Digital-Plus Barrier Notes due April 18, 2016
Linked to the S&P 500® Index

General

• The securities are designed for investors who seek a return linked to the performance of the S&P 500® Index. Investors should be willing to forgo interest and dividend payments and, if the Final Level of the Underlying is less than the Initial Level and a Knock-In Event occurs, be willing to lose up to 100% of their investment. Any payment on the securities is subject to our ability to pay our obligations as they become due.

• If the Final Level is equal to or greater than the Initial Level, investors will benefit from the greater of (i) the Fixed Payment Percentage of 36.0%, and (ii) the percentage change from the Initial Level to the Final Level.

• Senior unsecured obligations of Credit Suisse AG, acting through its Nassau Branch, maturing April 18, 2016.†

• Minimum purchase of $1,000. Minimum denominations of $1,000 and integral multiples of $1,000 in excess thereof.

• The securities priced on April 11, 2012 (the “Trade Date”) and are expected to settle on April 18, 2012. Delivery of the securities in book-entry form only will be made through The Depository Trust Company.

Key Terms

Issuer: Credit Suisse AG (“Credit Suisse”), acting through its Nassau Branch


Fixed Payment Percentage: 36.0%

Redemption Amount: You will be entitled to receive a Redemption Amount in cash at maturity that will equal the principal amount of the securities you hold multiplied by the sum of 1 plus the Underlying Return, calculated as set forth below. Any payment on the securities is subject to our ability to pay our obligations as they become due.

Underlying Return: The Underlying Return is expressed as a percentage and is calculated as follows:

• If the Final Level is equal to or greater than the Initial Level, the Underlying Return will equal the greater of (i) the Fixed Payment Percentage and (ii) an amount calculated as follows:

  Final Level – Initial Level
  Initial Level

• If the Final Level is less than the Initial Level and:

  • if a Knock-In Event occurs, the Underlying Return will equal:

    Final Level – Initial Level
    Initial Level

  • if a Knock-In Event has not occurred, the Underlying Return will equal zero.

If the Final Level is less than the Initial Level and a Knock-In Event occurs, the Underlying Return will be negative and you will receive less than the principal amount of your securities at maturity. You could lose your entire investment.

Knock-In Event: A Knock-In Event occurs if the Final Level of the Underlying is equal to or less than the Knock-In Level.

Knock-In Level: 958.097

Initial Level: 1368.71

Final Level: The closing level of the Underlying on the Valuation Date.

Valuation Date:† April 11, 2016

Maturity Date:† April 18, 2016

Listing: The securities will not be listed on any securities exchange.

CUSIP: 22546TQT1

† The Valuation Date is subject to postponement if such date is not an underlying business day or as a result of a market disruption event and the Maturity Date is subject to postponement if such date is not a business day or if the Valuation Date is postponed, in each case as described in the accompanying product supplement under “Description of the Securities—Market disruption events.”

Investing in the securities involves a number of risks. See “Selected Risk Considerations” beginning on page 4 of this pricing supplement and “Risk Factors” beginning on page P-3 of the accompanying product supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities or passed upon the accuracy or the adequacy of this pricing supplement or the accompanying underlying supplement, the product supplement, the prospectus supplement and the prospectus. Any representation to the contrary is a criminal offense.

<table>
<thead>
<tr>
<th>Price to Public</th>
<th>Underwriting Discounts and Commissions(1)</th>
<th>Proceeds to Issuer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per security</td>
<td>$1,000.00</td>
<td>$975.00</td>
</tr>
<tr>
<td>Total</td>
<td>$1,016,000.00</td>
<td>$990,600.00</td>
</tr>
</tbody>
</table>

(1) We or one of our affiliates will pay discounts and commissions of $25.00 per $1,000 principal amount of securities. In addition, an affiliate of ours may pay referral fees of up to $5.50 per $1,000 principal amount of securities. For more detailed information, please see “Supplemental Plan of Distribution (Conflicts of Interest)” in this pricing supplement.

The agent for this offering, Credit Suisse Securities (USA) LLC (“CSSU”), is our affiliate. For more information, see “Supplemental Plan of Distribution (Conflicts of Interest)” on the last page of this pricing supplement.

The securities are not deposit liabilities and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency of the United States, Switzerland or any other jurisdiction.

CALCULATION OF REGISTRATION FEE

<table>
<thead>
<tr>
<th>Title of Each Class of Securities Offered</th>
<th>Maximum Aggregate Offering Price</th>
<th>Amount of Registration Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes</td>
<td>$1,016,000.00</td>
<td>$116.43</td>
</tr>
</tbody>
</table>
Additional Terms Specific to the Securities

You should read this pricing supplement together with the underlying supplement dated March 23, 2012, the product supplement dated March 23, 2012, the prospectus supplement dated March 23, 2012 and the prospectus dated March 23, 2012, relating to our Medium-Term Notes of which these securities are a part. You may access these documents on the SEC website at www.sec.gov as follows (or if such address has changed, by reviewing our filings for the relevant date on the SEC website):

- Underlying supplement dated March 23, 2012:
  [http://www.sec.gov/Archives/edgar/data/1053092/000095010312001475/dp29444_424b2-mtn.htm](http://www.sec.gov/Archives/edgar/data/1053092/000095010312001475/dp29444_424b2-mtn.htm)
- Product supplement No. T-I dated March 23, 2012:
  [http://www.sec.gov/Archives/edgar/data/1053092/000095010312001509/dp29508_424b2-ti.htm](http://www.sec.gov/Archives/edgar/data/1053092/000095010312001509/dp29508_424b2-ti.htm)
- Prospectus supplement dated March 23, 2012 and Prospectus dated March 23, 2012:
  [http://www.sec.gov/Archives/edgar/data/1053092/000104746912003186/a2208088z424b2.htm](http://www.sec.gov/Archives/edgar/data/1053092/000104746912003186/a2208088z424b2.htm)

Our Central Index Key, or CIK, on the SEC website is 1053092. As used in this pricing supplement, the “Company,” “we,” “us,” or “our” refers to Credit Suisse.

This pricing supplement, together with the documents listed above, contains the terms of the securities and supersedes all other prior or contemporaneous oral statements as well as any other written materials including preliminary or indicative pricing terms, fact sheets, correspondence, trade ideas, structures for implementation, sample structures, brochures or other educational materials of ours. You should carefully consider, among other things, the matters set forth in “Selected Risk Considerations” in this pricing supplement and “Risk Factors” in the accompanying product supplement, as the securities involve risks not associated with conventional debt securities. You should consult your investment, legal, tax, accounting and other advisors before deciding to invest in the securities.
Hypothetical Redemption Amounts

The table and examples below illustrate hypothetical Redemption Amounts payable at maturity on a $1,000 investment in the securities for a range of Underlying Returns. The tables and examples reflect the Fixed Payment Percentage of 36.0% and assume the Knock-In Level is 70% of the Initial Level, and an Initial Level of 1400. The Redemption Amounts set forth below are provided for illustration purposes only. The actual Redemption Amount applicable to a purchaser of the securities will depend on the Final Level determined on the Valuation Date. It is not possible to predict whether a Knock-In Event will occur, and in the event that there is a Knock-In Event, by how much the Final Level will decrease in comparison to the Initial Level. Any payment on the securities is subject to our ability to pay our obligations as they become due. The numbers appearing in the following table and examples have been rounded for ease of analysis.

**TABLE: Hypothetical Redemption Amounts**

<table>
<thead>
<tr>
<th>Final Level</th>
<th>Percentage Change from the Initial Level to the Final Level</th>
<th>Underlying Return</th>
<th>Redemption Amount per $1,000 Principal Amount of Securities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2380.00</td>
<td>70.00%</td>
<td>70.00%</td>
<td>$1,700.00</td>
</tr>
<tr>
<td>2240.00</td>
<td>60.00%</td>
<td>60.00%</td>
<td>$1,600.00</td>
</tr>
<tr>
<td>2100.00</td>
<td>50.00%</td>
<td>50.00%</td>
<td>$1,500.00</td>
</tr>
<tr>
<td>1960.00</td>
<td>40.00%</td>
<td>40.00%</td>
<td>$1,400.00</td>
</tr>
<tr>
<td><strong>1904.00</strong></td>
<td><strong>36.00%</strong></td>
<td><strong>36.00%</strong></td>
<td><strong>$1,360.00</strong></td>
</tr>
<tr>
<td>1820.00</td>
<td>30.00%</td>
<td>36.00%</td>
<td>$1,360.00</td>
</tr>
<tr>
<td>1680.00</td>
<td>20.00%</td>
<td>36.00%</td>
<td>$1,360.00</td>
</tr>
<tr>
<td>1540.00</td>
<td>10.00%</td>
<td>36.00%</td>
<td>$1,360.00</td>
</tr>
<tr>
<td><strong>1400.00</strong></td>
<td><strong>0.00%</strong></td>
<td><strong>36.00%</strong></td>
<td><strong>$1,360.00</strong></td>
</tr>
<tr>
<td>1260.00</td>
<td>−10.00%</td>
<td>0.00%</td>
<td>$1,000.00</td>
</tr>
<tr>
<td>1120.00</td>
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<tr>
<td>980.14</td>
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<td><strong>980.00</strong></td>
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<td><strong>−30.00%</strong></td>
<td><strong>$700.00</strong></td>
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<tr>
<td>840.00</td>
<td>−40.00%</td>
<td>−40.00%</td>
<td>$600.00</td>
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<td>700.00</td>
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</tr>
<tr>
<td>0.00</td>
<td>−100.00%</td>
<td>−100.00%</td>
<td>$0.00</td>
</tr>
</tbody>
</table>
EXAMPLES:

The following examples illustrate how the Redemption Amount is calculated.

Example 1: The Final Level is 2100, an increase of 50% from the Initial Level. Because the Final Level is greater than the Initial Level, the Redemption Amount is determined as follows:

$$\text{Underlying Return} = \text{the greater of (i) the Fixed Payment Percentage and (ii) } \frac{(\text{Final Level} - \text{Initial Level})}{\text{Initial Level}}$$

$$= \text{the greater of (i) 36% and (ii) } \frac{2100 - 1400}{1400}$$

$$= \text{the greater of (i) 36% and (ii) 50%}$$

$$= 50\%$$

$$\text{Redemption Amount} = \text{the greater of } \text{Underlying Return}$$

$$= 1,000 \times (1 + \text{Underlying Return})$$

$$= 1,000 \times 1.50$$

$$= 1,500.00$$

In this example, the Underlying Return is equal to 50% and at maturity you would be entitled to receive a Redemption Amount equal to $1,500.00 per $1,000 principal amount of securities. Because the Final Level is greater than the Initial Level by more than the Fixed Payment Percentage, the Underlying Return is equal to the appreciation in the level of the Underlying from the Initial Level to the Final Level.

Example 2: The Final Level is 1680, an increase of 20% from the Initial Level. Because the Final Level is greater than the Initial Level, the Redemption Amount is determined as follows:

$$\text{Underlying Return} = \text{the greater of (i) the Fixed Payment Percentage and (ii) } \frac{(\text{Final Level} - \text{Initial Level})}{\text{Initial Level}}$$

$$= \text{the greater of (i) 36% and (ii) } \frac{1680 - 1400}{1400}$$

$$= \text{the greater of (i) 36% and (ii) 20%}$$

$$= 36\%$$

$$\text{Redemption Amount} = \text{the greater of } \text{Underlying Return}$$

$$= 1,000 \times (1 + \text{Underlying Return})$$

$$= 1,000 \times 1.36$$

$$= 1,360.00$$

In this example, the Underlying Return is equal to 36% and at maturity you would be entitled to receive a Redemption Amount equal to $1,360.00 per $1,000 principal amount of securities. Because the Final Level is greater than the Initial Level by less than the Fixed Payment Percentage, the Underlying Return is equal to the Fixed Payment Percentage. In this scenario you will receive more than the appreciation in the level of the Underlying during the term of the securities.

Example 3: The Final Level is 1260, a decrease of 10% from the Initial Level. Because a Knock-In Event does not occur and the Final Level is less than the Initial Level, the Redemption Amount is equal to $1,000.00 per $1,000 principal amount of securities.

Example 4: The Final Level is 840, a decrease of 40% from the Initial Level. Because a Knock-In Event occurs and the Final Level is less than the Initial Level, the Redemption Amount is determined as follows:

$$\text{Underlying Return} = \frac{840 - 1400}{1400}$$

$$= -40\%$$

$$\text{Redemption Amount} = \text{the greater of } \text{Underlying Return}$$

$$= 1,000 \times (1 + \text{Underlying Return})$$

$$= 1,000 \times 0.60$$

$$= 600.00$$

In this example, at maturity you would be entitled to receive a Redemption Amount equal to $600.00 per $1,000 principal amount of securities because the Final Level is less than the Initial Level and a Knock-In Event occurs. In these circumstances, you will participate in any depreciation in the level of the Underlying from the Initial Level to the Final Level.
Selected Risk Considerations

An investment in the securities involves significant risks. Investing in the securities is not equivalent to investing directly in the Underlying. These risks are explained in more detail in the "Risk Factors" section of the accompanying product supplement.

- **YOUR INVESTMENT IN THE SECURITIES MAY RESULT IN A LOSS** — The securities do not guarantee any return of your principal amount. You could lose up to $1,000 per $1,000 principal amount of securities. If a Knock-In Event occurs, you will lose 1% of your principal for each 1% decline in the Final Level as compared to the Initial Level. Any payment on the securities is subject to our ability to pay our obligations as they become due.

