shall be re-invested (change in clients intention).

[1] USD converted into CHF at 0.915

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TAB 7

[redacted] = Redacted by the Permanent Subcommittee on Investigations

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- The relationship is covered by two senior relationship managers (James Martin and James Garrity), who perform comprehensive advisory services with the client and the clients representatives. This involves firstly [redacted] as well as concurrent investments based on a defined investment strategy as well as investment opportunities which might be interesting for the client. In addition to that, given the specific client needs, several product specialists are involved providing suitable customized fund structures/products (e.g. Holt portfolio, Managed accounts).

- Significant revenue generation: Credit Suisse generates the following revenues with the client. Due to the fact that PB USA does not yet have a granular client level profitability calculation a couple of revenue components are not directly attributable to the accounts as listed below. The USD 7.5bn [redacted] AuM result in the following revenue streams:

Revenue Types	in USD m	Margin (bp)
Based on client holdings (PB)	3.1	4.1
Based on term spread (PB)	5.2	6.9
FX transaction based (PB through SGC)	2.2	2.9
Private Banking revenues	10.5	14.0
FX transaction based - other	4.8	6.4
Credit Suisse revenues	**15.3**	**20.4**

FX Revenues: The main currency of the client is CHF but his investments are in USD. When the client decided to [redacted] (USD) the proceeds were booked on a CHF cash account. Whenever the client decides on new investments he either uses his CHF cash account for his USD-investments or he sells USD holdings to the CHF cash account and re-invests into USD. Basically every transaction of this client generates FX Revenues.
The FX deals are executed by IB, but PB gets a share of the revenues as a result of RSA agreements.

[redacted] average cash deposit balance during 2012 was around CHF 1.5bn. The interest result is substantial for PB USA.

The overall profitability from a Credit Suisse Group perspective is significantly higher if the M&A revenues from IB are considered which are not included in the above calculation.

Confidential Treatment Requested by Credit Suisse

From:	Coulin, Monique <monique.coulin@credit-suisse.com>
Sent:	Monday, February 11, 2013 2:54 AM
To:	Bluntschli, Thomas <thomas.bluntschli@credit-suisse.com>; Späh, Roland <roland.spaeh@credit-suisse.com>; Kremsler, Marc <marc.kremsler@credit-suisse.com>; Schellhammer Jetzer, Melanie <melanie.schellhammer-jetzer@credit-suisse.com>, Rongetti, Michael <michael.rongetti@credit-suisse.com>; Bruno, Phil <phil.bruno@credit-suisse.com>; Khanna, Sumit <sumit.khanna@credit-suisse.com>; Onis, Carlos <carlos.onis@credit-suisse.com>; Meyer, Bruno (2) <bruno.meyer.2@credit-suisse.com>; von Däniken, Noel <noel.vondaeniken@credit-suisse.com>; Innamorato, Valentina <valentina.innamorato@credit-suisse.com>
Cc:	Staas, Carsten <carsten.staas@credit-suisse.com>; Win, Mya <mya.win@credit-suisse.com>
Subject:	Meeting minutes of the January 04, 2012, AuM review committee meeting - final version
Attach:	201301-04_AuM Review Meeting Minutes_Final.pdf

Dear all,

Please find attached the final version of the meeting minutes of the **January 04, 2012**, AuM review committee meetings. No changes were requested to the draft version.

Kind regards

Monique Coulin
CREDIT SUISSE AG
CREDIT SUISSE | AuM Governance, TARR 4
Giesshübelstrasse 45 | 8070 Zürich | Switzerland
Phone +41 44 332 44 16
monique.coulin@credit-suisse.com | www.credit-suisse.com

CREDIT SUISSE

CREDIT SUISSE GROUP
Group FP&A, TAR

Meeting Minutes

Present	Bluntschli Thomas	S	Prepared by	Monique Coulin
	Coulin Monique	P		TABD 3
P = Prep Meeting	Innamorato Valentina	P,S		044/332 44 16
C = Committee Meeting	Khanna Sumit	P		monique.coulin@credit-suisse.com
S = Special Meeting	Kremsler Marc	P		
	Onis Carlos	S		
	Schellhammer Melanie	P		
	Späh Roland	P,S		
	Von Däniken Noel	P,S		
	Win Mya	S		

c.c.	Bruno Phil	Date	February 11, 2013
	Meyer Bruno	Classification	For internal use only
	Rongetti Mike		
	Staas Carsten		
	Von Grünigen Marineta	☐ Memorandum	☐ Invitation
		☒ Minutes	☐ Order

Re **Monthly AuM Review Committee**
Preparation Meeting (P) on January 04, 2013
Committee Meeting (C) on January 07, 2013 – has been cancelled
Special Meeting (S) on January 10, 2013

Version: Final (no changes to draft version)

Content

1. Preparation meeting
2. Special meeting
3. List of references

CREDIT SUISSE

1. Preparation meeting

Cases	Decisions
PB Switzerland: Reclassification P-client group – AuM increase of ~ CHF 1.4bn (Refer to "20121221_PB Reclass P-client group.xls" and "20121221_R.Späh_PB Reclassification Request Q4-relevant.msg" A strategic client relationship which started in 2006 has initially been classified as AuC since 100% of the assets consisted of a restricted single stock position. Assets were kept with PB for custody purposes only. In 2012, the restricted single stock position became transferable and in November 2012, client group has sold 66% of the initially restricted single stock position (triggering event). Client group has confirmed that assets will stay with the bank for investment purposes and PB has been mandated to work on different investment opportunities/strategies based on the client needs. Further cash events are expected for 2013. PB requests to reclassify the client group from AuC to AuM	▪ Approved prior to the meeting by Carlos Onis (Refer to "20121221_C.Onis_Approval PB Reclassification Request Q4-relevant")
PB Switzerland: Reclassification M-client – AuM increase of ~ CHF 566m (Refer to "20121228_PB Reclass M-client.xls" and "20121228_R.Späh_PB Reclassification Request M-client_Q4-Event.msg" PB requests the reclassification of a long-term client relation within PB Switzerland (M-client) for December close. The initial asset classification was AuM, reclassified to AuC in 2003 due to the single stock position. This classification as Custody was confirmed in 2008 since the former RM has left Credit Suisse and most of the family members transferred their assets to Bank Julius Bär. In the meantime, the new RM was able to convince the client to stay with Credit Suisse. More than 50% has been sold and re-invested into various Swiss Blue Chips Stocks based on active advice and portfolio diversification strategy. Further reduction of single stock position in 2013 expected. Given that special terms and tariffs (STT) were granted to this client, it is not expected that the overall profitability will change significantly.	▪ Approved

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[redacted] = Redacted by the Permanent Subcommittee on Investigations

Version: Final (no changes to draft version)
February 11, 2013
Page 3/3

2. Special meeting (Call)

Cases	Decisions
PB USA: Reclassification [redacted] AuM increase of USD 1bn (Refer to "20130110_R.Späh_PB Americas_Reclassification Q4 - [redacted] Long term and strategic client relationship (since 2002) with currently total assets of USD 9.5bn with PB USA (o/w USD 7.5bn classified as AuM – actively advised - and USD 2.0bn classified as AuC) Whereas about half of the custody leg of USD 2.0bn is foreseen for future tax payments and therefore likely to leave the bank in the first semester, the remaining USD 1.0bn /CHF 0.9bn are investible assets for which the client will use advisory services from Credit Suisse. These 60% of the USD 2.0bn custody position is to be reclassified from AuC to AuM in 4Q12. This results in NNA of USD 1.0bn / CHF 0.9bn. Rationale for 4Q12 event: • In 1Q12 when the USD 4.4bn were reclassified from custody to AuM, it has been decided that USD 2bn remained classified as custody assets due to the potential for the client to withdraw assets to diversify their risk (classification following the principle of prudence). This has not materialized. • There is clarification about future cash needs. There is now more information available on the future tax liability. • The client informed Credit Suisse that the remaining investible assets shall be invested (change in clients intention) • The relationship is covered by two senior relationship managers, who perform comprehensive advisory services with the client and the clients representatives. • Significant revenue generation across the client relationship (14bps)	• Approved

3. List of references

Item	Storage
• 20121221_PB Reclass P-client group.xls • 20121221_R.Späh_PB Reclassification Request Q4-relevant.msg • 20121228_PB Reclass M-client.xls • 20121228_R.Späh_PB Reclassification Request M-client_Q4-Event.msg • 20130110_R.Späh_PB Americas_Reclassification Q4 - [redacted] case.msg	P:\TA_GROUP_CONTROLLING\TAR\AuM + NNA\AuM_NNA_Review_Committee_Meetings\2013_meetings\01 Meeting_201301_04

TAB 8

[redacted] = Redacted by the Permanent Subcommittee on Investigations

To: DeChellis, Anthony <anthony.dechellis@credit-suisse.com>; Skoglund, Peter <peter.skoglund@credit-suisse.com>; Brenner, Stewart <stewart.brenner@credit-suisse.com>; Jaffe, Richard <richard.jaffe@credit-suisse.com>; Graham, Colleen <colleen.graham@credit-suisse.com>; Almy, Maura <maura.almy@credit-suisse.com>; Buergi, Sandra <sandra.buergi@credit-suisse.com>; Anselmin, Edward <edward.anselmin@credit-suisse.com>; Woodson, Bill <bill.woodson@credit-suisse.com>

From: Martin, James </O=CREDIT-SUISSE/OU=GL/CN=RECIPIENTS/CN=JMARTI28>

Cc: Garrity, Jim <jim.garrity@credit-suisse.com>; Lee, Robyn <robyn.lee@credit-suisse.com>; Joffe, Keith <keith.joffe@credit-suisse.com>; Tryon, Mary <mary.tryon@credit-suisse.com>; Drury, John <john.drury@credit-suisse.com>; Ryadi, Cara <cara.ryadi@credit-suisse.com>; Gorman, Matt.W <matt.w.gorman@credit-suisse.com>

Bcc:

Received Date: 2012-02-02 07:07:31 EST

Subject: [redacted] We Win!!!

On behalf of Jim Garrity and the entire team that worked on this project, I am delighted to forward the following email from Thomas Gottstein regarding [redacted] decision to use Credit Suisse as his global custodian.

In an absolutely remarkable turn of events, he apparently has decided to [redacted]. We have maintained an excellent relationship with our colleagues during this entire process, and I have no doubt that this arrangement will work out extremely well although some administrative details will need to be addressed. It is worth noting that his U.S. Charitable assets ($2-$3billion depending on his final tax planning) will remain at PBUSA/Pershing, and although we haven't heard the details from his advisors yet, they did send an email inquiring whether [redacted] account is still open which is certainly a good indication that they intend to transfer her $1.6B from Goldman Sachs. These assets will also be the most active as they will be more traditionally invested while I expect his personal assets to be very heavily weighted to fixed income and individual alternative managers.

I think we will all agree that this was a tremendous example of our One Bank efforts. While PBUSA clearly was the primary driver of the efforts to win this business, almost every single division in both Switzerland and the U.S. were actively involved with the process and they all worked together in a seamless and unselfish manner.

I will forward more details as I receive them, but beating out UBS and taking away assets from Goldman Sachs is a nice way to start our day!

