

Credit Suisse Group confirms net loss of CHF 1.3 billion in the third quarter of 2008

Confirmation of provisional 3Q08 results announced on October 16, 2008

Strong operating results and sustained asset inflows in Private Banking: net new assets of CHF 14.5 billion, with strong contributions from both Wealth Management and the Swiss Corporate & Retail Banking business

Pre-tax loss of CHF 3.2 billion in Investment Banking, reflecting writedowns of CHF 2.4 billion in the leveraged finance and structured products businesses and exceptionally adverse trading conditions in September

Continued reduction of risk exposures to assets most severely impacted by the dislocation in the mortgage and credit markets

Solid results in some businesses in Investment Banking, including global rates, foreign exchange, electronic trading and prime services Zurich, October 23, 2008 Credit Suisse Group reported a net loss of CHF 1,261 million in the third quarter of 2008, as indicated on October 16, 2008, compared with net income of CHF 1,302 million in the third quarter of 2007. Core net revenues were CHF 3,109 million, down 48% from the third quarter of 2007.

Brady W. Dougan, Chief Executive Officer, said: "The financial services sector witnessed unprecedented market disruption in September and extraordinary changes to the competitive landscape. These events led to a very difficult operating environment, particularly in investment banking. The result in Investment Banking reflects further writedowns in our leveraged finance and structured products businesses and other losses resulting from the exceptionally adverse trading conditions in September. This led to an overall net loss for Credit Suisse in the third quarter. While understandable in the context of the market environment, this result is clearly disappointing."

He added: "The strong inflow of net new assets in Private Banking underscores the trust that clients place in Credit Suisse. Consistent with our strategy, we will continue to invest in Private Banking and transform Investment Banking, reducing our overall risk and diversifying our revenue streams. We expect the market environment to remain very challenging and we are cautious with regard to the outlook for the fourth quarter."

Segment Results

Private Banking

Private Banking, which comprises the Wealth Management and Corporate & Retail Banking businesses, reported income before taxes of CHF 789 million in the third quarter of 2008, a decrease of 39% from the third quarter of 2007.

The Wealth Management business reported income before taxes of CHF 389 million in the third quarter of 2008, down 57% from the third quarter of 2007. The third-quarter 2008 result included provisions of CHF 310 million related to settlement agreements for auction rate securities (ARS). Excluding these provisions, income before taxes was CHF 699 million, down 22% from the third quarter of 2007. Net revenues declined 9%, reflecting a decrease in both recurring and transaction-based revenues. Total operating expenses were up 21% compared with the third quarter of 2007 and were slightly lower excluding the ARS provisions. As part of its ongoing strategic investment in the expansion of its global franchise, Credit Suisse hired 110 relationship managers during the quarter, further strengthening its professional team. The pre-tax income margin was 18.2% in the third quarter of 2008, or 32.7% excluding the ARS provisions, compared with 38.4% in the same period of 2007.

The Corporate & Retail Banking business reported income before taxes of CHF 400 million in the third quarter of 2008, up 3% from the third quarter of 2007. Net revenues were strong, up 3% from the same period of the previous year. Net provisions for credit losses were CHF 10 million compared with net releases of CHF 16 million in the third quarter of 2007. Total operating expenses were flat. The pre-tax income margin was 39.6% in the third quarter of 2008, compared with 39.7% in the third quarter of 2007.

Investment Banking

In Investment Banking, the loss before taxes was CHF 3,225 million in the third quarter of 2008, compared with income before taxes of CHF 6 million in the third quarter of 2007. Net revenues were negative CHF 515 million compared with positive CHF 2,097 million in the third quarter of 2007, due to the widespread market disruption, particularly in September, that adversely affected most businesses within Investment Banking. The third-quarter 2008 result included combined net writedowns of CHF 2,428 million in the leveraged finance and structured products businesses.

Fixed income trading revenues were significantly lower in the third quarter of 2008 compared with the same period of 2007, primarily reflecting the above-mentioned net writedowns and losses in the corporate lending business. The results also included net writedowns from Credit Suisse's investments in the preferred shares and hybrid capital securities of certain financial institutions and losses in commodities. Partially offsetting the results were strong revenues in the global rates and foreign exchange businesses. Equity trading revenues declined substantially from the third quarter of 2007, primarily due to significant losses in convertibles and Credit Suisse's long/short and event and risk arbitrage strategies,

as well as weaker results in global cash equities. These results were partially offset by good performance in prime services and equity derivatives. Fixed income and equity trading benefited from fair value gains of CHF 1,876 million due to widening credit spreads on Credit Suisse debt. The underwriting and advisory businesses produced lower revenues compared with the third quarter of 2007, in line with the overall decline in market activity.

Net valuation adjustments and exposures in Investment Banking

In the third quarter of 2008, combined net writedowns in the leveraged finance and structured products businesses were CHF 2,428 million.

Asset Management

In Asset Management, the loss before taxes was CHF 58 million in the third quarter of 2008, compared with income before taxes of CHF 45 million in the third quarter of 2007. The loss reflected private equity and other investment-related losses of CHF 109 million and net writedowns from securities purchased from Credit Suisse's money market funds of CHF 36 million. Compared with the third quarter of 2007, net revenues decreased 24%, or 12% before the above-mentioned private equity and other investment-related losses and net writedowns from the purchased securities. Total operating expenses declined 7% from the third quarter of 2007, as higher compensation and benefits were offset by lower general and administrative expenses. In the third quarter of 2008, the pre-tax income margin was negative 12.8% compared with positive 7.6% in the year-earlier period. The fair value of Credit Suisse's balance sheet exposure from the purchased securities was CHF 1.0 billion at the end of the third quarter of 2008, down 33% from the second quarter of 2008.

Net New Assets

Private Banking recorded net new assets of CHF 14.5 billion in the third quarter of 2008, including net new assets of CHF 11.3 billion in the Wealth Management business, which represented a rolling four-quarter average growth rate of 6.2%, mainly from Europe, Middle East and Africa (EMEA), the Americas and Asia Pacific. Asset Management reported net asset outflows of CHF 16.5 billion in the third quarter of 2008, as inflows of CHF 2.2 billion in alternative investments were offset by outflows in other asset classes. The Group's total assets under management were CHF 1,370.0 billion as of September 30, 2008, down 12.8% from September 30, 2007, primarily reflecting adverse market and foreign exchange-related movements.

Benefits of the integrated bank

In the third quarter of 2008, Credit Suisse generated CHF 1.5 billion in revenues from cross-divisional activities, bringing the year-to-date total to CHF 4.0 billion.