- **THE SECURITIES ARE SUBJECT TO THE CREDIT RISK OF CREDIT SUISSE** — Although the return on the securities will be based on the performance of the Underlying, the payment of any amount due on the securities is subject to the credit risk of Credit Suisse. Investors are dependent on our ability to pay all amounts due on the securities and, therefore, investors are subject to our credit risk. In addition, any decline in our credit ratings, any adverse changes in the market’s view of our creditworthiness or any increase in our credit spreads is likely to adversely affect the value of the securities prior to maturity.

- **THE SECURITIES DO NOT PAY INTEREST** — We will not pay interest on the securities. You may receive less at maturity than you could have earned on ordinary interest-bearing debt securities with similar maturities, including other of our debt securities, since the Redemption Amount at maturity is based on the appreciation or depreciation of the Underlying. Because the Redemption Amount due at maturity may be less than the amount originally invested in the securities, the return on the securities (the effective yield to maturity) may be negative. Even if it is positive, the return payable on each security may not be enough to compensate you for any loss in value due to inflation and other factors relating to the value of money over time.

- **THE RETURN ON THE SECURITIES WILL BE AFFECTED BY THE KNOCK-IN LEVEL AND THE OCCURRENCE OF A KNOCK-IN EVENT** — The return on the securities will be affected by the Knock-In Level and whether a Knock-In Event occurs. If the Final Level of the Underlying is equal to or less than the Knock-In Level, a Knock-In Event will occur. In this case, you will receive less than your principal amount at maturity.

- **CERTAIN BUILT-IN COSTS ARE LIKELY TO ADVERSELY AFFECT THE VALUE OF THE SECURITIES PRIOR TO MATURITY** — While the payment at maturity described in this pricing supplement is based on the full principal amount of your securities, the original issue price of the securities includes the agent’s commission and the cost of hedging our obligations under the securities through one or more of our affiliates. As a result, the price, if any, at which Credit Suisse (or its affiliates), will be willing to purchase securities from you in secondary market transactions, if at all, will likely be lower than the original issue price, and any sale prior to the Maturity Date could result in a substantial loss to you. The securities are not designed to be short-term trading instruments. Accordingly, you should be able and willing to hold your securities to maturity.

- **NO DIVIDEND PAYMENTS OR VOTING RIGHTS** — As a holder of the securities, you will not have voting rights or rights to receive cash dividends or other distributions or other rights with respect to the equity securities that comprise the Underlying.

- **LACK OF LIQUIDITY** — The securities will not be listed on any securities exchange. Credit Suisse (or its affiliates) intends to offer to purchase the securities in the secondary market but is not required to do so. Even if there is a secondary market, it may not provide enough liquidity to allow you to trade or sell the securities when you wish to do so. Because other dealers are not likely to make a secondary market for the securities, the price at which you may be able to trade your securities is likely to depend on the price, if any, at which Credit Suisse (or its affiliates) is willing to buy the securities. If you have to sell your securities prior to maturity, you may not be able to do so or you may have to sell them at a substantial loss.
• **POTENTIAL CONFLICTS** — We and our affiliates play a variety of roles in connection with the issuance of the securities, including acting as calculation agent and hedging our obligations under the securities. In performing these duties, the economic interests of the calculation agent and other affiliates of ours are potentially adverse to your interests as an investor in the securities.

• **MANY ECONOMIC AND MARKET FACTORS WILL AFFECT THE VALUE OF THE SECURITIES** — In addition to the level of the Underlying on any trading day, the value of the securities will be affected by a number of economic and market factors that may either offset or magnify each other, including:

  - the expected volatility of the Underlying;
  - the time to maturity of the securities;
  - the dividend rate on the equity securities comprising the Underlying;
  - interest and yield rates in the market generally;
  - investors’ expectations with respect to the rate of inflation;
  - geopolitical conditions and a variety of economic, financial, political, regulatory or judicial events that affect the components comprising the Underlying or markets generally and which may affect the level of the Underlying; and
  - our creditworthiness, including actual or anticipated downgrades in our credit ratings.

Some or all of these factors may influence the price that you will receive if you choose to sell your securities prior to maturity. The impact of any of the factors set forth above may enhance or offset some or all of any change resulting from another factor or factors.

**Supplemental Use of Proceeds and Hedging**

We intend to use the proceeds of this offering for our general corporate purposes, which may include the refinancing of existing debt outside Switzerland. Some or all of the proceeds we receive from the sale of the securities may be used in connection with hedging our obligations under the securities through one or more of our affiliates. Such hedging or trading activities on or prior to the Trade Date and during the term of the securities (including the Valuation Date) could adversely affect the value of the Underlying and, as a result, could decrease the amount you may receive on the securities at maturity. For further information, please refer to “Supplemental Use of Proceeds and Hedging” in the accompanying product supplement.
Historical Information

The following graph sets forth the historical performance of the S&P 500® Index based on the closing levels of the Underlying from January 1, 2007 through April 11, 2012. The closing level of the Underlying on April 11, 2012 was 1368.71. We obtained the closing levels below from Bloomberg, without independent verification. We make no representation or warranty as to the accuracy or completeness of the information obtained from Bloomberg.

The historical levels of the Underlying should not be taken as an indication of future performance, and no assurance can be given as to the closing level of the Underlying on any trading day during the term of the securities, including on the Valuation Date. We cannot give you assurance that the performance of the Underlying will result in any return of your investment. Any payment on the securities is subject to our ability to pay our obligations as they become due.

For additional information about the S&P 500® Index, see the information set forth under “The Reference Indices—The S&P Indices—The S&P 500® Index” in the accompanying underlying supplement.
Material U.S. Federal Income Tax Considerations

The following discussion summarizes material U.S. federal income tax consequences of owning and disposing of securities that may be relevant to holders of securities that acquire their securities from us as part of the original issuance of the securities. This discussion applies only to holders that hold their securities as capital assets within the meaning of the Internal Revenue Code of 1986, as amended (the “Code”). Further, this discussion does not address all of the U.S. federal income tax consequences that may be relevant to you in light of your individual circumstances or if you are subject to special rules, such as if you are:

- a financial institution,
- a mutual fund,
- a tax-exempt organization,
- a grantor trust,
- certain U.S. expatriates,
- an insurance company,
- a dealer or trader in securities or foreign currencies,
- a person (including traders in securities) using a mark-to-market method of accounting,
- a person who holds securities as a hedge or as part of a straddle with another position, constructive sale, conversion transaction or other integrated transaction, or
- an entity that is treated as a partnership for U.S. federal income tax purposes.

The discussion is based upon the Code, law, regulations, rulings and decisions, in each case, as available and in effect as of the date hereof, all of which are subject to change, possibly with retroactive effect. Tax consequences under state, local and foreign laws are not addressed herein. No ruling from the U.S. Internal Revenue Service (the “IRS”) has been or will be sought as to the U.S. federal income tax consequences of the ownership and disposition of securities, and the following discussion is not binding on the IRS.

You should consult your tax advisor as to the specific tax consequences to you of owning and disposing of securities, including the application of federal, state, local and foreign income and other tax laws based on your particular facts and circumstances.

IRS CIRCULAR 230 REQUIRES THAT WE INFORM YOU THAT ANY TAX STATEMENT HEREIN REGARDING ANY U.S. FEDERAL TAX IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING ANY PENALTIES. ANY SUCH STATEMENT HEREIN WAS WRITTEN TO SUPPORT THE MARKETING OR PROMOTION OF THE TRANSACTION(S) OR MATTER(S) TO WHICH THE STATEMENT RELATES. A PROSPECTIVE INVESTOR (INCLUDING A TAX-EXEMPT INVESTOR) IN THE SECURITIES SHOULD CONSULT ITS OWN TAX ADVISOR IN DETERMINING THE TAX CONSEQUENCES OF AN INVESTMENT IN THE SECURITIES, INCLUDING THE APPLICATION OF STATE, LOCAL OR OTHER TAX LAWS AND THE POSSIBLE EFFECTS OF CHANGES IN FEDERAL OR OTHER TAX LAWS.

Characterization of the Securities

There are no statutory provisions, regulations, published rulings, or judicial decisions addressing the characterization for U.S. federal income tax purposes of securities with terms that are substantially the same as those of your securities. Thus, the characterization of the securities is not certain. Our special tax counsel, Orrick, Herrington & Sutcliffe LLP, has advised that the securities should be treated, for U.S. federal income tax purposes, as a prepaid financial contract, with respect to the Underlying that is eligible for open transaction treatment. In the absence of an administrative or judicial ruling to the contrary, we and, by acceptance of the securities, you agree to treat your securities for all tax purposes in accordance with such characterization. In light of the fact that we agree to treat the securities as a prepaid financial contract, the balance of this discussion assumes that the securities will be so treated.

You should be aware that the characterization of the securities as described above is not certain, nor is it binding on the IRS or the courts. Thus, it is possible that the IRS would seek to characterize your securities in a manner
that results in tax consequences to you that are different from those described above. For example, the IRS might assert that securities with a term of more than one year constitute debt instruments that are “contingent payment debt instruments” that are subject to special tax rules under the applicable Treasury regulations governing the recognition of income over the term of your securities. If the securities were to be treated as contingent payment debt instruments, you would be required to include in income on an economic accrual basis over the term of the securities an amount of interest that is based upon the yield at which we would issue a non-contingent fixed-rate debt instrument with other terms and conditions similar to your securities, or the comparable yield. The characterization of securities as contingent payment debt instruments under these rules is likely to be adverse. However, if the securities had a term of one year or less, the rules for short-term debt obligations would apply rather than the rules for contingent payment debt instruments. Under Treasury regulations, a short-term debt obligation is treated as issued at a discount equal to the difference between all payments on the obligation and the obligation’s issue price. A cash method U.S. Holder that does not elect to accrue the discount in income currently should include the payments attributable to interest on the security as income upon receipt. Under these rules, any contingent payment would be taxable upon receipt by a cash basis taxpayer as ordinary interest income. You should consult your tax advisor regarding the possible tax consequences of characterization of the securities as contingent payment debt instruments or short-term debt obligations. It is also possible that the IRS would seek to characterize your securities as options, and thus as Code section 1256 contracts in the event that they are listed on a securities exchange. In such case, the securities would be marked-to-market at the end of the year and 40% of any gain or loss would be treated as short-term capital gain or loss, and the remaining 60% of any gain or loss would be treated as long-term capital gain or loss. We are not responsible for any adverse consequences that you may experience as a result of any alternative characterization of the securities for U.S. federal income tax or other tax purposes.

You should consult your tax advisor as to the tax consequences of such characterization and any possible alternative characterizations of your securities for U.S. federal income tax purposes.

U.S. Holders

For purposes of this discussion, the term “U.S. Holder,” for U.S. federal income tax purposes, means a beneficial owner of securities that is (1) a citizen or resident of the United States, (2) a corporation (or an entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States or any state thereof or the District of Columbia, (3) an estate, the income of which is subject to U.S. federal income taxation regardless of its source, or (4) a trust, if (a) a court within the United States is able to exercise primary supervision over the administration of such trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) such trust has in effect a valid election to be treated as a domestic trust for U.S. federal income tax purposes. If a partnership (or an entity treated as a partnership for U.S. federal income tax purposes) holds securities, the U.S. federal income tax treatment of such partnership and a partner in such partnership will generally depend upon the status of the partner and the activities of the partnership. If you are a partnership, or a partner of a partnership, holding securities, you should consult your tax advisor regarding the tax consequences to you from the partnership’s purchase, ownership and disposition of the securities.

In accordance with the agreed-upon tax treatment described above, if the security provides for the payment of the redemption amount in cash based on the return of the underlying, upon receipt of the redemption amount of the security from us, a U.S. Holder will recognize gain or loss equal to the difference between the amount of cash received from us and the U.S. Holder’s tax basis in the security at that time. For securities with a term of more than one year, such gain or loss will be long-term capital gain or loss if the U.S. Holder has held the security for more than one year at maturity. For securities with a term of one year or less, such gain or loss will be short-term capital gain or loss. If the security provides for the payment of the redemption amount in physical shares or units of the underlying, the U.S. Holder should not recognize any gain or loss with respect to the security (other than with respect to cash received in lieu of fractional shares or units, as described below). A U.S. Holder should have a tax basis in all physical shares or units received (including for this purpose any fractional shares or units) equal to its tax basis in the security (generally its cost). A U.S. Holder’s holding period for any physical shares or units received should start on the day after the delivery of the physical shares or units. A U.S. Holder should generally recognize short-term capital gain or loss with respect to cash received in lieu of fractional shares or units in an amount equal to the difference between the amount of such cash received and the U.S. Holder’s basis in the fractional shares or units, which should be equal to the U.S. Holder’s basis in all of the reference shares or units.
Upon the sale or other taxable disposition of a security, a U.S. Holder generally will recognize gain or loss equal to the difference between the amount realized on the sale or other taxable disposition and the U.S. Holder’s tax basis in the security (generally its cost). For securities with a term of more than one year, such gain or loss will be long-term capital gain or loss if the U.S. Holder has held the security for more than one year at the time of disposition. For securities with a term of one year or less, such gain or loss will be short-term capital gain or loss.

**Securities Held Through Foreign Accounts**

Under the “Hiring Incentives to Restore Employment Act” (the “Act”) and recently proposed regulations, a 30% withholding tax is imposed on “withholdable payments” and certain “passthru payments” made to foreign financial institutions (and their more than 50% affiliates) unless the payee foreign financial institution agrees, among other things, to disclose the identity of any U.S. individual with an account at the institution (or the institution’s affiliates) and to annually report certain information about such account. “Withholdable payments” include (1) payments of interest (including original issue discount), dividends, and other items of fixed or determinable annual or periodical gains, profits, and income (“FDAP”), in each case, from sources within the United States, and (2) gross proceeds from the sale of any property of a type which can produce interest or dividends from sources within the United States. “Passthru payments” generally are certain payments attributable to withholdable payments. The Act also requires withholding agents making withholdable payments to certain foreign entities that do not disclose the name, address, and taxpayer identification number of any substantial U.S. owners (or certify that they do not have any substantial United States owners) to withhold tax at a rate of 30%. We will treat payments on the securities as withholdable payments for these purposes.