From: Gottstein, Thomas
Sent: Thursday, February 02, 2012 4:19 AM
To: Meister, Hans-Ulrich; Vayloyan, Arthur; Weibel, Roger; Martin, James; Baumgartner, Felix; Frieden, Patrik
Cc: Rohner, Urs; Sim, Boon; Illy, Marco.M; Fruithof, Barend
Subject: [redacted] - Good news

All

[redacted] = Redacted by the Permanent Subcommittee on Investigations

[redacted] called back this morning. He first called Urs and then me. He decided to give us the global custody mandate despite strong competition from UBS. The other news is that he decided - after half a dozen u-turn on this topic - to become a [redacted]. He asked us to prepare the draft contacts asap in close cooperation with [redacted] and the people from Kedge Capital. May I kindly ask Roger to take the lead. Let's reach out to them later today.

I would like to thank Jim Martin for his fantastic coverage of the [redacted] and Roger, Patrick and the rest of the team for their competent and great work covering all the Swiss angles. Also, thanks to Boon who was mentioned by [redacted] as also a very important element to his decision.

This is an important win.

Jim: I do not know what they decided with respect to [redacted] ...we need to find out during the course of the day.

Finally, I would like to thank Urs for his very helpful and effective calls, emails and discussions with [redacted] including over the Xmas period.

Regards,
TG

Thomas Gottstein
Managing Director
Corporate and Investment Banking Switzerland
Credit Suisse

Office: +41 44 333 0304
Mobile: +41 79 255 6732

Redacted by the Permanent Subcommittee on Investigations

To: Studer, Adrian <adrian.studer@credit-suisse.com>
From: Egli Kehrle, Christian </O=CREDIT-SUISSE/OU=GL/CN=RECIPIENTS/CN=CHRISTIAN.EGLIKEHRLE>
Cc: Bluntschli, Thomas <thomas.bluntschli@credit-suisse.com>; Späh, Roland <roland.spaeh@credit-suisse.com>
Bcc:
Received Date: 2012-03-19 08:38:00 EST
Subject: FW: draft for GC

Hi Adrian

PBS claims a material share of the NNA and revenues from the [redacted] deal as they had been heavily involved in acquiring the business (with Rolf Bögli being involved in the [redacted] deal). It was then assumed that the proceeds from the M&A would be booked on the Swiss platform which did not materialize. Based on this assumption PBS obviously compensated PB USA for some of Pershing's custody fees. It seems to have been a joint venture between IB Switzerland, IB US, PB USA and PBS - thus the PBS claim.

Are you aware of this claim and would you know Tony's position on this?

Best regards

Chris

Christian Egli Kehrle

Business Information Analytics / EMEA

+41 44 332 50 63 (*412 5063)

From: Egli Kehrle Christian (SOIF)
Sent: Monday, March 19, 2012 2:30 PM
To: Parekh Minesh (CS)
Cc: adrian.studer@credit-suisse.com; Späh Roland (SOIF 22); Scheilhammer Jetzer Melanie (SOIF 221)
Subject: RE: draft for GC

Hi Minesh

Thanks for the draft. This gives a good overview.

From my perspective we should focus more on the investment advice already provided to the client. I added a slide showing the overall client relationship incl. service provided (examples only, please review & up-date).

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Below sentence sounds too vague, don't we have clear indication by the client to invest a material amount of the process with PB USA? Please reconsider the sentence

"While we would expect that client will utilize many outside solutions for his investment portfolios, if we can win the custody business from the client it is reasonable to assume that we will receive the largest portion of the investment mandate on which reasonable revenue estimates are between"

This morning Thomas discussed the case with Rolf and they agreed we should not go for 6.4bn but for the cash and 50% of the stock.

Please review / up-date the document as appropriate by eod if possible.

Best regards

Chris

Christian Egli Kehrle

Business Information Analytics / EMEA

+41 44 332 50 63 (*412 5063)

From: Parekh Minesh (CS)
Sent: Friday, March 16, 2012 10:41 PM
To: Egli.Kehrle@NXDOMAIN; Christian@NXDOMAIN
Cc: adrian.studer@credit-suisse.com; Adrian@NXDOMAIN
Subject: draft for GC

Attachments:

120320[redacted]1.pptx

SCHELLENBERG WITTMER

KING & SPALDING

Credit Suisse
Report to the Senate Permanent Subcommittee on Investigations

February 2014 – December update
(including split for less than USD 10K)

Confidential Treatment Requested

Methodology

General Comments Applicable to all Categories

- The following slides contain numbers assembled to respond to your specific data request within the desired timeframe.
- As requested, client relationships at Credit Suisse Private Advisors AG or managed by PB USA on 31 December of the respective year are not displayed.
- CIF is identified based on nationality or residence of the account holder/beneficial owner as flagged in the system using ISO codes (e.g. 780 for U.S.A)
- Each CIF is split as at the end of the year for "Reviewed and verified" and "Relationships in process" and at the last month-end for "Closed" and "Loss of category specific U.S. nexus" categories
- Operating companies are excluded

Methodology

Categories "Reviewed, verified and active" and "Relationships in Process"

The categories "Reviewed, verified and active" and "Relationships in process" are defined based on the following methodology:

- All CIFs are represented that were active as at 31 December of the respective year in the applicable client category.
- Assets under Management (AuM) are represented as at 31 December of the respective year.

Methodology

Categories "Closed" and "Loss of category specific U.S. nexus by 31 Dec"

The categories "Closed" and "Loss of category specific U.S. nexus by 31 Dec" are defined based on the following methodology:

- All CIFs are represented that were active at any month-end during a year and were subsequently closed or are no longer displayed as at 31 December of the respective year due to other reasons such as a loss of category specific U.S. nexus.
- Assets under Management are represented as an average of the months until they were closed or are no longer represented due to other reasons such as a loss of category specific U.S. nexus.

Private Bank

U.S. Residents

		31 Dec 2008	31 Dec 2009**	31 Dec 2010**	31 Dec 2011**	31 Dec 2012**	30 June 2013**	31 Dec 2013**
END OF YEAR	Relationships in process CIF AuM (USD in millions)	13,146 3,746	5,487 1,350	2,242 392	107 173	150 159	52 107	34* 12
END OF YEAR	Relationships in process AuM< USD 10k CIF AuM (USD in millions)	4,528 11	2,495 6	1,178 2	30 0.08	37 0.09	12 0.02	10 0.04
END OF YEAR	Reviewed, verified and active CIF AuM (USD in millions)	NA	10 20	1,197 391	1,064 501	1,010 1,647	925 1,592	801 1,209
END OF YEAR	Reviewed, verified and active AuM < USD 10k CIF AuM (USD in millions)	NA	2 0	658 2	455 1	405 1	339 1	276 0.92
		2008	2009**	2010**	2011**	2012**	June 2013**	2013**
	Closed relationships CIF AuM (USD in millions)	1,266 245	7,340 2,085	1,760 489	1,938 237	141 50	78 13	134*** 129
	Closed relationships AuM < USD 10k CIF AuM (USD in millions)	708 0.81	2,020 6	680 2	995 2	47 0.11	28 0.07	44 0.12
	Loss of category specific U.S. nexus by 31 Dec CIF AuM (USD in millions)	NA	390 129	175 45	41 7	22 7	10 0.33	9 0.27
	Loss of category specific U.S. nexus by 31 Dec AuM < USD 10k CIF AuM (USD in millions)	NA	102 0.28	84 0.08	15 0.03	11 0.02	7 0.02	7 0.01

* Out of the 34 CIFs, 13 CIFs have already been terminated and 4 CIFs have been transferred to SSO or CSSU in early 2014.
** Accounts open at any time after Sept. 2009 will be subject to group requests and disclosed to IRS, provided the US adopts the revised US-Swiss treaty and the accounts meet the criteria set out in the IRS group request.
*** Includes CIFs that are in termination or forced liquidation

Private Bank

U.S. Citizens resident outside U.S.

		31 Dec 2008	31 Dec 2009**	31 Dec 2010**	31 Dec 2011**	31 Dec 2012**	30 June 2013**	31 Dec 2013**
END OF YEAR	Relationships in process CIF AuM (USD in millions)	6,109 1,018	5,844 896	5,831 794	5,540 832	4,616 510	3,942 248	251* 28
	Relationships in process AuM < USD 10k CIF AuM (USD in millions)	3,182 8	3,063 8	3,079 8	2,747 8	2,584 7	2,287 7	19 0.06
	Reviewed, verified and active CIF AuM (USD in millions)	NA	NA	NA	NA	417 306	754 566	2,619*** 720
	Reviewed, verified and active AuM < USD 10k CIF AuM (USD in millions)	NA	NA	NA	NA	61 0.16	155 0.52	1,027 3
		2008	2009**	2010**	2011**	2012**	June 2013**	2013**
	Closed relationships CIF AuM (USD in millions)	510 62	803 137	672 66	830 92	963 187	389 36	1,644**** 59
	Closed relationships AuM < USD 10k CIF AuM (USD in millions)	414 0.68	528 0.89	434 0.99	604 1	475 1	231 0.6	1,114 2
	Loss of category specific US nexus by 31 Dec CIF AuM (USD in millions)	NA	NA	NA	NA	128 14	44 12	11 7
	Loss of category specific U.S. nexus by 31 Dec AuM < USD 10k CIF AuM (USD in millions)	NA	NA	NA	NA	39 0.13	13 0.02	4 0.01

* 246 dormant CIFs with 21M AuM, 22 inheritance case CIFs with 1M AuM and 547 Rent Deposit CIFs with 4M AuM are not included in the above numbers.
** Accounts open at any time after Sept. 2009 will be subject to group requests and disclosed to IRS, provided the US adopts the revised US-Swiss treaty and the accounts meet the criteria set out in the IRS group request.
*** Includes 76 CIFs with 0.9M AuM for which the necessary forms have been received from the client but they are under review by the bank and might need to be corrected.
**** Includes CIFs that are in termination or forced liquidation.

Private Bank

U.S. Citizens resident outside U.S. with max AuM (USD in millions) >= USD 50k from 1 August 2008

		31 Dec 2008	31 Dec 2009**	31 Dec 2010**	31 Dec 2011**	31 Dec 2012**	30 June 2013**	31 Dec 2013**
END OF YEAR	Relationships in process CIF AuM (USD in millions)	2,059 985	2,009 865	1,993 762	1,905 796	1,242 483	926 223	25* 28
	Reviewed, verified and active CIF AuM (USD in millions)	NA	NA	NA	NA	341 306	495 563	884 699

* Dormant CIFs, Inheritance case CIFs and Rent deposit CIFs are not included in the above numbers.
** Accounts open at any time after Sept. 2009 will be subject to group requests and disclosed to IRS, provided the US adopts the revised US-Swiss treaty and the accounts meet the criteria set out in the IRS group request.