Withholding under the Act described above will apply to all withholdable payments and certain passthru payments without regard to whether the beneficial owner of the payment is a U.S. person, or would otherwise be entitled to an exemption from the imposition of withholding tax pursuant to an applicable tax treaty with the United States or pursuant to U.S. domestic law. Unless a foreign financial institution is the beneficial owner of a payment, it will be subject to refund or credit in accordance with the same procedures and limitations applicable to other taxes withheld on FDAP payments provided that the beneficial owner of the payment furnishes such information as the IRS determines is necessary to determine whether such beneficial owner is a United States owned foreign entity and the identity of any substantial United States owners of such entity. Pursuant to the proposed regulations, the Act’s withholding regime generally will apply to (i) withholdable payments (other than gross proceeds of the type described above) made after December 31, 2013, (ii) payments of gross proceeds of the type described above with respect to a sale or disposition occurring after December 31, 2014, and (iii) passthru payments made after December 31, 2016. Additionally, the provisions of the Act discussed above generally will not apply to obligations (other than an instrument that is treated as equity for U.S. tax purposes or that lacks a stated expiration or term) that are outstanding on January 1, 2013. Thus, if you hold your securities through a foreign financial institution or foreign corporation or trust, a portion of any of your payments made after December 31, 2013 may be subject to 30% withholding.

**Non-U.S. Holders Generally**

In the case of a holder of the securities that is not a U.S. Holder and has no connection with the United States other than holding its securities (a “Non-U.S. Holder”), payments made with respect to the securities will not be subject to U.S. withholding tax, provided that such Non-U.S. Holder complies with applicable certification requirements. Any gain realized upon the sale or other disposition of the securities by a Non-U.S. Holder generally will not be subject to U.S. federal income tax unless (1) such gain is effectively connected with a U.S. trade or business of such Non-U.S. Holder or (2) in the case of an individual, such individual is present in the United States for 183 days or more in the taxable year of the sale or other disposition and certain other conditions are met. Any effectively connected gains described in clause (1) above realized by a Non-U.S. Holder that is, or is taxable as, a corporation for U.S. federal income tax purposes may also, under certain circumstances, be subject to an additional branch profits tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. Non-U.S. Holders should consult their tax advisors regarding the possibility that any portion of the return with respect to the securities could be characterized as dividend income and be subject to U.S. withholding tax.
Non-U.S. Holders that are subject to U.S. federal income taxation on a net income basis with respect to their investment in the securities should refer to the discussion above relating to U.S. Holders.

**Substitute Dividend and Dividend Equivalent Payments**

The Act and recently proposed and temporary regulations treat a “dividend equivalent” payment as a dividend from sources within the United States. Under the Act, unless reduced by an applicable tax treaty with the United States, such payments generally will be subject to U.S. withholding tax. A “dividend equivalent” payment is (i) a substitute dividend payment made pursuant to a securities lending or a sale-repurchase transaction that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, (ii) a payment made pursuant to a “specified notional principal contract” that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, and (iii) any other payment determined by the IRS to be substantially similar to a payment described in the preceding clauses (i) and (ii). Proposed regulations provide criteria for determining whether a notional principal contract will be a specified notional principal contract, effective for payments made after December 31, 2012.

Proposed regulations address whether a payment is a dividend equivalent. The proposed regulations provide that an equity-linked instrument that provides for a payment that is substantially similar to a dividend is treated as a notional principal contract for these purposes. An equity-linked instrument is a financial instrument or combination of financial instruments that references one or more underlying securities to determine its value, including a futures contract, forward contract, option, or other contractual arrangement. Although it is not certain, an equity-linked instrument could include instruments treated as indebtedness for U.S. federal income tax purposes. The proposed regulations consider any payment, including the payment of the purchase price or an adjustment to the purchase price, to be a substantially similar payment (and, therefore, a dividend equivalent payment) if made pursuant to an equity-linked instrument that is contingent upon or determined by reference to a dividend (including payments pursuant to a redemption of stock that gives rise to a dividend) from sources within the United States. The rules for equity-linked instruments under the proposed regulations will be effective for payments made after the rules are finalized. Where the securities reference an interest in a fixed basket of securities or a “customized index,” each security or component of such basket or customized index is treated as an underlying security in a separate notional principal contract for purposes of determining whether such notional principal contract is a specified notional principal contract or an amount received is a substantially similar payment.

We will treat any portion of a payment on the securities that is substantially similar to a dividend as a dividend equivalent payment, which will be subject to U.S. withholding tax, unless reduced by an applicable tax treaty and a properly executed IRS Form W-8 (or other qualifying documentation) is provided. Investors should consult their tax advisors regarding whether payments on the securities constitute dividend equivalent payments.

**U.S. Federal Estate Tax Treatment of Non-U.S. Holders**

The securities may be subject to U.S. federal estate tax if an individual Non-U.S. Holder holds the securities at the time of his or her death. The gross estate of a Non-U.S. Holder domiciled outside the United States includes only property situated in the United States. Individual Non-U.S. Holders should consult their tax advisors regarding the U.S. federal estate tax consequences of holding the securities at death.

**IRS Notice on Certain Financial Transactions**

On December 7, 2007, the IRS and the Treasury Department issued Notice 2008-2, in which they stated they are considering issuing new regulations or other guidance on whether holders of an instrument such as the securities should be required to accrue income during the term of the instrument. The IRS and Treasury Department also requested taxpayer comments on (1) the appropriate method for accruing income or expense (e.g., a mark-to-market methodology or a method resembling the noncontingent bond method), (2) whether income and gain on such an instrument should be ordinary or capital, and (3) whether foreign holders should be subject to withholding tax on any deemed income accrual. Additionally, unofficial statements made by IRS officials have indicated that they will soon be addressing the treatment of prepaid forward contracts in proposed regulations.

Accordingly, it is possible that regulations or other guidance may be issued that require holders of the securities to recognize income in respect of the securities prior to receipt of any payments thereunder or sale thereof. Any regulations or other guidance that may be issued could result in income and gain (either at maturity or upon sale)
in respect of the securities being treated as ordinary income. It is also possible that a Non-U.S. Holder of the securities could be subject to U.S. withholding tax in respect of the securities under such regulations or other guidance. It is not possible to determine whether such regulations or other guidance will apply to your securities (possibly on a retroactive basis). You are urged to consult your tax advisor regarding Notice 2008-2 and its possible impact on you.

Information Reporting Regarding Specified Foreign Financial Assets

The Act and temporary and proposed regulations generally require individual U.S. Holders (“specified individuals”) and “specified domestic entities” with an interest in any “specified foreign financial asset” to file an annual report on new IRS Form 8938 with information relating to the asset, including the maximum value thereof, for any taxable year in which the aggregate value of all such assets is greater than $50,000 on the last day of the taxable year or $75,000 at any time during the taxable year. Certain individuals are permitted to have an interest in a higher aggregate value of such assets before being required to file a report. The proposed regulations relating to specified domestic entities apply to taxable years beginning after December 31, 2011. Under the proposed regulations, “specified domestic entities” are domestic entities that are formed or used for the purposes of holding, directly or indirectly, specified foreign financial assets. Generally, specified domestic entities are certain closely held corporations and partnerships that meet passive income or passive asset tests and, with certain exceptions, domestic trusts that have a specified individual as a current beneficiary and exceed the reporting threshold. Specified foreign financial assets include any depositary or custodial account held at a foreign financial institution; any debt or equity interest in a foreign financial institution if such interest is not regularly traded on an established securities market; and, if not held at a financial institution, (i) any stock or security issued by a non-U.S. person, (ii) any financial instrument or contract held for investment where the issuer or counterparty is a non-U.S. person, and (iii) any interest in an entity which is a non-U.S. person.

Depending on the aggregate value of your investment in specified foreign financial assets, you may be obligated to file an IRS Form 8938 under this provision if you are an individual U.S. Holder. Specified domestic entities are not required to file Form 8938 until the proposed regulations are final. Penalties apply to any failure to file IRS Form 8938. Additionally, in the event a U.S. Holder (either a specified individual or specified domestic entity) does not file such form, the statute of limitations on the assessment and collection of U.S. federal income taxes of such U.S. Holder for the related tax year may not close before the date which is three years after the date such information is filed. You should consult your own tax advisor as to the possible application to you of this information reporting requirement and related statute of limitations tolling provision.

Backup Withholding and Information Reporting

A holder of the securities (whether a U.S. Holder or a Non-U.S. Holder) may be subject to backup withholding with respect to certain amounts paid to such holder unless it provides a correct taxpayer identification number, complies with certain certification procedures establishing that it is not a U.S. Holder or establishes proof of another applicable exemption, and otherwise complies with applicable requirements of the backup withholding rules. Backup withholding is not an additional tax. You can claim a credit against your U.S. federal income tax liability for amounts withheld under the backup withholding rules, and amounts in excess of your liability are refundable if you provide the required information to the IRS in a timely fashion. A holder of the securities may also be subject to information reporting to the IRS with respect to certain amounts paid to such holder unless it (1) is a Non-U.S. Holder and provides a properly executed IRS Form W-8 (or other qualifying documentation) or (2) otherwise establishes a basis for exemption.
Supplemental Plan of Distribution (Conflicts of Interest)

Under the terms and subject to the conditions contained in a distribution agreement dated May 7, 2007, as amended, which we refer to as the distribution agreement, we have agreed to sell the securities to CSSU.

The distribution agreement provides that CSSU is obligated to purchase all of the securities if any are purchased.

CSSU proposes to offer the securities at the offering price set forth on the cover page of this pricing supplement and will receive underwriting discounts and commissions of $25.00 per $1,000 principal amount of securities. CSSU may re-allow some or all of the discount on the principal amount per security on sales of such securities by other brokers or dealers. If all of the securities are not sold at the initial offering price, CSSU may change the public offering price and other selling terms.

In addition, Credit Suisse International, an affiliate of Credit Suisse, may pay referral fees of up to $5.50 per $1,000 principal amount of securities in connection with the distribution of the securities. An affiliate of Credit Suisse has paid or may pay in the future a fixed amount to broker dealers in connection with the costs of implementing systems to support these securities.

We expect that delivery of the securities will be made against payment for the securities on April 18, 2012, which will be the fifth business day following the Trade Date for the securities (this settlement cycle being referred to as T+5). Under Rule 15c6-1 under the Securities Exchange Act of 1934, as amended, trades in the secondary market generally are required to settle in three business days, unless the parties to that trade expressly agree otherwise. Accordingly, purchasers who wish to trade the securities on the Trade Date or the following business day will be required to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement and should consult their own advisors.

The agent for this offering, CSSU, is our affiliate. In accordance with FINRA Rule 5121, CSSU may not make sales in this offering to any of its discretionary accounts without the prior written approval of the customer. A portion of the net proceeds from the sale of the securities will be used by CSSU or one of its affiliates in connection with hedging our obligations under the securities.

For further information, please refer to “Underwriting (Conflicts of Interest)” in the accompanying product supplement.
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Medium-Term Notes

Underlying Supplement for Indices and Exchange-Traded Funds

As part of our Medium-Term Notes program, Credit Suisse AG (“Credit Suisse”) from time to time may offer certain securities (the “securities”), linked to the performance of one or more indices, each of which we refer to as a “reference index,” and/or exchange-traded funds, each of which we refer to as a “reference fund” or to a weighted basket of reference indices and/or reference funds. We refer to such weighted basket as the “basket” and to each reference index and reference fund included in the basket as a “basket component.” We refer generally to any reference index, reference fund and basket component as an “underlying.” References to a “reference index,” “reference fund,” “basket component” and “underlying” are deemed to include reference to any relevant successor underlying.

This prospectus supplement, which we refer to as an “underlying supplement,” describes some of the underlyings to which the securities may be linked. The specific terms of each security offered will be described in the applicable pricing supplement and product supplement.

You should read this underlying supplement, the related prospectus and related prospectus supplement both dated March 23, 2012, the applicable product supplement and pricing supplement, and any applicable free writing prospectus (each, an “offering document” and collectively, the “offering documents”) carefully before you invest. If the terms described in the applicable pricing supplement are different or inconsistent with those described herein (or with those described in the prospectus, prospectus supplement, any applicable product supplement or any applicable free writing prospectus), the terms described in the applicable pricing supplement will control.

This underlying supplement describes only select reference indices and reference funds to which the securities may be linked. We do not guarantee that we will offer securities linked to any of the reference indices or reference funds described herein. In addition, we may offer securities linked to one or more reference indices or reference funds that are not described herein. In such case, we will describe any such additional reference index, reference indices, reference fund or reference funds in the applicable pricing supplement, product supplement or in another underlying supplement.

Please refer to the “Risk Factors” section in the accompanying product supplement and the “Selected Risk Considerations” section in the applicable pricing supplement for risks related to an investment in the securities, as applicable.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities or determined if this underlying supplement or any other offering document to which it relates are truthful or complete. Any representation to the contrary is a criminal offense.

Credit Suisse

The date of this underlying supplement is March 23, 2012.
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THE SECURITIES

We are responsible for the information contained and incorporated by reference in this underlying supplement. As of the date of this underlying supplement, we have not authorized anyone to provide you with different information, and we take no responsibility for any other information others may give you. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information in this document or the accompanying product supplement, prospectus supplement and prospectus is accurate as of any date other than the date on the front of this document.

We are offering securities for sale in those jurisdictions in the United States where it is lawful to make such offers. The distribution of this underlying supplement or the accompanying pricing supplement, product supplement, prospectus supplement or prospectus and the offering of securities in some jurisdictions may be restricted by law. If you possess this underlying supplement and the accompanying pricing supplement, product supplement, prospectus supplement and prospectus, you should find out about and observe these restrictions. This underlying supplement and the accompanying pricing supplement, product supplement, prospectus supplement and prospectus are not an offer to sell the securities and are not soliciting an offer to buy the securities in any jurisdiction where the offer or sale is not permitted or where the person making the offer or sale is not qualified to do so or to any person to whom such offer or sale is not permitted. We refer you to the “Underwriting (Conflicts of Interest)” section of the applicable product supplement and the “Supplemental Plan of Distribution (Conflicts of Interest)” section of the applicable pricing supplement for additional information. If the terms described in the applicable pricing supplement are different or inconsistent with those described herein, the terms described in the applicable pricing supplement will control.

In this underlying supplement and accompanying pricing supplement, product supplement, prospectus supplement and prospectus, unless otherwise specified or the context otherwise requires, references to “we,” “us” and “our” are to Credit Suisse and its consolidated subsidiaries, and references to “dollars” and “$” are to U.S. dollars.

THE REFERENCE INDICES

The securities may be linked to the performance of one or more of the following reference indices. We have derived all information contained in this underlying supplement regarding each reference index, including, without limitation, its composition, its method of calculation and changes in its components and its historical closing values, from publicly available information. We have not participated in the preparation of, or verified, such publicly available information. Such information reflects the policies of, and is subject to change by, the sponsor(s) of each such reference index.

If any Bloomberg symbol for a particular reference index differs from, or is more precise than, any Bloomberg symbol referenced below, we will set forth the different, or more precise, Bloomberg symbol in the relevant pricing supplement. We make no representation or warranty as to the accuracy or completeness of the information obtained from Bloomberg Financial Markets.

Each reference index is developed, calculated and maintained by its respective sponsor(s) and/or publisher. Neither we nor any of the agents have participated in the preparation of such information or made any due diligence inquiry with respect to any reference index, sponsor(s) or publisher. We cannot give any assurance that all events occurring prior to the date of the applicable pricing supplement (including events that would affect the accuracy or completeness of the publicly available information described in the preceding paragraph) that may affect the level of any reference index (and therefore the level of any such reference index at the time we price the securities, as applicable) have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning the sponsor of any reference index could affect the interest, payment at maturity or any other amounts payable, if any, on the securities, as applicable, and therefore the market value of the securities in the secondary market, if any.

You, as an investor in the securities, should make your own investigation into any relevant reference index, sponsor(s) or publisher. The sponsors and publishers are not involved in the offer of the securities in any way and have no obligation to consider your interests as a holder of the securities. The sponsors and/or publishers have no obligation to continue to publish the reference indices, and may discontinue or suspend publication of any reference index at any time in their sole discretion.

The historical performance of a reference index is not an indication of its future performance and future
performance may differ significantly from historical performance, either positively or negatively.

Information contained on certain websites mentioned below is not incorporated by reference in, and should not be considered part of, this underlying supplement or the accompanying prospectus supplement and prospectus.

The NYSE Arca Gold Miners Index

The NYSE Arca Gold Miners Index is a modified market capitalization weighted index comprised of publicly traded companies involved primarily in the mining of gold. The NYSE Arca Gold Miners Index includes common stocks and ADRs of selected companies that are involved in mining for gold and that are listed for trading on the NYSE, the NYSE Arca, Inc. (“NYSE Arca”) or quoted on The NASDAQ Stock Market. Only companies with market capitalization greater than $100 million that have a daily average trading volume of at least 50,000 shares over the past six months are eligible for inclusion in the NYSE Arca Gold Miners Index.

The NYSE Arca Gold Miners Index is calculated using a modified market capitalization weighting methodology. The NYSE Arca Gold Miners Index is weighted based on the market capitalization of each of the component securities, modified to conform to the following asset diversification requirements, which are applied in conjunction with the scheduled quarterly adjustments to the NYSE Arca Gold Miners Index:

1. the weight of any single component security may not account for more than 20% of the total value of the NYSE Arca Gold Miners Index;
2. the component securities are split into two subgroups—large and small—which are ranked by market capitalization weight in the NYSE Arca Gold Miners Index. Large securities are defined as having a NYSE Arca Gold Miners Index weight greater than or equal to 5%. Small securities are defined as having an index weight below 5%; and
3. the aggregate weight of those component securities which individually represent more than 4.5% of the total value of the NYSE Arca Gold Miners Index may not account for more than 50% of the total NYSE Arca Gold Miners Index value.

The NYSE Arca Gold Miners Index is reviewed quarterly so that the components continue to represent the universe of companies involved in the gold mining industry. The NYSE Euronext may at any time and from time to time change the number of securities comprising the group by adding or deleting one or more securities, or replacing one or more securities contained in the group with one or more substitute securities of its choice, if in the NYSE Euronext’s discretion such addition, deletion or substitution is necessary or appropriate to maintain the quality and/or character of the NYSE Arca Gold Miners Index. Changes to the NYSE Arca Gold Miners Index compositions and/or the component share weights in the NYSE Arca Gold Miners Index typically take effect after the close of trading on the third Friday of each calendar quarter month in connection with the quarterly index rebalance.

The NYSE Arca Hong Kong 30 Index

The NYSE Arca Hong Kong 30 Index (“NYSE Arca Hong Kong 30 Index”) is a broad-market index that measures the composite price performance of 30 stocks actively traded on the Hong Kong Stock Exchange (“HKSE”), designed to reflect the movement of the Hong Kong stock market as a whole. The NYSE Arca Hong Kong 30 Index was established June 25, 1993 with a benchmark value of 350.00. The NYSE Arca Hong Kong 30 Index is calculated and disseminated each New York business day based on the most recent official closing price of each of the component stocks as reported by the HKSE and a fixed HK$/US$ exchange rate. The NYSE Arca Hong Kong 30 Index is calculated, maintained and published by the NYSE Arca, an indirect wholly owned subsidiary of the American Stock Exchange LLC (“AMEX” or the “American Stock Exchange”), which completed its merger with NYSE Euronext on October 1, 2008. The combined entity is referred to herein as the “Exchange.” The NYSE Arca Hong Kong 30 Index is reported by Bloomberg under the ticker symbol “HKX.”

Methodology of the NYSE Arca Hong Kong 30 Index

The NYSE Arca Hong Kong 30 Index is calculated by (i) aggregating the market capitalization of each stock comprising the NYSE Arca Hong Kong 30 Index and (ii) dividing such sum by an adjusted base market capitalization or divisor. On June 25, 1993, the market value of the underlying stocks was approximately H.K.$1,152,829,149,500 and the divisor used to calculate the NYSE Arca Hong Kong 30 Index was 3,293,797,570. AMEX selected that particular divisor
number in order, among other things, to ensure that the NYSE Arca Hong Kong 30 Index was set at a general price level consistent with other well recognized stock market indices. The divisor is subject to periodic adjustments as set forth below. The NYSE Arca Hong Kong 30 Index is calculated once each day by AMEX based on the most recent official closing prices of each of the stocks comprising the NYSE Arca Hong Kong 30 Index reported by the HKSE. Pricing of the NYSE Arca Hong Kong 30 Index is disseminated before the opening of trading via the Consolidated Tape Authority Network—B and continuously during each New York business day. The dissemination value, however, will remain the same throughout the trading day because the trading hours of the HKSE do not overlap with New York trading hours. Accordingly, updated price information will be unavailable.

In order to maintain continuity in the level of the NYSE Arca Hong Kong 30 Index in the event of certain changes due to nonmarket factors affecting the stocks comprising the NYSE Arca Hong Kong 30 Index, such as the addition or deletion of stocks, substitution of stocks, stock dividends, stock splits, distributions of assets to stockholders or other capitalization events, the divisor used in calculating the NYSE Arca Hong Kong 30 Index is adjusted in a manner designed to prevent any instantaneous change or discontinuity in the level of the NYSE Arca Hong Kong 30 Index and in order that the value of the NYSE Arca Hong Kong 30 Index immediately after such change will equal the level of the NYSE Arca Hong Kong 30 Index immediately prior to the change. Thereafter, the divisor remains at the new value until a further adjustment is necessary as the result of another change. Nevertheless, changes in the identities and characteristics of the stocks comprising the NYSE Arca Hong Kong 30 Index may significantly affect the behavior of the NYSE Arca Hong Kong 30 Index over time.

**Eligibility Standards for the Inclusion and Maintenance of Component Stocks in the NYSE Arca Hong Kong 30 Index**

NYSE Arca states that it selects securities comprising the NYSE Arca Hong Kong 30 Index based on their market weight, trading liquidity, and representativeness of the business industries reflected on the HKSE. NYSE Arca will require that each NYSE Arca Hong Kong 30 Index component security be one issued by an entity with major business interests in Hong Kong, listed for trading on the HKSE, and have its primary trading market located in a country with which NYSE Arca has an effective surveillance sharing agreement. NYSE Arca will remove any NYSE Arca Hong Kong 30 Index component security that fails to meet any of the foregoing listing and maintenance criteria within 30 days after such a failure occurs. To ensure that the NYSE Arca Hong Kong 30 Index does not consist of a number of thinly-capitalized, low-priced securities with small public floats and low trading volumes, NYSE Arca has established additional listing and maintenance criteria:

- All component securities selected for inclusion in the NYSE Arca Hong Kong 30 Index must have, and thereafter maintain, an average daily capitalization, as calculated by the total number of shares outstanding times the latest price per share (in Hong Kong dollars), measured over the prior six-month period, of at least HK$3 billion (approximately US$380 million);
- All component securities selected for inclusion in the NYSE Arca Hong Kong 30 Index must have, and thereafter maintain, a minimum free float value (total freely tradeable outstanding shares less insider holdings), based on a monthly average measured over the prior three-month period, of US$238 million, although up to, but no more than, three NYSE Arca Hong Kong 30 Index component securities may have a free float value of less than US$238 million but in no event less than US$150 million, measured over the same period;
- All component securities selected for inclusion in the NYSE Arca Hong Kong 30 Index must have, and thereafter maintain, an average daily closing price, measured over the prior six-month period, not lower than HK$2.50; and
- All component securities selected for inclusion in the NYSE Arca Hong Kong 30 Index must have, and thereafter maintain, an average daily trading volume, measured over the prior six month period, of more than one million shares per day, although up to, but no more than, three component securities may have an average daily trading volume, measured over the prior six-month period, of less than one million shares per day, but in no event less than 500,000 shares per day.

NYSE Arca reviews the NYSE Arca Hong Kong 30 Index’s component securities on a quarterly basis, conducted on the last business day in January, April, July and October. Any component security failing to meet the above listing and maintenance criteria is reviewed on the second Friday of the second month following the quarterly
review again to determine compliance with the above criteria. Any NYSE Arca Hong Kong 30 Index component stock failing this second review is replaced by a “qualified” NYSE Arca Hong Kong 30 Index component stock effective upon the close of business on the following Friday, provided, however, that if such Friday is not a business day, the replacement will be effective at the close of business on the first preceding business day. NYSE Arca will notify its membership immediately after it determines to replace an NYSE Arca Hong Kong 30 Index component stock.

The NYSE Arca Hong Kong 30 Index will be maintained by NYSE Arca and will contain at least thirty component stocks at all times. Pursuant to NYSE Arca Rule 5.13, NYSE Arca may change the composition of the NYSE Arca Hong Kong 30 Index at any time in order to reflect more accurately the composition and track the movement of the Hong Kong stock market. Any replacement component stock must also meet the component stock listing and maintenance standards as discussed above. If the number of NYSE Arca Hong Kong 30 Index component securities in the NYSE Arca Hong Kong 30 Index falls below thirty, no new option series based on the NYSE Arca Hong Kong 30 Index will be listed for trading unless and until the Securities and Exchange Commission approves a rule filing pursuant to section 19(b) of the Exchange Act of 1934 reflecting such change.

License Agreement with the Exchange

We have entered into an agreement with the Exchange, providing us and certain of our affiliates or subsidiaries identified in that agreement with a non-exclusive license and, for a fee, with the right to use the NYSE Arca Hong Kong 30 Index, which is owned and published by the Exchange, in connection with certain securities.

The securities are not sponsored, endorsed, sold or promoted by the Exchange (including its affiliates). The Exchange has not passed on the legality or suitability of, or the accuracy or adequacy of descriptions and disclosures relating to the securities. The Exchange makes no representation or warranty, express or implied, to the owners of the securities or any member of the public regarding the advisability of investing in securities generally or in the securities particularly, or the ability of the NYSE Arca Hong Kong 30 Index to track general stock market performance. The Exchange has no relationship to Credit Suisse with respect to the NYSE Arca Hong Kong 30 Index other than the licensing of the NYSE Arca Hong Kong 30 Index and the related trademarks for use in connection with the securities, which index is determined, composed and calculated by the Exchange without regard to Credit Suisse or the securities. The Exchange has no obligation to take the needs of Credit Suisse or the owners of the securities into consideration in determining, composing or calculating the NYSE Arca Hong Kong 30 Index. The Exchange is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of the securities to be issued or in the determination or calculation of the equation by which the securities are to be converted into cash. The Exchange has no liability in connection with the administration, marketing or trading of the securities.