Private Bank

Non U.S. domiciliary entities with US beneficial owners

		31 Dec 2008	31 Dec 2009**	31 Dec 2010**	31 Dec 2011**	31 Dec 2012**	30 June 2013**	31 Dec 2013**
END OF YEAR	Relationships in process CIF AuM (USD in millions)	958 1,144	119 320	119 349	66 140	53 120	13 41	9* 32
	Relationships in process AuM < USD 10k CIF AuM (USD in millions)	276 0.58	26 0.08	31 0.08	21 0.05	17 0.07	0 0	1 0
	Reviewed, verified and active CIF AuM (USD in millions)	32 687	152 717	115 427	134 438	108 404	119 563	123 672
	Reviewed, verified and active AuM < USD 10k CIF AuM (USD in millions)	2 0	46 0.13	34 0.12	44 0.09	32 0.04	34 0.07	30 0.06
		2008	2009**	2010**	2011**	2012**	June 2013**	2013**
	Closed relationships CIF AuM (USD in millions)	197 388	615 558	32 43	22 9	22 12	11 24	15*** 48
	Closed relationships AuM < USD 10k CIF AuM (USD in millions)	64 0.16	188 0.36	5 0.02	6 0.03	7 0.01	5 0.02	4 0.01
	Loss of category specific U.S. nexus by 31 Dec CIF AuM (USD in millions)	69 1,075	66 130	22 21	18 27	18 47	4 1	4 1
	Loss of category specific U.S. nexus by 31 Dec AuM < USD 10k CIF AuM (USD in millions)	6 0.01	25 0.07	7 0.02	4 0.01	11 0.003	1 0	1 0

* Includes 2 CIFs that cannot be closed due to pending legal cases.
** Accounts open at any time after Sept. 2009 will be subject to group requests and disclosed to IRS, provided the US adopts the revised US-Swiss treaty and the accounts meet the criteria set out in the IRS group request.
*** Includes CIFs that are in termination or forced liquidation

KING & SPALDING

King & Spalding LLP
1700 Pennsylvania Avenue, N.W.
Washington, DC 20006-4706
www.kslaw.com

Theodore M. Hester
Direct Dial: (202) 626-2901
Direct Fax: (202) 626-3737
thester@kslaw.com

February 19, 2014

VIA EMAIL & BY HAND DELIVERY
ATTN: Robert Roach, Esq.

CONFIDENTIAL TREATMENT REQUESTED BY CREDIT SUISSE

The Honorable Carl Levin
Chairman
Permanent Subcommittee on Investigations
Committee on Homeland Security and Governmental Affairs
United States Senate
SR-199 Russell Senate Office Building
Washington, D.C. 20510

The Honorable John McCain
Ranking Minority Member
Permanent Subcommittee on Investigations
Committee on Homeland Security and Governmental Affairs
United States Senate
SR-199 Russell Senate Office Building
Washington, D.C. 20510

Re: Credit Suisse Group AG

Dear Chairman Levin and Ranking Member McCain:

In response to written requests made to Credit Suisse Group AG ("Credit Suisse") by the Permanent Subcommittee on Investigations of the Committee on Homeland Security and Governmental Affairs, we submit the following responses and supporting exhibit on behalf of Credit Suisse.

Request: Is there anything in writing from Hans Peter Straub regarding procedures for blocking money from UBS?

We have previously produced Legal & Compliance Alert LC-00014 (Bates numbered CS-SEN-00453111 to CS-SEN-00453115), which outlines the policy requiring the blockage of funds from UBS. However, there is no other document outside Switzerland and there is no document in Switzerland that describes the monitoring procedures.

Request: Please confirm whether and, if so, when Credit Suisse made a final decision about whether U.S. clients entering CSPA had their tax records examined forward looking only, or forward and backward in time.

Backward looking tax certifications were required for clients that had not submitted a Form 1099 in the previous three years and otherwise did not qualify for an exception (e.g., where the account was below a minimum threshold amount). Forward looking tax certifications were not required as Forms 1099 were provided commencing in the tax year 2012.

Request: When did Credit Suisse require that U.S. persons/U.S. beneficial owners fill out the self-certification as a mandatory condition of opening an account? Did Credit Suisse require that U.S. persons/U.S. beneficial owners who were existing clients fill out the self-certification as a mandatory condition of maintaining an account? If so, when?

The Agreement on the Swiss banks' code of conduct with regard to the exercise of due diligence (hereafter referred to as "VSB" in German and "CDB" in English)—which goes back to 1977 and with which all Swiss banks have to comply—stipulates (among other aspects) that they have to verify the identity of the contracting party as well as the true beneficial owner. [1]

As per Article 3, a first self-certification, in which the client had to disclose the true beneficial owner, was introduced as part of a revision of VSB in 1982. The Form A, as it is known today, was introduced under a further revision of VSB in 1987.

On top of this self-certification (which continues to be required), the Bank—starting in 2001, when it entered into the QI Agreement—required all clients who wished to invest in or buy U.S. securities to complete the non-U.S. Person Declaration. This self-certification was required for all individual clients in addition to a Form W-9 (U.S. persons) or a W-8BEN or W-8IMY (mostly for certain legal entities), as the case may be.

In 2008, when the Bank started its first U.S.-related exit project, non-U.S. domiciliary structures with U.S. beneficial owners were required to provide the Bank with evidence of tax compliance. Here, the Bank did not rely only on self-certifications. The clients had to obtain the requisite confirmation from the Swiss law firm, Lenz & Staehelin. Otherwise, the account had to be closed.

Starting in 2012, the Bank took a similar step with respect to existing non-resident U.S. citizens who had to provide both a self-certification of tax compliance as well as a certification signed by their own tax preparers. On July 1, 2012, the aforementioned non-U.S. Person Declaration was made compulsory for all new account openings. In 2013, all existing U.S. clients who had not previously provided the Form W-9 were required to submit this together

[1] The English translation of CDB 1977 Art. 3.1 states: Ascertaining the identity of the person entitled: The banks undertake not to open bank accounts and securities deposits, not to effect fiduciary investments and not to provide safe-deposit facilities unless they have ascertained with such care as, according to circumstances, can reasonably be expected who the beneficial owner of the funds to be credited or to be invested or who the renter of the safe deposit box is (VSB 1977 Art 3: "Die Banken verpflichten sich, Bankkonti und Wertschriftendepots nur zu eröffnen, Treuhandanlagen nur vorzunehmen und Schrankfächer nur zu vermieten, wenn sie mit der nach den Umständen zumutbaren Sorgfalt sich vergewissert haben, wer der wahre Berechtigte an den gutzuschreibenden oder anzulegenden Geldern oder der Mieter des Schrankfaches ist."). The English translation of CDB 1977 point 28 states: An appropriate record must be kept of the contracting partner's last name, first name, domicile and state of residence as well as of the means used to verify their identity (VSB 1977 Ziff. 28: "Auf geeignete Weise festzuhalten sind Name, Vorname, Wohnort und Wohnsitzstaat des Vertragspartners, ebenso die Mittel, anhand derer die Identität geprüft wurde.").

with the requisite FATCA waivers.

Request: With respect to senior official knowledge of the activities of the Credit Suisse cross-border program run out of Switzerland, please provide more information regarding the January 2008 Credit Suisse review that was conducted. Specifically, who conducted the review, what did it look at, was a written report prepared, and what were the findings?

In late 2008, Credit Suisse reviewed the issues of concern to the U.S. authorities about UBS based on public information and met to review these findings in early 2009. It was widely reported that UBS had developed its U.S. cross-border business as a strategic priority, and had sent their bankers traveling to the U.S. from Switzerland in large numbers to execute that strategy. Credit Suisse wanted to ensure that none of the same practices existed in its own, much smaller U.S. cross-border business. The review was conducted by Credit Suisse internal resources in order to seek advice from external counsel. The review examined internal policies, training, and travel with regard to the U.S. cross-border business. No written report was prepared.

Request: Please explain how the Bank ensures that RMs responsible for other countries (e.g., Germany) also have the U.S. policies "at their fingertips," as they may service clients with U.S. citizenship.

All employees have the relevant policies—including the U.S. policies—"at their fingertips" on the Bank's intranet.

In general, the opening of an account for a U.S.-resident person is blocked in the relationship opening tool.

Therefore, a U.S. person serviced at the German Desk, for example, can by definition only be a non-resident U.S. citizen. The Bank's client ID systems are designed to ensure that this client relationship has complied with the evidence of tax compliance requirement (e.g., Form W-9 plus FATCA waiver). If these documents are not submitted by the client, the relationship will be terminated. The cross-border rules related to securities and investment advice set out in the U.S. Persons Policy are applicable to U.S. persons resident in the U.S. only.

Request: Please provide a legal memo on the question of "actual knowledge" with respect to Section 1472 (b)? What is the applicability of this IRS rule in the Swiss jurisdiction? Compare this to what is required under the QI.

In the context of a foreign corporation wholly owned by a U.S. individual, the foreign corporation is the taxpayer for U.S. withholding/information reporting purposes. This is correct under current law and "actual knowledge" that the owner is a U.S. individual is not relevant to accepting the corporation's W-8BEN. FATCA does not change this result. It only adds a reporting obligation for the FFI to identify the income/assets to the U.S. government in respect of

the U.S. individual owner. The Form W-8 continues to be valid and there is no duty on a foreign bank to test the "substance" of the entity to see if it should override the general rule that a foreign corporation is respected as a separate taxpayer regardless of who owns it.

There is no single standard for "actual knowledge". It is a purely situational concept because each time the term is used it relates to a specific test, i.e., can you respect a W-8BEN as being from a foreign person? A foreign bank can accept a W-8BEN unless it has been told by the entity or its agent that the entity is a "flow through" entity (itself a term of art). Getting an IRS Form W-8 that ticked the box indicating that the entity was a flow through would constitute actual knowledge in this context. The same would occur if the entity claimed to be foreign but its organizational documents were under U.S. law (like a Delaware LLC).

There is no testing for the tax substance of a foreign entity under the U.S. withholding and/or QI rules. The closest you get is a presumption against the W-8 if the account has standing transfer instructions to transfer to an address or account maintained in the U.S. However, even this can be rebutted by a "reasonable explanation" supporting foreign status. Even FATCA does not impose testing for the tax substance of a foreign entity.

The U.S. rules could not reasonably impose a duty to do a tax substance test on foreign entities even ones with only a single U.S. individual owner. This would conflict with the mechanical nature of the U.S. withholding regulations. The rules identify certain indicia to trigger U.S. reporting obligations. That is the extent of the requirement. Once the U.S. information reporting/backup withholding rules have been satisfied, the U.S. tax system looks only to the question whether an entity is truly foreign and whether it is actually entitled to a reduced rate of withholding.

FATCA was enacted in 2009 primarily to deal with this issue. The Senate itself described the problem when considering FATCA. A foreign corporation wholly owned by a U.S. individual can validly give a Form W-8BEN. The foreign company is the taxpayer when applying all of the U.S. withholding/backup withholding/information reporting rules. The owner of the foreign sub is irrelevant for applying these rules. FATCA does not change this. The foreign subsidiary remains the taxpayer for purposes of these rules. FATCA imposes a separate obligation on the FFI to report income/assets held by the foreign subsidiary so that the U.S. can match that up with the individual taxpayer's information reported on his/her return. Thus, even now, "actual knowledge" that a foreign domiciliary company with a U.S. individual owner has provided a Form W-8BEN is satisfactory under all the relevant tax rules for regular withholding and under the QI agreement. FATCA imposes the extra reporting step by the FFI, nothing more. "Actual knowledge" that the owner of the company is a U.S. person is only relevant for FATCA reporting purposes, but not under the QI rules.

Request: What is the policy covering referral agreements with Doerig and Sinco?

Credit Suisse has a Finder's Policy that governs collaboration with intermediaries that are not External Asset Managers: P-00077. Enclosed please find the latest version of P-00077

(version 2.1) as well as the two previous versions of the policy (versions 1.0 and 2.0). [Exhibit A – Bates numbered CS-SEN-00572821 to CS-SEN-00572843.]

The Bank has an "Intermediaries Specialist Unit" that implements and controls Finder agreements.[2]

Request: Provide the Disciplinary Committee policy.

We provided the Global Policy, GP-01058, on November 25, 2013 bearing bates numbers CS-SEN- CS-SEN-00453279 to CS-SEN-00453284. We provided the Switzerland regional supplement to this policy, GP-01058-S01, on February 14, 2014, bearing bates numbers CS-SEN-00572814 to CS-SEN-00572820.