The Exchange is under no obligation to continue the calculation and dissemination of the NYSE Arca Hong Kong 30 Index and the method by which the NYSE Arca Hong Kong 30 Index is calculated and the name “NYSE Arca Hong Kong 30 Index” may be changed at the discretion of the Exchange. No inference should be drawn from the information contained in this underlying supplement that the Exchange makes any representation or warranty, implied or express, to you or any member of the public regarding the advisability of investing in securities generally or in the securities in particular or the ability of the NYSE Arca Hong Kong 30 Index to track general stock market performance. The Exchange has no obligation to take into account your interest, or that of anyone else having an interest in determining, composing or calculating the NYSE Arca Hong Kong 30 Index. The use of and reference to the NYSE Arca Hong Kong 30 Index in connection with the securities have been consented to by the Exchange.

The Exchange disclaims all responsibility for any inaccuracies in the data on which the NYSE Arca Hong Kong 30 Index is based, or any mistakes or errors or omissions in the calculation or dissemination of the NYSE Arca Hong Kong 30 Index.

The DAX Indices

The DAX

The DAX® Index (the “DAX”) comprises the 30 largest and most actively traded companies based in Germany. These companies are selected from the continuously traded companies in the Prime Standard Segment that meet certain selection criteria. To be listed in the Prime Standard, a company must meet minimum statutory requirements, which include the regular publication of financial reports, and must satisfy additional transparency requirements. The reference date of the DAX is December 30, 1987. The DAX is reported by Bloomberg L.P. under the ticker symbol “DAX.”
The DAX is capital weighted, meaning the weight of any individual issue is proportionate to its respective share in the overall capitalization of all index component issuers. The weight of any single company is capped at 10% of the DAX capitalization, measured quarterly. Weighting is based exclusively on the free float portion of the issued share capital of any class of shares involved. Both the number of shares included in the issued share capital and the free float factor are updated on one day each quarter (the “chaining date”). The DAX is a performance (i.e. total return) index, which reinvests all income from dividend and bonus payments in the DAX portfolio. For information concerning the methodology of the DAX, please refer to “Methodology of the DAX Indices” below.

The MDAX

The MDAX® Index (the “MDAX”) comprises 50 mid-cap issuers based in Germany from classic sectors (i.e., sectors other than technology sectors). These companies are selected from the continuously traded companies in the Prime Standard Segment that meet certain selection criteria. To be listed in the Prime Standard, a company must meet minimum statutory requirements, which include the regular publication of financial reports, and must satisfy additional transparency requirements. The reference date of the MDAX is December 30, 1987. The MDAX is reported by Bloomberg L.P. under the ticker symbol “MDAX.”

The MDAX is capital-weighted, meaning the weight of any individual issue is proportionate to its respective share in the overall capitalization of all index component issuers. The weight of any single company is capped at 10% of the MDAX capitalization, measured quarterly. Weighting is based exclusively on the free float portion of the issued share capital of any class of shares involved. Both the number of shares included in the issued share capital and the free float factor are updated on one day each quarter (the “chaining date”). The MDAX is a performance (i.e. total return) index, which reinvests all income from dividend and bonus payments in the MDAX portfolio. For information concerning the methodology of the MDAX, please refer to “Methodology of the DAX Indices” below.

Methodology of the DAX Indices

The Working Committee for Equity Indices and the Management Board of Deutsche Börse

The Working Committee for Equity Indices (the “Committee”) advises Deutsche Börse AG (“Deutsche Börse” or the “index sponsor”) on all issues related to the DAX and the MDAX (together, the “DAX Indices”), recommending measures that are necessary in order to ensure the relevance of the DAX Indices range and the correctness and transparency of the DAX Indices calculation process. In accordance with the various rules, the Committee pronounces recommendations in respect of the composition of the DAX Indices. However, any decisions on the composition of and possible modifications to the DAX Indices are exclusively taken by the Management Board of Deutsche Börse (the “Board”). Such decisions are published in a press release and on Deutsche Börse’s publicly available website at www.deutsche-boerse.com in the evening after the Committee has concluded its meeting. Information contained in Deutsche Börse’s website is not incorporated by reference in, and should not be considered a part of, this pricing supplement. We make no representation or warranty as to the accuracy or completeness of information contained on Deutsche Börse’s website.

The Committee’s meetings usually take place on the third trading day in each of March, June, September and December. The date for the respective next meeting is announced via a press release on Deutsche Börse’s website on the evening of the current meeting.

The so-called “equity index ranking” is published monthly by Deutsche Börse, containing all relevant data in respect of the key criteria order book turnover and market capitalization. This publication also serves the Committee as a basis for decision-making at its quarterly meetings. It is produced at the beginning of each month and published via the Internet.
Free Float

For the determination of the free float portion used to weight a company’s class of shares in the DAX and for the ranking lists, the following definition applies:

1. All shareholdings of an owner which, on an accumulated basis, account for at least 5% of a company’s share capital attributed to a class of shares are considered to be non-free float. Shareholdings of an owner also include shareholdings:
   - held by the family of the owner as defined by section §15a of the German Securities Trading Act (“WpHG”);
   - for which a pooling has been arranged in which the owner has an interest;
   - managed or kept in safe custody by a third party for account of the owner; and
   - held by a company which the owner controls as defined by section 22(3) of the German Securities Trading Act (“WpUG”).

2. The definition of “non-free float”—irrespective of the size of a shareholding—covers any shareholding of an owner that is subject to a statutory or contractual qualifying period of at least six months with regard to its disposal by the owner. This applies only during the qualifying period. Shareholdings as defined by No. 1 above are counted as shareholdings for the calculation according to No. 1. Shares held by the issuing company (treasury shares) are always considered as block holdings and are not part of the free float of the share class.

3. As long as the size of such a shareholding does not exceed 25% of a company’s share capital, the definition of free float includes all shareholdings held by:
   - asset managers and trust companies;
   - investment funds and pension funds; and
   - capital investment companies or foreign investment companies in their respective special fund assets.
   with the purpose of pursuing short-term investment strategies. Such shares, for which the acquirer has at the time of purchase clearly and publicly stated that strategic goals are being pursued and that the intention is to actively influence the company policies and ongoing business of the company, are not considered as such a short-term investment. In addition, shares having been acquired through a public purchase offer are not considered as short-term investment. This does not apply to shareholdings managed or held in safe custody according to No. 1, or to venture capital companies, or other assets serving similar purposes. The shareholdings as defined by No. 1 above are not counted as shareholdings for the calculation according to No. 1.

4. In the case of an ongoing takeover, shares that are under the control of the overtaking companies via derivatives will also be considered for the determination of the stock’s free float. The derivatives need to be subject to registration according to legislation in WpHG and WpUG.

The various criteria in Nos. 1 to 4 are also fully applied to classes of shares that are subject to restrictions of ownership.
Index Composition

Selection Criteria

To be included or to remain in the DAX Indices, companies have to satisfy certain prerequisites. All classes of the company’s shares must:

- be listed in the Prime Standard Segment on the Frankfurt Stock Exchange;
- be traded continuously on Deutsche Börse’s electronic trading system Xetra®;
- show a free float portion of at least 10%; and
- for inclusion in the MDAX, belong to a sector or subsector that is assigned to the “Classic” (i.e. non-technology) area.

If, for any company, more than one class of shares fulfils the above criteria, only the respective larger or more liquid class can be included in the DAX Indices. Moreover, companies must either:

- have their headquarters (or operating headquarters) in Germany; or
- have a major share of the stock exchange turnover at the Frankfurt Stock Exchange and their juristic headquarters in the European Union or in a European Free Trade Association state.

Operating headquarters is defined as the location of management or company administration, in part or in full. If a company has its operating headquarters in Germany, but not its registered office, this must be publicly identified by the company. The primary trading turnover requirement is met if at least 33% of aggregate turnover for each of the last three months took place on the Frankfurt Stock Exchange, including Xetra®.

To preserve the character of the DAX Indices, the Board reserves the right to exclude certain companies from the DAX Indices in coordination with the Committee. One possible reason for such an exclusion could be that the applicable company is a foreign holding company with headquarters in Germany, but a clear focus on business activities abroad.

Companies that satisfied the prerequisites listed above are selected for inclusion in the DAX according to the following two key criteria:

- order book turnover on Xetra® and in Frankfurt floor trading (within the preceding twelve months); and
- free float market capitalization (determined using the average of the volume-weighted average price (“VWAP”) of the last 20 trading days prior to the last day of the month) as at a certain reporting date (the last trading day of each month).

In addition, for the MDAX, the following factors influence the decision-making process:

- the free float;
- market availability (measured on the basis of trading volumes, frequency of price determination, exchange turnover or the Xetra® Liquidity Measure);
- sector affiliation; and
- the period during which a company has met the criteria for inclusion in, or elimination from, the MDAX (retroactive view).

Taking these criteria into account, the Committee submits proposals to the Board to leave the current composition of the DAX Indices unchanged or to effect changes. The final decision as to whether or not to replace an index component issue is taken by the Board. Such decisions will be directly reflected in the respective rankings.
Adjustments to Index Composition

Ordinary adjustments to the DAX are made once each year in September, based on the following criteria:

- **Regular Exit (40/40 rule):** an index component issue is removed from the DAX if its ranking in either exchange turnover or market capitalization is worse than 40, provided that there is an advancing issue ranking 35 or better in both criteria.

- **Regular Entry (30/30 rule):** a company can be included in the DAX if it ranks 30 or better in both exchange turnover and market capitalization, provided there is an index component with a ranking worse than 35 in at least one criterion.

Furthermore, under the “fast-entry” and “fast-exit” rules, which are applied in March, June, September and December:

- **Fast Exit (45/45 rule):** an index component issue is removed from the DAX if its ranking in either exchange turnover or market capitalization is worse than 45, provided that an advancing issue ranks 35 or better in both criteria (35/35). If no such issue exists, the successor is determined by applying the criteria (35/40) and (35/45) successively. If no suitable issue can be found, no substitution will be carried out.

- **Fast Entry (25/25 rule):** a company can be included in the DAX if it ranks 25 or better in both exchange turnover and market capitalization. In return, the index component issue with a ranking worse than 35 in one criterion and the lowest market capitalization is removed. Where no such issue exists, the respective component issue with the lowest market capitalization is removed from the DAX instead.

In cases where there are several companies meeting the criteria for any of the above rules, the best and worst candidates according to market capitalization are included or removed from the DAX, respectively. In exceptional cases, including takeovers announced at short notice or significant changes in a company’s free float, the Board may—in agreement with the Committee—deviate from these rules.

Ordinary adjustments to the MDAX are made each year in March and September, based on the following criteria:

- **Regular Exit (60/60 rule):** an index component issue can be removed from the MDAX if its ranking in either exchange turnover or market capitalization is worse than 60.

- **Regular Entry (60/60 rule):** a company can be included in the MDAX if it ranks 60 or better in both exchange turnover and market capitalization.

Replacements can take place if only one of the two criteria listed above is met.

Furthermore, under the “fast-entry” and “fast-exit” rules, which are applied in March, June, September and December:

- **Fast Exit (75/75 rule):** an index component issue can be removed from the MDAX if its ranking in either exchange turnover or market capitalization is worse than 75.

- **Fast Entry (40/40 rule):** a company can be included in the MDAX if it ranks 40 or better in both exchange turnover and market capitalization.

Based on the rankings and further criteria involved, the Committee recommends in these cases if—and if so, against which issuer—such company is to be admitted to the applicable DAX Index.

Finally, extraordinary adjustments to the index composition have to be performed, regardless of the “fast-exit” or “fast-entry” rules, upon occurrence of specific events, such as insolvency. In addition, a company can be removed immediately if its index weight based on the actual market capitalization exceeds 10% and its annualized 30-day volatility exceeds 250%. The relevant figures are published by Deutsche Börse on a daily basis. The Board, in agreement with the Committee, may decide on the removal and may replace the company two full trading days after the
Adjustments are also necessary in two scenarios in the mergers and acquisitions context:

- if an absorbing or emerging company meets basis criteria for inclusion in the applicable DAX Index, as soon as the free float of the absorbed company falls below 10%, the company is removed from the applicable DAX Index under the ordinary or extraordinary adjustments described above. The absorbed company is replaced by the absorbing or emerging company on the same date; and

- if an absorbing company is already included in the applicable DAX Index or does not meet the basis criteria for inclusion in the applicable DAX Index, as soon as the free float of the absorbed company falls below 10%, the company is removed from the applicable DAX Index under the ordinary or extraordinary adjustments described above. On the same date, the absorbed company is replaced by a new company determined by the Fast Exit Rule (for the DAX) or after recommendation of the Committee (for the MDAX).

The weight of the company represented in the applicable DAX Index is adjusted to the new number of shares on the quarterly date after the merger has taken place.

**Index Calculation**

The DAX Indices are weighted by market capitalization; however, only freely available and tradable shares (“free-float”) are taken into account. The DAX Indices are performance (i.e. total return) indices, which reinvests all income from dividend and bonus payments in the applicable DAX Index portfolio.

**The DAX Indices Formula**

The DAX Indices are conceived according to the Laspeyres formula set out below:

\[
\text{Index}_t = K_T \times \frac{\sum p_i \times \text{ff}_{i,T} \times q_{i,T} \times c_i}{\sum p_{i,0} \times q_{i,0}} \times \text{Base}
\]

whereby:

- \(c_i\) = Adjustment factor of company \(i\) at time \(t\)
- \(\text{ff}_{i,T}\) = Free float factor of share class \(i\) at time \(T\)
- \(n\) = Number of shares in the applicable DAX Index
- \(p_{i,0}\) = Closing price of share \(i\) on the trading day before the first inclusion in the applicable DAX Index
- \(p_{i,T}\) = Price of share \(i\) at time \(t\)
- \(q_{i,0}\) = Number of shares of company \(i\) on the trading day before the first inclusion in the applicable DAX Index
- \(q_{i,T}\) = Number of shares of company \(i\) at time \(T\)
- \(t\) = Calculation time of the applicable DAX Index
- \(K_T\) = Applicable DAX Index chaining factor valid as of chaining date \(T\)
- \(T\) = Date of the last chaining

The formula set out below is equivalent in analytic terms, but designed to achieve relative weighting:
Index calculation can be reproduced in simplified terms by using the expression $F_i$: 

- Multiply the current price by the respective $F_i$ weighting factor;
- Take the sum of these products; and
- Divide this by the base value ($A$) which remains constant until a modification in the applicable DAX Index composition occurs.

The $F_i$ factors provide information on the number of shares required from each company to track the underlying Index portfolio.

**Calculation Frequency**

Index calculation is performed on every exchange trading day in Frankfurt, using prices traded on Deutsche Börse’s electronic trading system Xetra®, whereby the last determined prices are used. The DAX Indices are calculated continuously once a second. The DAX is distributed as soon as current prices are available for all 30 index components included in the DAX (but no later than 9:03 a.m.). As long as opening prices for individual shares are not available, the particular closing prices of the previous day are taken instead for calculating the indices.

In the event of a suspension during trading hours, the last price determined before such a suspension is used for all subsequent computations. If such suspension occurs before the start of trading, the closing price of the previous day is taken instead. The “official” closing index level is calculated using the respective closing prices (or last prices) established on Xetra®.

**Adjustments**

The DAX Indices are adjusted for exogenous influences (e.g. price-relevant capital changes) by means of certain correction factors, assuming a reinvestment according to the “opération blanche.” If the absolute amount of the accumulated distributions (dividends, bonus and special distributions, spin-offs or subscription rights on other security-classes) between two regular chaining dates accounts for more than 10% of the market capitalization of the distributing company on the day before the first distribution, the part of the distribution exceeding the 10% will not be reinvested in a single stock but in the overall index portfolio per unscheduled chaining date.

**Licensing Agreement with Deutsche Börse**

The DAX Indices are a registered trademark of Deutsche Börse. The securities are neither sponsored nor promoted, distributed or in any other manner supported by Deutsche Börse (the “licensor”). Neither the publication of
the DAX Indices by the licensor nor the granting of a license regarding the DAX Indices as well as the DAX and MDAX trademarks for the utilization in connection with the securities or other securities or financial products that are derived from the DAX Indices, represents a recommendation by the licensor for a capital investment or contains in any manner a warranty or opinion by the licensor with respect to the attractiveness on an investment in the securities.

The Dow Jones Indices

The Dow Jones Industrial AverageSM

The Dow Jones Industrial AverageSM (the “DJIA”) is a price-weighted index comprised of 30 common stocks selected at the discretion of the editors of *The Wall Street Journal* (the “WSJ”), which is published by Dow Jones & Company, Inc. (the “Dow Jones”), as representative of the broad market of U.S. industry. There are no pre-determined criteria for selection of a component stock except that component companies represented by the DJIA should be established U.S. companies that are leaders in their industries. The DJIA serves as a measure of the entire U.S. market, including such sectors as financial services, technology, retail, entertainment and consumer goods, and is not limited to traditionally defined industrial stocks. The DJIA is reported by Bloomberg under the ticker symbol “INDU.”

Methodology of the DJIA

The DJIA is a price-weighted index, which means an underlying stock’s weight in the DJIA is based on its price per share rather than the total market capitalization of the issuer. The DJIA is designed to provide an indication of the composite performance of 30 common stocks of corporations representing a broad cross-section of U.S. industry. The corporations represented in the DJIA tend to be market leaders in their respective industries and their stocks are typically widely held by individuals and institutional investors.

The DJIA is maintained by an Averages Committee comprised of the Managing Editor of *The Wall Street Journal*, the head of Dow Jones Indexes research and the head of CME Group research. The Averages Committee was created in March 2010, when Dow Jones Indexes became part of CME Group Index Services, LLC, a joint venture company owned 90% by CME Group Inc. and 10% by Dow Jones & Company. Generally, composition changes occur only after mergers, corporate acquisitions or other dramatic shifts in a component's core business. When such an event necessitates that one component be replaced, the entire index is reviewed. As a result, when changes are made they typically involve more than one component. While there are no rules for component selection, a stock typically is added only if it has an excellent reputation, demonstrates sustained growth, is of interest to a large number of investors and accurately represents the sector(s) covered by the average.

Changes in the composition of the DJIA are made entirely by the Averages Committee without consultation with the corporations represented in the DJIA, any stock exchange or any official agency. Although changes to the common stocks included in the DJIA tend to be made infrequently, the underlying stocks of the DJIA may be changed at any time for any reason. The corporations currently represented in the DJIA are incorporated in the United States and its territories and their stocks are listed on the New York Stock Exchange and NASDAQ.

The formula used to calculate divisor adjustments is:

\[ \text{New Divisor} = \frac{\text{Current Divisor \times \frac{\text{Adjusted Sum of Closing Prices}}{\text{Unadjusted Sum of Closing Prices}}}}{1} \]

The Dow Jones U.S. Indices

The Dow Jones U.S. Financials Index

The Dow Jones U.S. Financials Index measures the performance of the financial industry portion of the United States equity market. Dow Jones U.S. Financials Index components are drawn from the Bank, Insurance and Financial Services (including Real Estate) supersectors. The Dow Jones U.S. Financials Index is a subset of the Dow Jones U.S. Index which in turn is a subset of the Dow Jones World Index, a benchmark family that follows some 6,000 stocks from 46 countries. The Dow Jones U.S. Financials Index is reported by Bloomberg under the ticker symbol “DJUSFN.” For information concerning the methodology of the Dow Jones U.S. Financials Index, please refer to “Methodology of the Dow Jones U.S. Indices” below.
The Dow Jones U.S. Real Estate Index

The Dow Jones U.S. Real Estate Index measures the performance of the real estate sector of the United States equity market. Component companies include those that invest directly or indirectly through development, management or ownership of shopping malls, apartment buildings and housing developments; and Real Estate Investment Trusts (“REIT”s) that invest in apartments, office and retail properties. REITs are passive investment vehicles that invest primarily in income-producing real estate or real estate related loans and interests. The Dow Jones U.S. Real Estate Index is reported by Bloomberg under the ticker symbol “DJUSRE.” For information concerning the methodology of the Dow Jones U.S. Real Estate Index, please refer to “Methodology of the Dow Jones U.S. Indices” below.

Methodology of the Dow Jones U.S. Indices

The Dow Jones U.S. Financials Index and the Dow Jones U.S. Real Estate Index (each a “Dow Jones U.S. Index, and together, the “Dow Jones U.S. Indices”) are market capitalization-weighted indices published by Dow Jones in which only the shares of each company that are readily available to investors—the “float”—are counted. Dow Jones U.S. Index component candidates must be common shares or other securities that have the characteristics of common equities. All classes of common shares, both fully and partially paid, are eligible. Fixed-dividend shares and securities such as convertible notes, warrants, rights, mutual funds, unit investment trusts, closed-end fund shares, and shares in limited partnerships are not eligible. Temporary issues arising from corporate actions, such as “when-issued” shares, are considered on a case-by-case basis when necessary to maintain continuity in a company’s index membership. REITs, listed property trusts and similar real-property-owning pass-through structures taxed as REITs by their domiciles also are eligible. Multiple classes of shares are included if each issue, on its own merit, meets the other eligibility criteria.

Securities that have had more than ten nontrading days during the past quarter are excluded. Stocks in the top 95% of the index universe by free float market capitalization are selected as components of the U.S. Index, skipping stocks that fall within the bottom 1% of the universe by free float market capitalization and within the bottom .01% of the universe by turnover.

To be included in the Dow Jones U.S. Financials Index, the issuer of the component securities must be classified in the financials industry as maintained by the Industry Classification Benchmark (“ICB”).

The Dow Jones U.S. Indices are reviewed by Dow Jones on a quarterly basis. Shares outstanding totals for component stocks are updated during the quarterly review. However, if the number of outstanding shares for an index component changes by more than 10% due to a corporate action, the shares total will be adjusted immediately after the close of trading on the date of the event. Whenever possible, Dow Jones will announce the change at least two business days prior to its implementation. Changes in shares outstanding due to stock dividends, splits and other corporate actions also are adjusted immediately after the close of trading on the day they become effective. Quarterly reviews are implemented during March, June, September and December. Both component changes and share changes become effective at the opening on the first Monday after the third Friday of the review month. Changes to the Dow Jones U.S. Indices are implemented after the official closing values have been established. All adjustments are made before the start of the next trading day. Constituent changes that result from the periodic review will be announced at least two business days prior to the implementation date. In addition to the scheduled quarterly review, the Dow Jones U.S. Indices are reviewed on an ongoing basis. Changes in index composition and related weight adjustments are necessary whenever there are extraordinary events such as delistings, bankruptcies, mergers or takeovers involving index components. In these cases, each event will be taken into account as soon as it is effective. Whenever possible, the changes in the index components will be announced at least two business days prior to their implementation date. In the event that a component no longer meets the eligibility requirements, it will be removed from the Dow Jones U.S. Indices. You can find a list of the companies whose common stocks are currently included in the Dow Jones U.S. Indices on the Dow Jones website. Information included in such website is not a part of this underlying supplement.

Background on the ICB

ICB, a joint classification system launched by FTSE Group and Dow Jones U.S. Indices offers broad, global coverage of companies and securities and classifies them based on revenue, not earnings. ICB classifies stocks into groups of 10 industries, 19 supersectors, 41 sectors and 114 subsectors. The Financials industry is composed of the Banks supersector, the Insurance supersector and the Financial Services supersector. The Bank supersector includes companies in the Bank sector, the Insurance supersector includes companies in the nonlife insurance and life insurance sectors and the Financial Services supersector includes companies in the real estate, general financial, equity investment instruments and nonequity investment instrument sectors.
Calculation and Adjustments

Input Data Sources

Real-time stock prices are provided by Reuters, with the latest trading price used for index calculation. The number of shares is determined separately for each class of stock. This information is obtained from regulatory filings and a variety of data vendors or from the companies themselves. Corporate actions are sourced from public news services, regulatory filings, data vendors and the companies themselves. Float data are obtained from a variety of sources including data vendors, exchanges, regulators and the companies themselves.

Index Formula

The Dow Jones U.S. Indices are calculated using a Laspeyres formula. This formula is used for the calculation of the price return index. The only difference is that the divisor $D_t$ is different for the two indexes. The index is computed as follows:

$$\text{Index}_t = \frac{\sum_{i=1}^{n} (p_{it} \times q_{it})}{C_t \times \sum_{i=1}^{n} (p_{i0} \times q_{i0})} \times \text{Base Index Value} = \frac{M_t}{B_t} \times \text{Base Index Value}$$

The above mentioned formula can be simplified as follows:

$$\text{Index}_t = \frac{M_t}{D_t}$$

where:

- $D_t$ = divisor at time (t)
- $B_t$ = Base Index Value
- $n$ = the number of stocks in the index
- $P_{i0}$ = the closing level of stock $i$ at the base date (December 31, 1991)
- $q_{i0}$ = the number of shares of company $i$ at the base date (December 31, 1991)
- $P_{it}$ = the price of stock $i$ at time (t)
- $q_{it}$ = the number of shares of company $i$ at time (t)
- $C_t$ = the adjustment factor for the base date market capitalization
- $T$ = the time the index is computed
- $M_t$ = market capitalization of the index at time (t)
- $B_t$ = adjusted base date market capitalization of the index at time (t)

Dividend payments are not taken into account in the price index, whereas dividend payments are reinvested in the index sample of the total return index. Any dividend larger than 10% of the equity price is considered a special dividend, which requires a divisor adjustment. The adjustment protects the index from the effects of changes in index composition and the impact of corporate actions.

Divisor Adjustments

Corporate actions affect the share capital of component stocks and therefore trigger increases or decreases in the index. To avoid distortion, the divisor of the index is adjusted accordingly. Changes in the index’s market capitalization due to changes in the composition (additions, deletions or replacements), weighting (following quarterly reviews or changes of more than 10% in a single component’s share number) or corporate actions (mergers, spinoffs, rights offerings, repurchase of shares, public offerings, return of capital, or special cash or stock distributions of other stocks) result in a divisor change to maintain the index’s continuity. By adjusting the divisor, the index value retains its continuity before and after the event.
**Formulae for Divisor Adjustment**

The following formulae will be used for divisor adjustments. (Note: No divisor adjustments are necessary for stock splits, since market capitalization does not change and the share number and share price are adjusted prior to the opening of trading on the split’s ex-date.)

\[
D_{t+1} = D_t \times \frac{\sum (p_{it} \times q_{it}) + \Delta MC_{t+1}}{\sum (p_{it} \times q_{it})}
\]

- **Dt** = divisor at time (t)
- **Dt+1** = divisor at time (t+1)
- **Pit** = stock price of company i at time (t)
- **qit** = number of shares of company i at time (t)
- **ΔMCt+1** = add new component’s market capitalization and adjusted market capitalization (calculated with adjusted closing levels and shares effective at time t+1) and/or minus market capitalization of companies to be deleted (calculated with closing levels and shares at time t). If the current trading price of an issue is unavailable, the previous trading session’s closing level is used. However, if the issue is affected by any corporate action that requires an adjustment, then the adjusted price is used.