Request: In its Global Recovery and Resolution plan, filed September 2013, Credit Suisse writes the following: "While we do maintain a branch of Credit Suisse AG in New York, it does not accept retail deposits and the deposits the Branch does hold are not insured by the FDIC. Further, we do not own a bank subsidiary in the United States, and we are therefore not subject to the RRP requirements applicable to certain insured depository institutions." What is the name of that branch? When did it start operating in the U.S.? Is it a U.S. entity or a Swiss entity? Where is it located? What type of deposits does it accept? Does it accept any deposits from private bank clients? Does it have any relationship to the private bank or private bank clients in any way? If so, please describe. Who is responsible for legal/compliance matters for that branch and where are they

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[2] Credit Suisse's intranet site contains the following information about the Intermediaries Specialist Unit:

History and Authority

The Intermediaries specialist unit has been operating since 2001. Since then, it has assessed over 6,000 intermediaries. The unit's long-term experience guarantees professional and efficient execution and monitoring through utilization of appropriate tools. Centralized support for every region enables the unit to do the following:

- Boost front office performance
- Relieve front offices of administrative tasks
- Simplify cooperation across regions and segments

Team and Responsibilities

The unit ensures that the Bank is not exposed to unnecessary risks, especially to its reputation, when intermediaries are involved. To this end, it works closely with front offices and Legal & Compliance. It is responsible for intermediaries domiciled both in Switzerland and abroad.

Responsibilities Pursuant to Policy P-00077

Policy P-00077 assigns the specialist unit the duties and responsibilities outlined below:

- Establish criteria and processes regarding acceptance, approval, monitoring, rejection, and termination of the collaboration with intermediaries
- Produce an assessment form to check the intermediary
- Maintain a directory of all intermediaries: those the Bank is currently working with, and especially those rejected and with whom past collaboration has been terminated
- Draft a commission agreement as a supplement to the intermediary contract
- Organize archiving of contract documents

located? Is the legal/compliance unit responsible for this NY branch part of, or does it report to, Credit Suisse AG?

Background

Credit Suisse currently maintains a New York State-licensed branch pursuant to Article V of New York Banking Law located at Eleven Madison Avenue in New York, New York. The legal name of the branch is "Credit Suisse AG, New York Branch" (NYB). The NYB is not a separate legal entity, rather it is a U.S. branch of the Swiss legal entity Credit Suisse and its primary regulator is the New York State Department of Financial Services. The primary regulator for all of Credit Suisse's and Credit Suisse Group's operations in the U.S. is the Board of Governors of the Federal Reserve System. The NYB is not a member of the Federal Deposit Insurance Corporation. Credit Suisse maintains no other branches or agencies anywhere else in the U.S.

The NYB traces its operating history back to the New York branch of Credit Suisse First Boston, a separate Swiss bank that focused on investment banking services. Following the merger of Credit Suisse with and into Credit Suisse First Boston in 2005, the surviving entity maintained the legacy Credit Suisse First Boston New York branch. The NYB has existed under its current legal name since November 2009.

Banking services

The NYB is involved primarily in the following banking services: intercompany funding and treasury activities including interbank placements and deposits, debt issuance, lending, and derivatives. The NYB's debt issuance activities include certificates of deposit, time deposits, commercial paper, and structured notes. Lending activities include corporate lending, agency securities lending, as well as loans to customers of PBUSA secured by the assets in their brokerage accounts. Derivatives activity is primarily intercompany with some legacy third-party activity related to interest rate and basis swaps, equity swaps and forwards, equity warrants and Over the Counter (OTC) options to include interest rate futures.

The NYB's deposit taking activities consist mainly of time deposits, either in the form of negotiable (transferrable) certificates of deposit distributed through Credit Suisse Securities (USA) to institutional clients, negotiable (transferrable) certificates of deposit and non-negotiable (non-transferrable) term deposits offered to PBUSA clients. The NYB does not accept physical currency deposits, nor does the branch offer direct checking accounts. PBUSA also uses the NYB to provide a variety of specialized financial products to clients. These products include a deposit sweep offering, which allows PBUSA clients to elect to sweep cash from their accounts held in custody at Pershing (PBUSA's clearing broker and custodian) into deposits at the NYB, and a dual currency investment product, which is a yield enhancement deposit product that combines the features of term deposits and FX options. In addition, the NYB provides lending services to PBUSA clients, including purpose loans, non-purpose loans, letters of credit and hold covers (guarantees between branches of Credit Suisse).

While the NYB offers banking services to clients in both the Investment Banking and Private Banking divisions of Credit Suisse, the large majority of the branch's revenue stems from Investment Banking client services. Most of the NYB's income derives from deposits with the Federal Reserve.

Organization and legal/compliance matters

The Branch Manager of the NYB, David Chitty, has oversight responsibility of all businesses operating within the branch. Chitty is based in New York and reports to the Regional COO for the Americas in the Private Banking & Wealth Management division, also in New York. Legal and compliance personnel from the General Counsel division for the Americas are responsible for legal and compliance matters in the NYB. The legal and compliance team responsible for the NYB is based in New York and reports to Neil Radey, the General Counsel for the Americas.

* * *

We are continuing our efforts to provide responses to other written requests and will supplement this production on a rolling basis. We have in good faith tried to be as accurate and responsive as possible within the time frames set for production and based on our understanding of the priorities that have been identified.

This response may contain highly confidential, trade secret, and/or proprietary information of Credit Suisse provided pursuant to the subpoena. By providing this response, Credit Suisse does not intend to waive any privilege that may be applicable. We also note that the documents in the production may contain proprietary information of Credit Suisse. We request that the Subcommittee treat the information contained in this initial production as confidential within the meaning of Rule XXIX of the Standing Rules of the Senate and, as such, also refrain from authorizing any public disclosure of this information. Accordingly, Credit Suisse has marked the documents produced today with the legend "Confidential Treatment Requested." Credit Suisse respectfully requests that Subcommittee Members, staff, and all those who may review Credit Suisse submissions, including electronic submissions of information and attachments, on behalf of the Subcommittee, protect against the disclosure of this highly confidential information.

While Congress may request such information, the law, as reflected in the Trade Secrets Act (18 U.S.C. 1905), recognizes the critical nature of confidential, trade secret, and proprietary information and, as such, protects against the disclosure of such information. The disclosure of information that Credit Suisse has expressly designated as confidential could cause substantial competitive harm. Given the sensitivity and importance of this information, we respectfully request advance notice of any contemplated disclosure of information provided to the Subcommittee by Credit Suisse, and a reasonable opportunity to address this issue with the Subcommittee before any disclosure is made.

Please do not hesitate to contact me at 202-626-2901 should you or your staff have any questions regarding this response.

Sincerely,

Theodore M. Hester

Enclosure

cc (w/o encl.): Joseph Seidel, Esq.

KING & SPALDING

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ehill@kslaw.com

February 20, 2014

VIA EMAIL & BY HAND DELIVERY
ATTN: Robert Roach, Esq.

CONFIDENTIAL TREATMENT REQUESTED BY CREDIT SUISSE

The Honorable Carl Levin
Chairman
Permanent Subcommittee on Investigations
Committee on Homeland Security and Governmental Affairs
United States Senate
SR-199 Russell Senate Office Building
Washington, D.C. 20510

The Honorable John McCain
Ranking Minority Member
Permanent Subcommittee on Investigations
Committee on Homeland Security and Governmental Affairs
United States Senate
SR-199 Russell Senate Office Building
Washington, D.C. 20510

Re: Credit Suisse Group AG

Dear Chairman Levin and Ranking Member McCain:

In response to various requests made by Subcommittee Counsel, we submit on behalf of our client Credit Suisse Group AG ("Credit Suisse") the following responses and supporting exhibits.

Request: Regarding slide seven of Deloitte's October 23, 2013 "U.S. Account Relationships" presentation, please provide the number of accounts that were ring-fenced due to unknown codes and complex joint CIF constructs.

For the account holder analysis, a data quality check was conducted on CIFs with unknown nationality or domicile in the core bank system. For the analysis of these CIFs, i.e., CIFs with nationality or domicile fields containing unknown (code 979), or not entered/left blank (code 000), a database query was run as of December 31, 2011.

This search resulted in 22 CIFs, which were then further investigated in the Bank's systems.[1] The investigation identified that 18 of the 22 CIFs had warnings or flags set on the account, which demonstrate that they are being monitored and controlled according to the Bank's

[1] Not included are technical relationships with no assets, never having been opened or funded as well as accounts only holding pension fund assets. Furthermore, 88 CIFs were excluded as already having been managed within the dormant accounts desk.

policies restricting service on the account in accordance with the following controlled categories: accounts with no contact with the client for a prolonged period of time or accounts that—according to the Bank's policy and following a prolonged period of no contact—are in the process of being moved into the dormant accounts desk, inheritance cases,[2] as well as accounts which were frozen and blocked for legal reasons, accounts in the closing process, and rent deposit accounts.

The remaining 4 CIFs without warning flags included one unknown DOM (with NAT UK) and three inheritance cases with no further indications of a U.S. connection in the Bank's systems. Subsequently, these CIFs were again sampled running the same query as per December 31, 2012 where it was determined that 7 of 18 CIFs with warnings flags set in 2011 were closed within the year 2012.

Request: Please provide an analysis of the approximately 13,000 technical/inactive CIFs, explain what they are and whether there is an overlap with the 14,000 active CIFs.

Please see the enclosed presentation entitled "Reconciliation of CIFs of U.S. Residents Identified as of June 2006." [Exhibit A]

Request: Please provide the Leaver information by region/country.

Please see the enclosed presentation entitled "Credit Suisse Leaver Report." [Exhibit B]

Request: When Credit Suisse wrote the 1,600 letters to former clients in February 2012, did the Bank exclude those with less than 250,000 CHF? How many clients had retained mail that the Bank excluded from that mailing?

The 1,697 letters were aimed at clients that had AuM greater than or equal to 250,000 CHF and that did not have RET (retained) mail instructions or an incomplete address. The aggregate amount of these clients is 3,169 relationships.

Request: Please provide the numbered accounts statistics presented to PSI.

Credit Suisse AG: U.S. Residents

(Relationships in Process and Reviewed and Verified Categories as shown on Slide 5 of October 2013 presentation combined)

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[2] Dormant accounts are relationships where there has been no client activity for at least 24 months. The dormant accounts team continues the search for clients with whom the Bank has lost contact for a prolonged period (e.g., mail is returned to the Bank and the relationship manager, despite documented best efforts, cannot establish contact with the client). The dormant accounts policy also applies to cases where the legal successors or heirs to accounts in the case of a client death have not been identified yet.

	31.12.2008	31.12.2009	31.12.2010	31.12.2011	31.12.2012	30.06.2013
Numbered Accounts CIF	887	257	99	6	24	3
Numbered Accounts AuM	946	339.35	149.47	119	110	94
% Numbered Accounts CIF	6.75%	4.67%	4.24%	5.61%	16%	5.77%

Credit Suisse AG: U.S. Citizens Resident Outside U.S.

(Relationships in Process and Reviewed and Verified Categories as shown on Slide 7 of October 2013 presentation combined)

	31.12.2008	31.12.2009	31.12.2010	31.12.2011	31.12.2012	30.06.2013
Numbered Accounts CIF	229	153	123	109	91	50
Numbered Accounts AuM	243	158	104	116	82	57
% Numbered Accounts CIF	3.75%	2.62%	2.11%	1.97%	1.91%	1.19%

Credit Suisse AG: Non-U.S. Domiciliary Entities with U.S. BOs

(Relationships in Process and Reviewed and Verified Categories as shown on Slide 10 of October 2013 presentation combined)

	31.12.2008	31.12.2009	31.12.2010	31.12.2011	31.12.2012	30.06.2013
Numbered Accounts CIF	6	2	0	0	1	0
Numbered Accounts AuM	8	8	0	0	0.03	0
% Numbered Accounts CIF	0.63%	1.68%	0%	0%	1.89%	0%

Request: Provide the AuM of the ten UBS/LGT transactions that were returned.