**Adjustments for Corporate Actions**

An index divisor may decrease (↓) or increase (↑) or keep constant (●) when corporate actions occur for a component stock. Assuming shareholders receive “B” new shares for every “A” share held for the following corporate actions:

**DIVISOR: ↓**

- **A) Cash dividend (applied for return index only)**
  adjusted price = closing level − dividend announced by the company

**DIVISOR: ↓**

- **B) Special Cash dividend (applied for price return index only)**
  adjusted price = closing level − dividend announced by the company

**DIVISOR: ▲**

- **C) Split and Reverse Split**
  adjusted price = closing level * A / B
  new number of shares = old number of shares * B / A

**DIVISOR: ↑**

- **D) Rights Offering**
  adjusted price = (closing level * A + subscription price * B) / (A + B)
  new number of shares = old number of shares * (A + B) / A

**DIVISOR: ▲**

- **E) Stock Dividend**
  adjusted price = closing level * A / (A + B)
  new number of shares = old number of shares * (A + B) / A

**DIVISOR: ↓**

- **F) Stock Dividend of a Different Company Security**
  adjusted price = (closing level * A − price of the different company security * B) / A

**DIVISOR: ↓**

- **G) Return of Capital and Share Consolidation**
  adjusted price = (closing level − dividend announced by company) * A / B
  new number of shares = old number of shares * B / A

**DIVISOR: ↓**

- **H) Repurchase Shares-Self-Tender**
  adjusted price = [(price before tender * old number of shares) − (tender price * number of tendered shares)] / (old number of shares − number of tendered shares)
  new number of shares = old number of shares − number of tendered shares

**DIVISOR: ↓**

- **I) Spinoff**
  adjusted price = (closing level * A − price of spun-off shares * B) / A

**DIVISOR: ↑**

- **J) Combination Stock Distribution (Dividend or Split) and Rights Offering**
  Shareholders receive B new shares from the distribution and C new shares from the rights offering for every A shares held:
● If rights are applicable after stock distribution (one action applicable to other) adjusted price =
  \[\text{closing level} \times A + \text{subscription price} \times C \times (1 + B / A) / ((A + B) \times (1 + C / A))\]
new number of shares = old number of shares \(\times (A + B) \times (1 + C / A) / A\)

● If stock distribution is applicable after rights (one action applicable to other) adjusted price =
  \[\text{closing level} \times A + \text{subscription price} \times C / ((A + C) \times (1 + B / A))\]
new number of shares = old number of shares \(\times (A + C) \times (1 + B / A) / A\)

DIVISOR: ↑

K) Stock Distribution and Rights (Neither Action is Applicable to the Other)
adjusted price = \(\text{closing level} \times A + \text{subscription price} \times C / (A + B + C)\)
new number of shares = old number of shares \(\times (A + B + C) / A\)

Computational Precision

The value of Dow Jones U.S. Indices are rounded to two decimal places and divisors are rounded to integers. Any values derived by the index calculation engine from a corporate action used for the divisor adjustments and index computations are rounded to seven decimal places.

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The EURO STOXX 50\textsuperscript{®} Index

The EURO STOXX 50\textsuperscript{®} Index is composed of 50 component stocks of market sector leaders from within the 19
EURO STOXX® Supersector indices, which represent the Eurozone portion of the STOXX Europe 600® Supersector indices. The STOXX Europe 600® Supersector indices contain the 600 largest stocks traded on the major exchanges of 18 European countries. The EURO STOXX 50® Index was created by STOXX Limited, a joint venture between Deutsche Börse AG and SIX Group AG. Publication of the EURO STOXX 50® Index began on February 26, 1998, based on an initial EURO STOXX 50® Index value of 1,000 at December 31, 1991. The EURO STOXX 50® Index is published in The Wall Street Journal and disseminated on the STOXX Limited website, which sets forth, among other things, the country and industrial sector weightings of the securities included in the EURO STOXX 50® Index and updates these weightings at the end of each quarter. The EURO STOXX 50® Index is reported by Bloomberg under the ticker symbol “SX5E.”

On March 1, 2010, STOXX Limited announced the removal of the “Dow Jones” prefix from all of its indices, including the EURO STOXX 50® Index.

**Methodology of the EURO STOXX 50® Index**

The composition of the EURO STOXX 50® Index is reviewed annually, based on the closing stock data on the last trading day in August. The component stocks are announced the first trading day in September. Changes to the component stocks are implemented on the third Friday in September and are effective the following trading day. The composition of the EURO STOXX 50® Index is also reviewed monthly to ensure that component stocks still remain eligible for inclusion. Any resulting changes from the monthly review are implemented on the close of the fifth trading day following the monthly review and are effective the next trading day. Changes in the composition of the EURO STOXX 50® Index are made to ensure that the EURO STOXX 50® Index includes 50 market sector leaders from within the EURO STOXX® Index. A current list of the issuers that comprise the EURO STOXX 50® Index is available on the STOXX Limited website. Information contained in the STOXX Limited website is not incorporated by reference in, and should not be considered a part of, this underlying supplement or any pricing supplement.

The free float factors for each component stock used to calculate the EURO STOXX 50® Index, as described below, are reviewed, calculated and implemented on a quarterly basis and are fixed until the next quarterly review. Each component’s weight is capped at 10% of the EURO STOXX 50® Index’s total free float market capitalization.

The EURO STOXX 50® Index is also reviewed on an ongoing basis. Corporate actions (including initial public offerings, mergers and takeovers, spin-offs, delistings and bankruptcy) that affect the EURO STOXX 50® Index composition are immediately reviewed. Any changes are announced, implemented and effective in line with the type of corporate action and the magnitude of the effect.

**Computation of the EURO STOXX 50® Index**

The EURO STOXX 50® Index is calculated with the “Laspeyres formula,” which measures the aggregate price changes in the component stocks against a fixed base quantity weight. The formula for calculating the EURO STOXX 50® Index value can be expressed as follows:

\[
\text{Index} = \frac{\text{free float market capitalization of the EURO STOXX 50® Index}}{\text{divisor}}
\]

The “free float market capitalization of the EURO STOXX 50® Index” is equal to the sum of the products of the closing price, market capitalization and free float factor for each component stock as of the time the EURO STOXX 50® Index is being calculated.

The EURO STOXX 50® Index is also subject to a divisor, which is adjusted to maintain the continuity of EURO STOXX 50® Index values despite changes due to corporate actions. The following is a summary of the adjustments to any component stock made for corporate actions and the effect of such adjustment on the divisor, where shareholders of the component stock will receive “B” number of shares for every “A” share held (where applicable). The divisor may increase (↑), decrease (↓) or be held constant (○).

**DIVISOR:** ↓  
A) Cash dividend  
adjusted price = closing price − announced dividend * (1 − withholding tax)  

B) Special Cash dividend (applied for price return index only)  
adjusted price = closing price − announced dividend * (1 − withholding tax)
DIVISOR: ○ **C) Split and Reverse Split**
adjusted price = closing price * A / B
new number of shares = old number of shares * B / A

DIVISOR: ↑ **D) Rights Offering**
adjusted price = (closing price * A + subscription price * B) / (A + B)
new number of shares = old number of shares * (A + B) / A

DIVISOR: ○ **E) Stock Dividend**
adjusted price = closing price * A / (A + B)
new number of shares = old number of shares * (A + B) / A

DIVISOR: ↓ **F) Stock Dividend of a Different Company Security**
adjusted price = (closing price * A − price of the different company security * B) / A

DIVISOR: ↓ **G) Return of Capital and Share Consolidation**
adjusted price = (closing price − capital return announced by company * (1 − withholding tax)) * A / B
new number of shares = old number of shares * B / A

DIVISOR: ↓ **H) Repurchase Shares-Self-Tender**
adjusted price = ((price before tender * old number of shares) − (tender price * number of tendered shares)) / (old number of shares − number of tendered shares)
new number of shares = old number of shares − number of tendered shares

DIVISOR: ↑ **I) Spinoff**
adjusted price = (closing price * A − price of spun-off shares * B) / A

DIVISOR: ↑ **J) Combination Stock Distribution (Dividend or Split) and Rights Offering**
Shareholders receive B new shares from the distribution and C new shares from the rights offering for every A shares held:

● **If rights are applicable after stock distribution (one action applicable to other)**
adjusted price = [closing price * A + subscription price * C * (1 + B / A)] / [(A + B) * (1 + C / A)]
new number of shares = old number of shares * [(A + B) * (1 + C / A)] / A

● **If stock distribution is applicable after rights (one action applicable to other)**
adjusted price = [closing price * A + subscription price * C] / [(A + C) * (1 + B / A)]
new number of shares = old number of shares * [(A + C) * (1 + B / A)] / A

DIVISOR: ↑ **K) Stock Distribution and Rights (Neither Action is Applicable to the Other)**
adjusted price = [closing price * A + subscription price * C] / [A + B + C]
new number of shares = old number of shares * [A + B + C] / A

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The FTSE Indices

The FTSE™ 100 Index

The FTSE™ 100 Index (the “FTSE 100 Index”) is a free float-adjusted index that measures the composite price performance of stocks of the largest 100 U.K. domiciled companies (determined on the basis of market capitalization) traded on the London Stock Exchange PLC (“LSE”). The 100 stocks included in the FTSE 100 Index (the “FTSE Underlying Stocks”) were selected from a reference group of stocks trading on the LSE which were selected by excluding certain stocks that have low liquidity based on public float, accuracy and reliability of prices, size and number of trading days. The FTSE Underlying Stocks were selected from this reference group by selecting 100 stocks with the largest market value. A list of the issuers of the FTSE Underlying Stocks is available from FTSE International Limited ("FTSE"), a company owned equally by the LSE and the Financial Times Limited (the “FT”). The FTSE 100 Index is reported by Bloomberg under the ticker symbol “UKX.”

The FTSE 100 Index was first calculated on January 3, 1984 with an initial base level index value of 1,000 points. Publication of the FTSE 100 Index began in February 1984. Real-time FTSE indices are calculated on systems managed by Reuters. Prices and FX rates used are supplied by Reuters. The FTSE 100 Index is calculated, published and disseminated by FTSE, and calculated in association with the Institute and the Faculty of Actuaries.

Methodology of the FTSE 100 Index

The FTSE 100 Index is calculated by (i) multiplying the per share price of each stock included in the FTSE 100 Index by the number of outstanding shares, (ii) calculating the sum of all these products (such sum being hereinafter the “FTSE Aggregate Market Value”) as of the starting date of the FTSE 100 Index, (iii) dividing the FTSE Aggregate Market Value by a divisor which represents the FTSE Aggregate Market Value on the base date of the FTSE 100 Index and which can be adjusted to allow changes in the issued share capital of individual underlying stocks including the deletion and addition of stocks, the substitution of stocks, stock dividends and stock splits to be made without distorting the FTSE 100 Index and (iv) multiplying the result by 1,000. Because of such capitalization weighting, movements in share prices of companies with relatively larger market capitalization will have a greater effect on the level of the entire FTSE 100™ than will movements in share prices of companies with relatively smaller market capitalization.

The FTSE 100 Index is reviewed quarterly by an Index Steering Committee of the LSE in order to maintain continuity in the level. Changes to the constituents can be prompted by new listings on the exchange, corporate actions (e.g., mergers and acquisitions) or an increase or decrease in a market capitalization. The FTSE Underlying Stocks may be replaced, if necessary, in accordance with deletion/addition rules which provide generally for the removal and replacement of a stock from the FTSE 100 Index if such stock is delisted or its issuer is subject to a takeover offer that has been declared unconditional or it has ceased, in the opinion of the Index Steering Committee, to be a viable component of the FTSE 100 Index. To maintain continuity, a stock will be added at the quarterly review if it has risen to 90th place or above and a stock will be deleted if at the quarterly review it has fallen to 111th place or below, in each case ranked on the basis of market capitalization. Where a greater number of companies qualify to be interested in the FTSE 100 Index than those qualifying to be deleted, the lowest ranking constituents presently included in the FTSE 100 Index will be deleted to ensure that an equal number of companies are inserted and deleted at the periodic review. Likewise, where a greater number of companies qualify to be deleted than those qualifying to be inserted, the securities of the highest ranking companies which are presently not included in the index will be inserted to match the number of companies being deleted at the periodic review.

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The FTSE/Xinhua China 25™ Index

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The FTSE/Xinhua China 25 Index is quoted in Hong Kong dollars (“HKD”) and currently is based on the 25 largest and most liquid Chinese stocks (called “H” shares and “Red Chip” shares), listed and trading on the HKSE. “H” shares are securities of companies incorporated in the People’s Republic of China and nominated by the Chinese government for listing and trading on the HKSE. “Red Chip” shares are securities of companies incorporated outside of the People’s Republic of China, which are substantially owned, directly or indirectly, by Chinese state-owned enterprises and have the majority of their business interests in mainland China. Both “H” shares and “Red Chip” shares are quoted and traded in Hong Kong Dollars. The FTSE/Xinhua China 25 Index is reported by Bloomberg under the ticker symbol “XIN01.”