Approximately 3.5 million CHF, with one transaction totaling 1.7 million CHF.

Request: Please provide a breakout for smaller accounts (less than 10K) for 2006 and 2007.

Please see the enclosed presentation entitled "Credit Suisse Report to the Senate Permanent Subcommittee on Investigations February 2014 – Total private bank (Less than USD 10K split including years 2006 and 2007)." [Exhibit C]

* * *

We are continuing our efforts to provide responses to other Subcommittee requests and will supplement this production on a rolling basis. We have in good faith tried to be as accurate and responsive as possible within the time frames set for production and based on our understanding of the priorities that have been identified.

This response may contain highly confidential, trade secret, and/or proprietary information of Credit Suisse provided pursuant to the subpoena. By providing this response,

Credit Suisse does not intend to waive any privilege that may be applicable. We also note that the documents in the production may contain proprietary information of Credit Suisse. We request that the Subcommittee treat the information contained in this initial production as confidential within the meaning of Rule XXIX of the Standing Rules of the Senate and, as such, also refrain from authorizing any public disclosure of this information. Accordingly, Credit Suisse has marked the documents produced today with the legend "Confidential Treatment Requested." Credit Suisse respectfully requests that Subcommittee Members, staff, and all those who may review Credit Suisse submissions, including electronic submissions of information and attachments, on behalf of the Subcommittee, protect against the disclosure of this highly confidential information.

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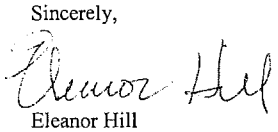
Please do not hesitate to contact me at 202-626-2955 should you or your staff have any questions regarding this response.

Sincerely,



Eleanor Hill

Enclosure

cc (w/o encl.): Joseph Seidel, Esq.

Exhibit A

SCHELLENBERG WITTMER

KING & SPALDING

Reconciliation of CIFs of U.S. residents identified as of June 2006

2127

February 2014

Privileged & Confidential

Confidential Treatment Requested

Reconciliation of CIFs of U.S. residents identified as of June 2006

– Explanatory Notes

- The purpose of the attached table is to reconcile the numbers shown in the Project W-9, 8th Core team meeting presentation (CS-SEN-00426237/57) dated March 29, 2007 to the numbers shown in the PSI presentation of October 2013
- On the next page, for ease of reference, the first 2 columns on the left hand side are simply copied from the W-9 presentation
- As you can see, the number of CIFs and the respective AUMs are broken down by department
- Against this starting point, the first reconciliation in the middle column shows the corresponding CIFs and AUMs identified by the current project team as of the same date, i.e. June 30, 2006 (which was the basis for data in the W-9 project)
- In the second reconciliation in the fourth column all those CIFs that did not hold any AUMs on June 30, 2006 are excluded
- And the last column provides explanations for all those CIFs which did not hold any AUMs on June 30, 2006; in particular, it shows which CIFs never had any assets, which had been set inactive before June 30, 2006 and which ones (165 only) got assets thereafter and thus are represented in the PSI presentation submitted in October 2013 in the relevant subsequent years

Reconciliation of CIFs of U.S. residents identified as of June 2006

	Internal March 2007 Presentation[1] (CS-SEN-00426253)	Reconciliation by project team (Total CIFs counts)	Project in scope CIFs only (CIFs with AuM > 0)
Total:	**27'809 CIFs (100%), 4.1b AuM (100%)**	**26'659 CIFs (100%), 3.8b AuM (100%)**	**14'130 CIFs (100%), 3.8b AuM (100%)**
– SALN	3'212 CIFs (12%), AuM 2.0b (49%)	3'194 CIFs (12%), AuM 1.9b (50%)	1'846 CIFs (13%), AuM 1.9b (50%)
– SIOA	15'150 CIFs (54%), AuM 790m (19%)	15'055 CIFs (56%), AuM 785m (21%)	9'512 CIFs (67%), AuM 785m (21%)
– Others (see below)	**9'447 CIFs (34%), AuM 1.3b (32%)**	**8'410 CIFs (32%), AuM 1.1b (29%)**	**2'772 CIFs (20%), AuM 1.1b (29%)**
SR	▪ 1'237 CIFs, AuM 522.8m	▪ 1'201 CIFs, AuM 487m	▪ 565 CIFs, AuM 487m
SI	▪ 1'228 CIFs, AuM 616.6m	▪ 1'004 CIFs, AuM 543m	▪ 460 CIFs, AuM 543m
SAL	▪ 199 CIFs, AuM 79.8m	▪ 144 CIFs, AuM 27m	▪ 32 CIFs, AuM 27m
SWZ	▪ 91 CIFs, AuM 10.6m	▪ 78 CIFs, AuM 15m	▪ 14 CIFs, AuM 15m
SG	▪ 1'123 CIFs, AuM 5.1m	▪ 533 CIFs, AuM 1m	▪ 7 CIFs, AuM 1m
SL	▪ 200 CIFs, AuM 2.9m	▪ 240 CIFs, AuM 8m	▪ 76 CIFs, AuM 8m
CKW	▪ 21 CIFs, AuM 0m (Credit Recovery/Credit Risk Management)	▪ 18 CIFs, AuM 0m	▪ 0 CIFs, AuM 0m
Neue Aargauer Bank	▪ 237 CIFs, AuM 45.0m	▪ 224 CIFs, AuM 40m	▪ 155 CIFs, AuM 40m
w/o Instradierung[2]	▪ 5 '111 CIFs, AuM 22.0m (Old Database containing no Instradierung)	▪ 4'968 CIFs, AuM 24m	▪ 1463 CIFs, AuM 24m

Explanation of Difference

Delta btw. total CIFs and CIFs with AuM > 0
(CIFs with AuM <= 0 = Total CIFs – CIFs with AuM > 0)

Total CIFs with AuM = 0 as at 30 June 2006	**12'529 CIFs (100%)**
Out of which CIFs without assets at anytime	8'160 CIFs (65%)
Out of which inactive CIFs which were closed before 30 June 2006	4'369 CIFs (34%)
Remaining CIFs which got assets after 30 June 2006 and are **part of the population represented in the PSI presentation in October 2013**	**165 CIFs*[3]**

* Includes 144 CIFs closed by 30 June 2013 and 18 CIFs which lost U.S. Nexus by 2009 remaining 3 CIFs have active U.S. Nexus (1 dormant, 2 in SALN4)

[1] Project W-9, Bin Care team meeting March 29, 2007 presentation (CS-SEN-00426237/57)
[2] Department code
[3] Represented in presentation at 31 Dec 2008

Exhibit B

Credit Suisse Leaver Report

February 12, 2014

1. Leaver Report

- This leaver report (the "**Report**") considers outflows of all relevant account relationships (as defined in section 2.2 below), whether taxed or untaxed. Accordingly, *no* statement is made in the Report about the **tax status** of the reported outflows.

- The Report does *not* make any statement with regard to the **reasons for an outflow**. The reported outflows may be normal business transactions such as the payment of an invoice for goods and services provided by a third party.

- The Report does *not* make any statement regarding the **receiving account relationships** (e.g., identity, nationality, domicile or tax status of receiving account holder). The selection criteria applied for the compilation of the Report only take into consideration attributes of the Leaver Relationship at the Bank and its relevant outflows, and does not consider attributes of the recipient relationship.

	2008 (from August 1)	2009	2010	2011	2012	2013 (Q1)	Total 2008 – 2013 (Q1)
Region / Country	In USD (millions)	In USD (millions)	In USD (millions)	In USD (millions)	In USD (millions)	In USD (millions)	In USD (millions)
Region / Country Total:	**301**	**1,520**	**328**	**271**	**232**	**40**	**2,692**
Switzerland	210	849	156	87	84	8	**1,394** (51.78%)
USA	29	396	127	123	79	20	**774** (28.75%)
Rest of World	62	275	45	61	69	12	**524** (19.47%)
Australia	-	-	-	0.3	-	1	-
Austria	-	0.4	5	-	3	-	-
Bahamas	-	0.1	0.03	-	-	-	-
Belgium	-	-	0.01	-	-	-	-
Canada	1	6	4	11	-	-	-
China	-	0.1	-	-	-	-	-
Cyprus	-	4	-	-	-	-	-
Czech Republic	-	-	-	-	0.03	-	-
Dominican Republic	0.2	-	-	-	-	-	-

Egypt	-	2	-	0.08	0.01	-	-
France	-	2	4	2	0.04	0.02	-
Germany	-	16	0.8	1	0.7	2	-
Gibraltar	10	50	-	-	-	-	-
Greece	11	-	-	-	3	-	-
Guernsey	-	-	3	-	-	-	-
Hong Kong	7	39	-	3	15	-	-
Hungary	-	-	0.07	-	0.01	-	-
India	2	0.7	-	-	-	-	-
Iraq	-	-	-	-	-	0.9	-
Israel	0.7	46	9	1	-	1	-
Italy	-	0.4	-	-	0.03	-	-
Jersey	-	0.2	-	0.4	-	-	-
Jordan	-	0.4	-	-	-	0.6	-
Lebanon	-	21	7	-	10	-	-
Liechtenstein	25	39	-	-	-	-	-
Luxembourg	2	1	-	-	-	1	-
Malta	-	0.08	-	-	-	-	-
Mexico	-	-	-	-	0.1	-	-
Monaco	-	8	-	-	8	-	-
Netherlands	-	-	0.06	32	-	-	-
New Zealand	-	0.3	-	-	-	-	-
Norway	-	-	-	-	3	-	-
Panama	1	0.4	-	-	-	3	-
Poland	-	-	3	-	-	-	-
Romania	-	0.07	-	-	-	-	-
Russia	-	-	-	-	4	-	-
Singapore	-	20	2	-	2	-	-
South Korea	2	-	-	-	-	-	-
Spain	-	-	-	1	-	-	-

Taiwan	-	0.08	-	-	0.2	-	-
Thailand	-	0.07	-	-	-	-	-
Turkey	-	-	-	-	0.2	-	-
U.A.E.	0.3	0.5	-	-	0.3	-	-
United Kingdom	0.1	17	7	9	19	2	-
Vietnam	-	0.2	-	-	-	-	-

2. Scope and methodology

2.1 Reporting Period

The report covers a reporting period of **August 1, 2008 through March 31, 2013**. It shows the destination countries of relevant outflows (as defined in section 2.3 below) of U.S.-linked, Swiss booked account relationships at the Bank upon their closure (the "**Leaver Relationships**"). Please note that for comparison of the different regions this reporting is based on the top 10 beneficiary banks by aggregated transaction volume per year and region. The analysis was also done taking into consideration the top 30 banks in Switzerland which results in the following numbers:

	2008 (from August 1)	2009	2010	2011	2012	2013 (Q1)	Total 2008 – 2013 (Q1)
Region / Country	In USD (millions)	In USD (millions)	In USD (millions)	In USD (millions)	In USD (millions)	In USD (millions)	In USD (millions)
Switzerland	237	1,194	225	98	101	9	**1,864**

Despite the restriction to the top 10 banks in each region, the outflows contained in this report for the different years account for between 40% and 75% of the total assets under management of the relationships reported as closed in the years 2009 to 2013 (see slides 6, 9 and 11 of the October 25, 2013 presentation for Credit Suisse and slides 3, 6 and 8 of the December 2013 presentation for Clariden Leu). The difference is - apart from the restriction to the top 10 banks- primarily due to the scoping of the Leaver Report (as outlined in detail below).

2.2 Scope of Leaver Relationships

The following selection criteria were used to determine the population of Leaver Relationships represented in this Report by Credit Suisse[1]:

- Relationships with **U.S. resident or U.S. national natural persons resident outside the**

[1] Includes private banking within Credit Suisse AG, Neue Aargauer Bank AG and (former) Clariden Leu AG in Switzerland.

United States as well as **non-U.S. domiciliary entities with one or several U.S. resident or national beneficial owners** that were not reportable to the Internal Revenue Service under the Qualified Intermediary Agreement.

- U.S. nationality and U.S. domicile of account holders and beneficial owners was determined according to the flags set in the Bank's IT systems.

- Account relationships were only considered for inclusion if they were meeting a **minimum threshold of AuM of greater than or equal to USD 50,000** at least once in the 90 days prior to the account relationships closing date (based on the use of a yearly average exchange rate).

2.3 Scope of Outflows

The following selection criteria were used to determine the relevant outflows for the closed account relationships represented in the Report:

- Outflows are considered in the Report if they are attributable to a specific beneficiary bank. **Relevant outflows** thus include: Wire transfer, transfer of securities, cashed checks (based on manual review of the endorsed check copy for checks in USD or CHF where legible information was available) etc. Not considered are cash withdrawals and the like.

- Outflows occurring in the time period starting **90 days before and ending 30 days after** the relationship closing date were selected.

- From these outflows, the **five largest outflows above USD 10,000** (based on yearly average exchange rate) were selected for reporting purposes.

Exhibit C

SCHELLENBERG WITTMER

KING & SPALDING

Credit Suisse
Report to the Senate Permanent Subcommittee on Investigations

February 2014 – Total private bank (Less than USD 10K split including years 2006 and 2007)
Privileged & Confidential

Confidential Treatment Requested

Methodology

General Comments Applicable to all Categories

- The following slides contain numbers assembled to respond to your specific data request within the desired timeframe.
- As requested, client relationships at Credit Suisse Private Advisors AG or managed by PB USA on 31 December of the respective year are not displayed.
- CIF is identified based on nationality or residence of the account holder/beneficial owner as flagged in the system using ISO codes (e.g. 780 for U.S.A)
- Each CIF is split as at the end of the year for "Reviewed and verified" and "Relationships in process" and at the last month-end for "Closed" and "Loss of category specific U.S. nexus" categories
- Operating companies are excluded

Methodology

Categories "Reviewed, verified and active" and "Relationships in Process"

The categories "Reviewed, verified and active" and "Relationships in process" are defined based on the following methodology:

- All CIFs are represented that were active as at 31 December of the respective year in the applicable client category.
- Assets under Management (AuM) are represented as at 31 December of the respective year.

Methodology

Categories "Closed" and "Loss of category specific U.S. nexus by 31 Dec"

The categories "Closed" and "Loss of category specific U.S. nexus by 31 Dec" are defined based on the following methodology:

- All CIFs are represented that were active at any month-end during a year and were subsequently closed or are no longer displayed as at 31 December of the respective year due to other reasons such as a loss of category specific U.S. nexus.
- Assets under Management are represented as an average of the months until they were closed or are no longer represented due to other reasons such as a loss of category specific U.S. nexus.

Private Bank

U.S. Residents

Less than USD 10K: Relationships in process; Reviewed, verified and active, Closed relationships, and Loss of category specific U.S. nexus by 31 Dec*

		31 Dec 2006	31 Dec 2007	31 Dec 2008	31 Dec 2009**	31 Dec 2010**	31 Dec 2011**	31 Dec 2012**	30 June 2013**	31 Dec 2013**
END OF YEAR	**Relationships in process** CIF AuM (USD in millions)	14,966 4,209	13,995 4,175	13,146 3,746	5,487 1,350	2,242 392	107 173	150 159	52 107	34*** 12
	Relationships in process AuM< USD 10k CIF AuM (USD in millions)	5,636 13	5,044 12	4,528 11	2,495 6	1,178 2	30 0.08	37 0.09	12 0.02	10 0.04
	Reviewed, verified and active CIF AuM (USD in millions)	NA	NA	NA	10 20	1,197 391	1,084 501	1,010 1,647	925 1,592	801 1,209
	Reviewed, verified and active AuM < USD 10k CIF AuM (USD in millions)	NA	NA	NA	2 0	658 2	455 1	405 1	339 1	276 0.92
		2006	**2007**	**2008**	**2009****	**2010****	**2011****	**2012****	**June 2013****	**2013****
	Closed relationships CIF AuM (USD in millions)	1,523 169	1,335 303	1,266 245	7,340 2,085	1,760 489	1,938 237	141 50	78 13	134**** 129
	Closed relationships AuM < USD 10k CIF AuM (USD in millions)	928 1	702 1	644 0.81	2,020 6	680 2	995 2	47 0.11	28 0.07	44 0.12
	Loss of category specific U.S. nexus by 31 Dec CIF AuM (USD in millions)	177 41	198 46	197 89	390 129	175 45	41 7	22 7	10 0.33	9 0.27
	Loss of category specific U.S. nexus by 31 Dec AuM < USD 10k CIF AuM (USD in millions)	65 0.15	52 0.16	64 0.18	102 0.28	84 0.08	15 0.03	11 0.02	7 0.02	7 0.01

* For category 'June 2013' - Closed relationships, and Loss of category specific U.S. nexus by 30 June.
** Accounts open at any time after Sept. 2009 will be subject to group requests and disclosed to the IRS, provided the US adopts the revised US-Swiss treaty and the accounts meet the criteria set out in the IRS group request.
*** Out of the 34 CIFs, 13 CIFs have already been terminated and 4 CIFs have been transferred to SSO or CSSU in early 2014.
**** Includes CIFs that are in termination or forced liquidation

Private Bank

U.S. Citizens resident outside U.S.

Less than USD 10K: Relationships in process; Reviewed, verified and active, Closed relationships, and Loss of category specific U.S. nexus by 31 Dec*

		31 Dec 2006	31 Dec 2007	31 Dec 2008	31 Dec 2009**	31 Dec 2010**	31 Dec 2011**	31 Dec 2012**	30 June 2013**	31 Dec 2013**
END OF YEAR	**Relationships in process** CIF AuM (USD in millions)	5,945 1,195	5,977 1,219	6,109 1,018	5,844 896	5,631 794	5,540 832	4,616 510	3,942 248	51*** 28
END OF YEAR	Relationships in process AuM< USD 10k CIF AuM (USD in millions)	3,293 7	3,220 7	3,182 8	3,063 8	3,079 8	2,747 8	2,584 7	2,287 7	19 0.06
END OF YEAR	**Reviewed, verified and active** CIF AuM (USD in millions)	NA	NA	NA	NA	NA	NA	417 306	754 566	2,619**** 720
END OF YEAR	Reviewed, verified and active AuM < USD 10k CIF AuM (USD in millions)	NA	NA	NA	NA	NA	NA	61 0.16	155 0.52	1,027 3
		2006	**2007**	**2008**	**2009****	**2010****	**2011****	**2012****	**June 2013****	**2013****
	Closed relationships CIF AuM (USD in millions)	570 52	524 37	510 62	803 137	672 66	830 92	963 187	389 36	1,844***** 59
	Closed relationships AuM < USD 10k CIF AuM (USD in millions)	447 0.58	392 0.61	362 0.68	477 0.89	405 0.99	536 1	475 1	231 0.6	1,114 2
	Loss of category specific U.S. nexus by 31 Dec CIF AuM (USD in millions)	123 25	116 147	129 24	122 69	97 39	165 58	128 14	44 12	11 7
	Loss of category specific U.S. nexus by 31 Dec AuM < USD 10k CIF AuM (USD in millions)	41 0.14	55 0.2	52 0.18	51 0.21	29 0.07	66 0.2	39 0.13	13 0.02	4 0.01

* For category 'June 2013' - Closed relationships, and Loss of category specific U.S. nexus by 30 June.
** Accounts open at any time after Sept. 2009 will be subject to group requests and disclosed to the IRS, provided the US adopts the revised US-Swiss treaty and the accounts meet the criteria set out in the IRS group request.
*** 246 dormant CIFs with USD 21M AuM, 22 inheritance case CIFs with USD 1M AuM and 547 Rent Deposit CIFs with USD 4M AuM are not included in the above numbers.
**** Includes 76 CIFs with 0.9M AuM for which the necessary forms have been received from the client but they are under review by the bank and might need to be corrected.
***** Includes CIFs that are in termination or forced liquidation.

Private Bank

Non U.S. domiciliary entities with U.S. BOs

Less than USD 10K: Relationships in process; Reviewed, verified and active, Closed relationships, and Loss of category specific U.S. nexus by 31 Dec*

END OF YEAR	31 Dec 2006	31 Dec 2007	31 Dec 2008	31 Dec 2009**	31 Dec 2010**	31 Dec 2011**	31 Dec 2012**	30 June 2013**	31 Dec 2013**
Relationships in process									
CIF	977	1,087	958	119	119	66	53	13	9***
AuM (USD in millions)	3,765	3,866	1,144	320	349	140	120	41	32
Relationships in process AuM< USD 10k	235	248	276	26	31	21	17	0	1
CIF	0.51	0.56	0.56	0.08	0.08	0.05	0.07	0	0
AuM (USD in millions)									
Reviewed, verified and active									
CIF	1	8	32	152	115	134	108	119	123
AuM (USD in millions)	3	26	687	717	427	438	404	563	672
Reviewed, verified and active AuM < USD 10k	0	1	2	48	34	44	32	34	30
CIF	0	0	0	0.13	0.12	0.09	0.04	0.07	0.06
AuM (USD in millions)									
	2006	**2007**	**2008**	**2009****	**2010****	**2011****	**2012****	**June 2013****	**2013****
Closed relationships									
CIF	80	102	197	615	32	22	22	11	15*****
AuM (USD in millions)	40	215	388	558	43	9	12	24	46
Closed relationships AuM < USD 10k	38	48	64	188	5	6	7	5	4
CIF	0.08	0.08	0.16	0.36	0.02	0.03	0.01	0.02	0.01
AuM (USD in millions)									
Loss of category specific U.S. nexus by 31 Dec									
CIF	33	24	69	66	22	18	18	4	4
AuM (USD in millions)	161	149	1,075	130	21	27	47	1	1
Loss of category specific U.S. nexus by 31 Dec AuM < USD 10k	11	9	6	25	7	4	11	1	1
CIF	0.03	0	0.01	0.07	0.02	0.01	0	0	0
AuM (USD in millions)									

* For category 'June 2013' - Closed relationships, and Loss of category specific U.S. nexus by 30 June.
** Accounts open at any time after Sept. 2009 will be subject to group requests and disclosed to the IRS, provided the US adopts the revised US-Swiss treaty and the accounts meet the criteria set out in the IRS group request.
*** Includes 2 CIFs that cannot be closed due to pending legal cases.
**** Includes CIFs that are in termination or forced liquidation

SCHELLENBERG WITTMER

KING & SPALDING

BANKING DEPARTMENT

STATE OF NEW YORK

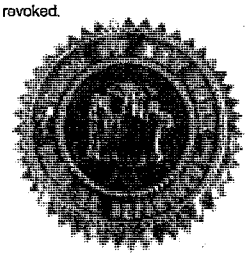
LICENSE TO MAINTAIN A REPRESENTATIVE OFFICE

WHEREAS, **CREDIT SUISSE**, a banking corporation duly organized under the laws of the Swiss Confederation and having its principal office in the city of Zurich, Swiss Confederation, has made application, pursuant to Article V-B of the Banking Law, to establish, maintain or use a representative office at 12 East, 49th Street, Borough of Manhattan, City of New York;

WHEREAS, The said applicant has complied with the applicable requirements of the Banking Law;

NOW, THEREFORE, BE IT KNOWN THAT the said applicant is hereby authorized to carry on the activities permissible for a representative office, under relevant Banking Laws and Regulations, at the above location. **THIS IS NOT A LICENSE TO ENGAGE IN THE BUSINESS OF BANKING IN THE STATE OF NEW YORK.**

This license shall remain in full force and effect, unless suspended, surrendered or revoked.



WITNESS, my hand and official seal of the Banking Department at the City of New York, this 24th day of March in the year one thousand nine hundred and ninety-nine.

Acting Superintendent of Banks

BANKING DEPARTMENT

STATE OF NEW YORK

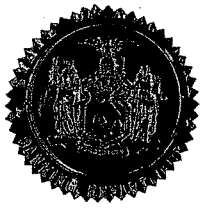
LICENSE TO MAINTAIN A REPRESENTATIVE OFFICE

WHEREAS, **CREDIT SUISSE**, a banking corporation duly organized under the laws of the Swiss Confederation and having its principal office in Zurich, Switzerland, has made notice, pursuant to Article V-B of the Banking Law, to establish, maintain or use a representative office at 12 East 49th Street, Borough of Manhattan, City of New York;

WHEREAS, Credit Suisse has complied with the applicable requirements of the Banking Law;

NOW, THEREFORE, BE IT KNOWN THAT Credit Suisse is hereby authorized to carry on the activities permissible for a representative office, under relevant Banking Laws and Regulations, at the above location. **THIS IS NOT A LICENSE TO ENGAGE IN THE BUSINESS OF BANKING IN THE STATE OF NEW YORK.**

This license shall remain in full force and effect, unless suspended, surrendered or revoked.



WITNESS, my hand and official seal of the Banking Department at the City of New York, this 13th of May in the year two thousand and five.

Superintendent of Banks

CREDIT SUISSE

Rep. Office Coverage
Review Report **PB Rep. Office New York**

GENERAL INFORMATION

Addressees: Christian Wiesendanger
Markus Walder
Roger Schaerer
Franz Schneider

C.c. **Divisional**
Martin Eichmann
Erich Ständi
Dennis McLaughlin
Michael Egan

Regional
Bob Skrzypczak

Review date First part: 12.11.2006 – 12.12.2006
Second part: 03.21.2007 – 03.23.2007

Participants First part:
- R. Brunner; Legal Private Banking – US Legal Matters; Member New York Rep. Office Supervisory Team
- B. Skrzypczak; Compliance Americas – Head AML Region Americas

Second part:
- J. Sturzenegger; Compliance Private Banking – Head Rep. Office Coverage; Member New York Rep. Office Supervisory Team

Location Credit Suisse Representative Office New York, New York, U.S.

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1. Executive summary

1.1 Objective

The first part was conducted by the U.S. AML Officer of the New York Rep. Office ("NYRO"), Bob Skrzypczak, [Head AML Region Americas (Dec. 11th only)] and Rebecca Brunner of the NYRO Supervisory Team (Head Office Legal / YPAF). Markus Walder (North America offshore Region Head / SALN), who has management responsibility for the NYRO, was also in attendance at the training sessions.

The primary purpose of the visit was to evaluate the due diligence practices and procedures of the NYRO, specifically the OFAC screening procedures, explain and implement the U.S. AML Program for the NYRO already in 2006, provide general as well as RO-specific Compliance training to the NYRO and permit the New York Rep to meet with his new U.S. AML Officer exchange information in all areas relating to AML and OFAC. Within the scope of the visit a meeting between Markus Walder, Rebecca Brunner, Joan Caridi, Head PB USA Legal (now Head Legal PB Americas) and Mike Egan, PB USA Bank and Regulatory Compliance, for the purpose of allowing Markus Walder and Roger Schaerer to meet the regulatory contacts on the PB USA side, to provide Joan Caridi and Mike Egan an overview of the activities and regulatory framework of both the NYRO and the entire SALN department and to give the participants an opportunity to ask questions and informally exchange information with one another.

The second part of the NYRO review was conducted by the NYRO Compliance Officer and Supervisory Team Member, Jens Sturzenegger (Head Compliance PB Rep. Office Coverage / YCPO 6). The objective of the review was to enhance the understanding of the risks inherent to the activities of the NYRO as well as to perform the annual NYRO review agreed upon the Federal Reserve Bank of New York ("FRBNY") and the New York State Banking Department ("NYSBD"). Due to the fact that Rebecca Brunner and Bob Skrzypczak already performed the training sessions, no training sessions to the NYRO staff members were provided by the NYRO Compliance Officer in March 2007.

1.2 Scope

This review covered, among other things, the scope of activities, Legal environment, AML, OFAC screenings, Organization, Trainings, Funding, Reporting, Directorships, Banking Secrecy and handling of data. Detailed information relating to the topics covered can be found at section 5 of this report.

1.3 Methodology

This review included the following:

- Q & A: Interviews with key staff
- Test checks: Physical testing of compliance with key policies / regulations

1.4 Key Findings

The overall impression of the organization of the NYRO and the professionalism of the people working at the NYRO was very good. The set-up appears adequate under the regulations currently in effect and for the activities currently being performed and no major weaknesses of the overall compliance / corporate governance was detected. The NYRO Supervisory Team therefore continues to support the NYRO under the current set-up and guidelines. Please refer to Section 3 for complete details.

2. Business/Topic Overview

As a general rule, a Representative Office is limited to engaging in representational and administrative functions, such as:

- Acting as liaison between any Credit Suisse branch worldwide and clients in the country where the Rep. Office is located and
- Soliciting new banking business

A Representative Office does not have the authority to make any business decision for the account of the Head Office of Credit Suisse, including contracting for any liability on the latter's behalf. For detailed information, please refer to the local guidelines of the NYRO.

3. Summary of Issues and Actions

Review Title	No	Issue	Action	Owner	Compl. Person responsible	Target date	Status
Local Guidelines	1	If necessary Local Guidelines need to be amended acc. CBP+	Update Guidelines	RO Coverage, CBP+	J. Sturzenegger	Depending on CBP+	Ongoing
Pending issues from the last report							
None							

4. Interview and Key Contact List

Head of the Representative Office New York (SALN 3)	Roger Schaerer
Trainee at the Representative Office New York (SALN 3)	Sandra Tessaro
North America Offshore Region Head (SALN)	Markus Walder
Head Offshore North America (SALN 1)	Susanne D. Rüegg Meier
Assistant Offshore North America (SALN 193)	Désirée Spörndli

5. Topics covered

5.1 Activities performed by the RO

According to the interview held with the Head Rep, in a nutshell, the Representatives perform the following activities in or out of the NYRO:

- Liaise with prospects
- Socializing
- Gathering of client information
- On request, supporting Head Office and branches with updating formalities (KYC's, Due diligence, etc.) / Formalities handling, including for account openings
- Handing out travel statements, to extent permitted
- Provision of general information relating to the Head Office

5.2 Legal environment

Local regulations and legal environment
Approval from the relevant state banking supervisor must be obtained to establish a representative office in the United States. The state regulatory authority for the NYRO is the NYSBD.

In addition, federal law requires the approval of the Board of Governors of the Federal Reserve System for the opening of any office of a foreign bank in the United States. The Federal Reserve System is composed basically of one central governmental agency – the Board of Governors – in Washington, D.C., and twelve regional Federal Reserve Bank, located in major cities throughout the nation. These agencies share responsibility for supervising and regulating certain financial institutions and activities, including representative offices of foreign banks. The Federal Reserve Bank that is responsible for supervision of the activities of the NYRO is the FRBNY.

If the banking supervisors find that a representative office has problems with compliance or engages in unsound banking practices, they may take various measures to address the problems. In less serious cases, supervisors usually take informal action, such as requiring letters of commitment from the problem institution. In more serious cases, however, a range of legal measures may be taken, varying in severity. In most serious cases, the license for the U.S. activities of a foreign banking institution may be withdrawn, and the institution may be forced to close all its US offices.

The tasks and activities of CS Zurich's representative offices abroad are governed by Directive P-00226 ("Representative Offices of banks and securities dealers within Credit Suisse") and more specifically, the local guidelines for the NYRO (i.e., the "Statement of Scope of Activities", as supplemented by "US AML Program", "Internal Procedures for OFAC Screenings" and "AML Training Concept for PB Rep Offices in Miami and NY").

The NYRO is limited to engaging in representational and administrative functions, such as soliciting new banking business, and acting as a liaison between any CS branch and clients in the U.S. The NYRO does not have the authority to make any business decision for the account of the CS Head Office, incl. contracting for any liability on the latter's behalf. The NYRO is only engaged in representational and administrative functions pertaining to CS Zurich clients resident in the U.S.

According to the local guidelines, a representative of the NYRO may not:

- Provide any assistance in the evasion of taxes
- Describe his/her role as the role of an account manager
- Provide investment advice to or solicit any securities transactions from prospective or existing clients
- Accept cash or checks for deposit, or complete related forms on behalf of clients of Credit Suisse
- Disburse money or accept repayments of loans or tolerate that money is disbursed at the NYRO or that repayments are made to or via the NYRO
- Accept, transmit and/or pass on to the CS Head Office or branch any securities orders or wire transfer instructions received from clients
- Retain client- account information or data at the NYRO, although he/she may retain limited client details to assist in client contacts and communication
- Have online capabilities or online access to cash, safekeeping or related client accounts at booking centers
- Solicit loans for the Head Office in principal amounts below USD 250,000 and/or assist in applications for such loans.

5.3 Anti Money Laundering / OFAC / Exchange Control Regulations

Anti Money Laundering
Representatives may have to file a "Suspicious Activity Report (SAR) with the U.S. Financial Crimes Enforcement Network if a contemplated account opening/loan transaction is "suspicious". Employees have to report unusual or suspicious activity of any kind to the Senior Representative and Head Office Anti Money Laundering ("AML") Compliance, who must in each case contact the U.S. AML Officer. Head Office AML Compliance and the U.S. AML Officer are jointly responsible for coordinating on issues with one another.

Furthermore, a US AML Officer has been appointed for and introduced to the NYRO, and a US AML Program for the NYRO of Credit Suisse is in place and will be trained and refreshed during each Rep. Office review (cf. Section 3.5).

The Treasury Department's Office of Foreign Assets Control ("OFAC")
The OFAC administers a series of laws and regulations that impose economic and trade sanctions against certain countries, governments and their agents and Specially Designated Nationals ("SDNs"), including terrorists and narcotics traffickers. To comply with the regulations promulgated by OFAC, representatives or other staff members of the NYRO must follow specific procedures (pls. refer to the separate guidelines "Credit Suisse New York Representative Office – Internal Procedures for OFAC Screenings") in the event that they (a) assist a prospective or existing Head Office client with new account opening or loan documentation, and/or (b) hand out account statements to existing Head Office clients in order to ensure that the NYRO does not inadvertently violate any applicable laws and regulations of the OFAC.

The comparison of the parties (parties includes: prospective or existing clients, beneficial owners or loan beneficiaries, guarantors and persons to be granted a power of attorney over an account) with the OFAC list is performed by the New York representative and his trainee (both with regard to existing as well as new clients). Screening records (e.g., Worldcheck printouts) are sent to Head Office in Zurich where they are kept in a special OFAC file for at least 5 years. Based on an inspection by the NYRO Supervisory Team of the relevant OFAC files kept at the Head Office, the procedure for the internal OFAC screenings seems to be adequate and the NYRO seems to be in compliance therewith.

Exchange Control Regulations
There are no exchange control regulations in place for the U.S.

5.4 Organization /Supervisory Framework

Organization – In general
The premises of the NYRO are located on the 40th floor of the Tower 49, 12 East 49th Street. At the main building entrance, all visitors are required to enter their personal information in the visitor log. Furthermore, the visitors are required to show a personal ID to verify the accuracy of this information. The office building security then calls the NYRO to crosscheck and notify the NYRO that there is a visitor. There is no Credit Suisse sign at the main entrance showing visitors the floor on which the NYRO is located. However, there is a touch screen at the security desk where visitors can inform themselves about the various persons and companies in the building. Once admitted to the 40th floor by Lobby security, there are signs stating "Credit Suisse Representative Office" in the elevator hall as well as next to the entrance door of the NYRO. All visitors must ring the bell and wait for someone to

open the door. The trainee has her working desk beside the entrance door and supervises the entrance area.
Meetings with existing and/or prospective clients are held in one of the two offices at the NYRO. The space occupied by the NYRO is very small and only includes two separated offices [one is the office of the Head of the NYRO, the other one is for internal visitors (e.g., LCD, SAL*), for use as office space]. All clients and prospects need to have an appointment for a meeting. Normally, walk-in visitors are admitted only if the Head of the NYRO is available and has initially screened the visitors by phone (through the main entrance desk).

The Head Office sublets the space of its NYRO on the 40th floor from Swiss American Securities, Inc. ("SASI").

There is a building emergency plan as well as a Credit Suisse emergency plan in place. The employees are fully aware of how to conduct themselves in the event of an emergency.

Organization - Staff
The NYRO is staffed with one Rep/Ambassador (Roger Schaerer, Head of the NYRO) and one trainee under his management (currently Sandra Tessaro). The function of the trainee is described as Assistant and Assistant Representative. The reporting lines are clearly reflected within the organization chart.

In the absence of the Head of the NYRO, the trainee functions as his deputy. Only the Head of the NYRO has a power of attorney to represent Credit Suisse.

Staff – Job description
Job descriptions for the Head of the NYRO as well as for the trainee are in place and in line with the local laws and regulations. The documents are stored at the Head Office, but a copy is available at the NYRO.

Staff - Trainings
In addition to the trainings performed by LCD during the annual on-site review, the employees of the NYRO perform mandatory online Compliance training and also regularly attend local training events, mainly focusing on AML issues.

PEPs
A prospective client introduced by the NYRO can only be accepted by the Head Office once all internal procedures and checks have been performed by the Head Office, including internal PEP procedures. The PEP approval process is handled exclusively by the Head Office in Switzerland, and the NYRO plays no role, and has no stake, in the decision of the Head Office.

EAMs / Intermediaries
The NYRO is not involved in any way with either EAMs or intermediaries of the Head Office.

Supervisory Frameworks
According to the interview performed with the Head of the NYRO, MACOS controls are preformed out of the Head Office. These management controls are recorded in a manual of management controls which is kept at Head Office. The line management is responsible for the content, the suitability and the systematic execution of management controls. Nevertheless, controls regarding clear desk policy are performed at the NYRO on an unannounced basis. Due to the small size of the

NYRO, clear desk controls have not been documented in the past. Although the controls were not documented, the general impression was that the employees are familiar with the Head Office rules and policies concerning the handling of sensitive data.

Furthermore, a visitor's log documentation has been implemented at the NYRO. This log documents who has visited/used the NYRO premises, and for which purpose. The visitor must sign and confirm that he/she has taken note of the local guidelines and the permissible scope of activities and agrees to conduct himself/herself in accordance with those restrictions.

5.5 *Trainings*[1]

All current staff members of the NYRO as well as Markus Walder SALN, North America offshore Region Head, attended the in-house Compliance training sessions that were provided by Rebecca Brunner and Bob Skrzypczak. The following training sessions were provided:

- AML Training New York Rep. Office [incl. OFAC, Suspicious Activity Report (SARs), AML]
- PEP & RRRP
- Compliance Training New York Rep. Office
- Swiss Banking System

AML Training New York Rep. Office

OFAC: - Rebecca pointed out to Roger that even if a client/prospect is not on one of the OFAC lists, the Worldcheck result may show that the client/prospect is on another list, such as a PEP list, or indicate litigation or other negative information concerning that client/prospect, and that this may also constitute a reason to contact Head Office AML Compliance.
- Roger reported that Sonia Candrian changed jobs internally; her replacement is Désirée Spörndli, SALN 193, and the OFAC procedures have been updated accordingly.

SARs: - Bob explained that even attempts to establish relationships – e.g., on the basis of forged documents – might trigger a SAR filing in the U.S. and that the level of suspicion that is reportable in the U.S. is lower than on the Swiss side. He also explained that there is a very tight deadline in the U.S. for the filing of SARs – thirty days – and that in the U.S. one might file a SAR based on mere preliminary information, because of the short deadline, even when one might not have been required to file if more time to investigate had been available. The differences in the consequences of a SAR filing in the U.S. and Switzerland were discussed (in the U.S., no asset freeze is required, you may continue to do business with the client and the regulators often won't get back to you on the filing, whereas in Switzerland an asset freeze is required and you can lift the freeze within a certain period of time unless the regulators inform you otherwise). At the same time, even though no freeze is required in the U.S. in connection with a U.S. SAR filing, you may want to do increased monitoring and possibly reconsider the relationship or, in extreme cases, e.g., if there is a client transfer order pending, call up the U.S. regulator for information on how to proceed. Nonetheless, it is prohibited by law in both countries to inform the affected client about the filing of the SAR.
- Bob provided guidance on various situations in which Roger would want to contact someone at Head Office AML Compliance. In terms of "silly" emails/Nigerian schemes, etc., Bob advised Roger not to waste his time, but that if he felt that someone else might actually stand to lose money (Ponzi schemes, etc.), Roger should involved Head Office AML

[1] According to the Memorandum "New York Rep. Office Visit / December 11 – 12, 2006" prepared by Rebecca Brunner (dated, March 26, 2007)

Compliance and/or Security, depending on the situation. Obvious frauds or forgeries are clearly reportable and should always be taken up with Head Office AML Compliance.

AML: - One major difference between the two sets of AML requirements is that, technically, U.S. AML law does not require the identification of beneficial owners per se. CSS LLC, however, does identify beneficial owners pursuant to a risk-based approach, as a matter of good practice. In Switzerland, on the other hand, the requirement that the beneficial owners be verified is laid down by law.

PEP & RRRP

PEP: - For Swiss-based clients, the PEP Compliance Desk (Benjamin Hollenstein) can provide information to the Reps on whether a particular prospect constitutes a PEP. It was pointed out that, even though a particular individual may not rise to the level of a "PEP" because he or she, e.g., does not hold a political office or the particular political office is not high enough to constitute a PEP, that person may still be an "exposed person" and/or there may still be reputational risk attaching to the relationship that might need to be reported by means of the Rep Risk process (example: the NYC mayor). An explanation was given as to who approves PEPs for Swiss-booked Latam clients.

RRRP: - The Rep Risk process was also explained, as well as who approves Rep Risks with respect to Swiss-booked Latam clients.

Compliance Training New York Rep. Office

- Because Roger Schaerer had already attended the training session on U.S. legal and reputational risk given by Rebecca Brunner in Zurich on December 5th, this part of the NYRO Compliance Training was only briefly reviewed, with the main part of the training concentrated on the restrictions on the scope of activities of the NYRO.
- Roger confirmed that he and André Jäckle have successfully completed the mandatory online eLearning modules relating AML, reputational risk and PEPs.
- The new "AML Training Concept for the PB Rep. Offices in New York and Miami" was discussed briefly. Roger confirmed that the Institute of International Banker's Annual International Banking Anti-Money Laundering Program, usually held in May of each year, was helpful and that he plans to attend again in 2007.

5.6 *Funding / Reporting*

Funding

The NYRO does not maintain any bank accounts in the US. The expenses of the NYRO are covered initially by SASI. The Head of the NYRO holds quarterly meetings with Cara Porcella (SASI Accounting) for control reasons. After checking the invoices, he forwards the cost statements on to Markus Walder for cross-checking and approval. After his approval, Central Accounting Switzerland reimburse the amount to SASI by check on a quarterly basis.

Reporting
The NYRO is not required to file any regular reports with the NYSBD and/or the FRBNY, although it is subject to an audit by either the NYSBD or the FRBNY, on an alternating basis, generally on an annual or bi-annual basis. Material changes to the NYRO (new reps., changes in activities, change of address, etc.), however, need to be notified to these authorities.

The Head of the NYRO sends weekly reports to the Head Office, with a copy to Compliance, that contain information regarding client contacts, visits and events, NYRO and staff issues, info, news and upcoming events, projects and visits.

5.7 *Directorships*

According to the interview performed with the Head of the NYRO, neither he nor the trainee has any directorships or secondary occupations.

5.8 *Traveling*

The Head of the NYRO's travel activities are generally very limited. The trainee does not travel at all for business purposes.

5.9 *Banking Secrecy/ Handling of data*

Banking secrecy
The staff of the NYRO are subject to Swiss banking secrecy. Both staff members have signed the Head Office's "Code of Conduct" as well as "Bank Customer Secrecy and Business Confidentiality" agreement.

Handling of data
ROC is in use at the NYRO. If clients request the NYRO to provide statements, the travel statements will be produced in Switzerland by the Head Office after relevant OFAC screenings have been performed (and only to the extent the client is not a discretionary mandate client) and be sent to the NYRO via ROC.

No RET Mail may be handed over to clients by the members of the NYRO.

In the US, email records are increasingly requested in litigation since they tend to contain important evidence. Our directive currently in force (P-00021) foresee that CS is obliged to store business-related information on suitable media. Although the CS system is not intended for archiving such information, temporary storage is permitted. Due to the fact that the NYRO does not generally use email to communicate with clients of the Head Office, there does not seem to be any need for specific guidelines at the NYRO in this respect.

5.10 *Local Guidelines*

Local guidelines (entitled "Statement of Scope of Activities") are in place for the NYRO. Nonetheless, it is likely that some minor formatting adjustments will be necessary, depending on the results of the cross-border plus project. The local guidelines are supplemented by OFAC screening procedures, the
I&A1 US AML program and the training concept for the New York and Miami ROs. **(Issue & Action 1)**.

5.11 Audit points / Inspections by local authorities

Audit points
The last review of the NYRO by Internal Audit was performed during 2001.

Inspections by local authorities
The FRBNY and the NYSBD take turns conducting a review of the NYRO, which generally takes place on an annual basis.
The last inspection by the FRBNY took place in mid- December 2005. The overall assessment by the FRBNY based on that review was quite positive. If an inspection is scheduled by the local authorities, the NYRO will be pre-informed accordingly. The scheduled inspections will be prepared by the Head of the NYRO as well as by the Team US Legal Matters (Rebecca Brunner) based in Zurich and the Compliance Rep. Office Coverage (Jens Sturzenegger). The next review – by the FRBNY– is tentatively scheduled to take place on November 26, 2007.