Methodology of the FTSE/Xinhua China 25 Index

The FTSE/Xinhua China 25 Index is calculated using the free float index calculation methodology of the FTSE Group. The index is calculated using the following algorithm:

\[
\sum_{d} \left( \frac{(p^n_d \times e^n_d) \times s^n_d \times f^n_d \times c^n_d}{n = 1,2,3, \ldots, n} \right)
\]

where:

- \((n)\) is the number of securities in the FTSE/Xinhua China 25 Index;
- \((p)\) is the latest trade price of the component security “n”;
- \((e)\) is the exchange rate required to convert the security’s home currency into the index’s base currency;
- \((s)\) is the number of shares of the security in issue;
- \((f)\) is the investability weighting, a factor to be applied to each security to allow amendments to its weighting, expressed as a number between 0 and 1, where 1 represents a 100% investability weighting. The investability weighting for each security is published by FTSE;
(c) is the capping factor to be applied to each security to allow its weight within the index to be capped, expressed as a number between 0 and 1 where 1 represents 100%, i.e. no cap. The capping factor is published by the FTSE; and

(d) is the divisor, a figure that represents the total issued share capital of the index at the base date, which may be adjusted to allow for changes in the issued share capital of individual securities without distorting the FTSE/Xinhua China 25 Index.

The FTSE/Xinhua China 25 Index uses actual trade prices for securities with local stock exchange quotations and Reuters real-time spot currency rates for its calculations. Under this methodology, FTSE/Xinhua Index Limited excludes from free floating shares trade investments in a FTSE/Xinhua China 25 Index constituent company by another FTSE/Xinhua China 25 Index constituent company, significant long-term holdings by founders, directors and/or their families, employee share schemes (if restricted), government holdings, foreign ownership limits, and portfolio investments subject to lock-in clauses (for the duration of the clause). Free float restrictions are calculated using available published information. The initial weighting of a FTSE/Xinhua China 25 Index constituent stock is applied in bands, as follows:

Free float less than or equal to 15%........................................ Ineligible for inclusion in the FTSE/Xinhua China 25 Index, unless free float is also greater than 5% and the full market capitalization is greater than US$2.5 billion (or local currency equivalent) and it qualifies in all other respects, in which case its banded free float will be the actual free float rounded up to the next highest whole percentage number.

Free float greater than 15% but less than or equal to 20% ..... 20%
Free float greater than 20% but less than or equal to 30% ..... 30%
Free float greater than 30% but less than or equal to 40% ..... 40%
Free float greater than 40% but less than or equal to 50% ..... 50%
Free float greater than 50% but less than or equal to 75% ..... 75%
Free float greater than 75%..................................................... 100%

These bands are narrow at the lower end, to ensure that there is sufficient sensitivity in order to maintain accurate representation, and broader at the higher end, in order to ensure that the weightings of larger companies do not fluctuate absent a significant corporate event. Following the application of an initial free float restriction, a FTSE/Xinhua China 25 Index constituent stock’s free float will only be changed if its actual free float is more than 5 percentage points above the minimum or 5 percentage points below the maximum of an adjacent band. This 5 percentage point threshold does not apply if the change is greater than one band, i.e. a movement of 10 percentage points for the bands between 20% and 50% and 25 percentage points for the bands between 50% and 100% will not be subject to the 5 percentage point threshold. This 5 percentage point threshold also does not apply if the initial free float is less than 15%. Foreign ownership limits, if any, are applied after calculating the actual free float restriction, but before applying the bands shown above. If the foreign ownership limit is more restrictive than the free float restriction, the precise foreign ownership limit is applied. If the foreign ownership limit is less restrictive or equal to the free float restriction, the free float restriction is applied, subject to the bands shown above. The FTSE/Xinhua China 25 Index is periodically reviewed for changes in free float. These reviews coincide with the quarterly reviews undertaken of the FTSE/Xinhua China 25 Index. Implementation of any changes takes place after the close of the index calculation on the third Friday in March, June, September and December. A stock’s free float is also reviewed and adjusted if necessary following certain corporate events. If the corporate event includes a corporate action which affects the FTSE/Xinhua China 25 Index, any change in free float is implemented at the same time as the corporate action. If there is no corporate action, the change in free float is applied as soon as practicable after the corporate event. Securities must be sufficiently liquid to be traded. The following criteria, among others, are used to ensure that illiquid securities are excluded:

- **Price.** FXI must be satisfied that an accurate and reliable price exists for the purposes of determining the market value of a company. FXI may exclude a security from the FTSE/Xinhua China 25 Index if it considers that an “accurate and reliable” price is not available.

The FTSE/Xinhua China 25 Index uses the last trade prices from the relevant stock exchanges, when available.
• **Liquidity.** Securities in the FTSE/Xinhua China 25 Index will be reviewed annually for liquidity. Securities which do not turnover at least 0.05% of their shares in issue, after the application of any free float restrictions and based on their median daily trade, per month for ten of the twelve months prior to the quarterly review by FXI will not be eligible for inclusion in the FTSE/Xinhua China 25 Index. An existing constituent failing to turnover at least 0.04% of its shares in issue, after the application of any free float restrictions and based on its median daily trade, per month for more than eight of the twelve months prior to the quarterly review will be removed after close of the index calculation on the next trading day following the third Friday in January, April, July and October. Any period when a share is suspended will be excluded from the calculation.

• **New Issues.** New issues must have a minimum trading record of at least three months prior to the date of the review and turnover of a minimum of 0.05% of their shares in issue, after the application of any free float restrictions and based on the median daily trade, per month each month, except in certain circumstances.

The FTSE/Xinhua China 25 Index, like other indices of FXI, is governed by an independent advisory committee that ensures that the index is operated in accordance with its published ground rules, and that the rules remain relevant to the FTSE/Xinhua China 25 Index.

**License Agreement with FTSE/Xinhua Index Limited**

The securities are not in any way sponsored, endorsed, sold or promoted by FXI, FTSE or Xinhua or by the LSE or by FT and neither FXI, FTSE, Xinhua nor the LSE nor FT makes any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FTSE/Xinhua China 25 Index and/or the figure at which the FTSE/Xinhua China 25 Index stands at any particular time on any particular day or otherwise. The FTSE/Xinhua China 25 Index is compiled and calculated by or on behalf of FXI. However, neither FXI or FTSE or Xinhua or the LSE or FT shall be liable (whether in negligence or otherwise) to any person for any error in the FTSE/Xinhua China 25 Index and neither FXI, FTSE, Xinhua or the LSE or FT shall be under any obligation to advise any person of any error therein.

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**The Hang Seng® Indices**

**The Hang Seng® Index**

The Hang Seng® Index is a free-float adjusted market capitalization weighted stock market index of the HKSE and purports to be an indicator of the performance of the Hong Kong stock market. The Hang Seng® Index is calculated, maintained and published by HSI Services Limited (“HSI”), a wholly owned subsidiary of Hang Seng Bank. The Hang Seng® Index was first calculated and published on November 24, 1969. The Hang Seng® Index is reported by Bloomberg L.P. under the ticker symbol “HSI.”

**Hang Seng® Index Composition**

Only companies with their primary listing on the Main Board of the HKSE are eligible as constituents of the Hang Seng® Index. Mainland China enterprises that have an H-share listing in Hong Kong are eligible for inclusion in the Hang Seng® Index when they meet any one of the following conditions: (1) the H-share company has 100% of its ordinary share capital in the form of H-shares which are listed on the HKSE; (2) the H-share company has completed the process of share reform, with the result that there is no unlisted share capital in the company; or (3) for new H-share initial public offerings, the company has no unlisted share capital. For any H-share company included in the Hang Seng® Index, only the H-share portion of the share capital of the company will be used for index calculation, subject to free
float adjustment. H-shares are shares of mainland China companies listed on HKSE.

To be eligible for selection in the Hang Seng® Index, a company: (1) must be among those that constitute the top 90% of the total market capitalization of all eligible shares listed on the HKSE (market value is expressed as an average of the past 12 months); (2) must be among those that constitute the top 90% of the total turnover of all primary listed shares on the HKSE (turnover is aggregated and individually assessed for eight quarterly sub-periods for the past 24 months); and (3) should normally have a listing history of 24 months on the HKSE. From the candidates, final selections are based on the following:

(1) the market capitalization and turnover rankings of the companies;
(2) the representation of the sub-sectors within the Index directly reflecting that of the market; and
(3) the financial performance of the companies.

The Hang Seng Index is reviewed quarterly. A constituent of the Hang Seng® Index will be removed from the Hang Seng® Index if it has been suspended from trading for one month. Such a constituent may be retained in the Hang Seng® Index only in exceptional circumstances if it is believed that it is highly likely that the constituent will resume trading in the near future.

**Hang Seng® Index Calculation**

From September 11, 2006, and phased in over a period of 12 months to September 2007, the calculation methodology of the Hang Seng® Index has been changed from a full market capitalization weighting to a free float-adjusted market capitalization weighting. Under this calculation methodology, the following shareholdings are viewed as strategic in nature and excluded for calculation: shares held by strategic shareholders who individually or collectively control more than 5% of the shareholdings; shares held by directors who individually control more than 5% of the shareholdings; shares held by a Hong Kong-listed company which controls more than 5% of the shareholdings as investments; and shares held by shareholders who individually or collectively represent more than 5% of the shareholdings in the company and with a publicly disclosed lock-up management. A free float adjustment factor representing the proportion of shares that is free floated as a percentage of the issued shares, is rounded up to the nearest 1% for free float adjustment factors below 10% and otherwise to the nearest multiple of 5% for the calculation of the Hang Seng® Index and is updated quarterly.

A cap of 15% on individual stock weightings is applied. A cap factor is calculated quarterly to coincide with the regular update of the free float adjustment factor. Additional re-capping is performed upon constituent changes.

**The Hang Seng® China Enterprises Index**

The Hang Seng China Enterprises Index (“HSCEI”) is a market-capitalization weighted index consisting of all the Hong Kong listed H-shares of Chinese enterprises one year after the first H-share company was listed on the HKSE. H-shares are securities of companies incorporated in the People’s Republic of China and nominated by the Chinese government for listing and trading on the HKSE. The HSCEI was launched on August 8, 1994. The Hang Seng China Enterprises Index is calculated, maintained and published by HSI. The Hang Seng China Enterprises Index was rebased with a value of 2000 as of January 3, 2000. The HSCEI is reported by Bloomberg under the ticker symbol “HSCEI.”

**Hang Seng China Enterprises Index Composition**

In order to be eligible for inclusion in the HSCEI, a company must be an H-share company with its primary listing on the Main Board of the HKSE, and should have been listed for at least one month prior to the review cut-off date. Additionally, all eligible stocks must have had a turnover velocity of at least 0.1% for 10 of the last 12 months. Finally, eligible stocks which are not current constituents of the HSCEI at the time of the review must also have a turnover velocity of at least 0.1% for each of the three months prior to review. Turnover velocity is calculated by dividing the median daily traded shares for a given month by the freefloat-adjusted shares outstanding at the end of such month. Review of the composition of the HSCEI is conducted quarterly.

Eligible stocks are then ranked according to their combined market capitalization, which is calculated by assigning a 50% weight to a company’s average full market capitalization for the last 12 months (or a shorter period for
stocks with a listing history of less than 12 months) and a 50% weight to a company’s average freefloat-adjusted market capitalization for such period. The 40 stocks that have the highest combined market capitalization ranking will be selected as constituents of the HSCEI.

**Hang Seng China Enterprises Index Calculation**

The current index level at the close of each business day is equal to the product of (x) the previous day’s index level and (y) the current aggregate freefloat-adjusted market capitalization of the HSCEI’s constituents divided by the previous day’s aggregate freefloat-adjusted market capitalization of the HSCEI’s constituents. Component stocks in the HSCEI are reviewed quarterly to ensure that no one component stock dominates the HSCEI. If any component stock exceeds 10% of the value of the HSCEI, HSI will cap such component stock’s representation in the HSCEI at 10% until the next review. The following shareholdings are viewed as strategic in nature and are excluded from the Hang Seng China Enterprises Index calculation:

- shares held by strategic shareholder(s) who individually or collectively control more than 30% of the shareholdings;
- shares held by director(s) who individually control more than 5% of the shareholdings;
- shares held by a Hong Kong-listed company that controls more than 5% of the shareholdings as investments; and
- shares held by shareholder(s) who individually or collectively represent more than 5% of the shareholdings in the company and have a publicly disclosed lock-up arrangement.

**Licensing Agreement with HSI Services Limited**

We have entered into an agreement with HSI providing us and certain of our affiliates or subsidiaries identified in that agreement with a non-exclusive license and, for a fee, with the right to use the Hang Seng Index and the Hang Seng China Enterprises Index, which is owned and published by HSI, in connection with certain securities.

The Hang Seng Index and the Hang Seng China Enterprises Index are published and compiled by HSI Services Limited pursuant to a license from Hang Seng Data Services Limited. The mark and name of the Hang Seng Index and the Hang Seng China Enterprises Index are proprietary to Hang Seng Data Services Limited. HSI Services Limited and Hang Seng Data Services Limited have agreed to the use of, and reference to, the Hang Seng Index and Hang Seng China Enterprises Index by Credit Suisse, in connection with the securities, BUT NEITHER HSI SERVICES LIMITED NOR HANG SENG DATA SERVICES LIMITED WARRANTS OR REPRESENTS OR GUARANTEES TO ANY BROKER OR HOLDER OF THE SECURITIES, OR ANY OTHER PERSON (i) THE ACCURACY OR COMPLETENESS OF THE HANG SENG INDEX OR THE HANG SENG CHINA ENTERPRISES INDEX AND THEIR COMPUTATION OR ANY INFORMATION RELATED THERETO; OR (ii) THE FITNESS OR SUITABILITY FOR ANY PURPOSE OF THE HANG SENG INDEX OR THE HANG SENG CHINA ENTERPRISES INDEX OR ANY COMPONENT OR DATA COMPRISED IN THEM; OR (iii) THE RESULTS WHICH MAY BE OBTAINED BY ANY PERSON FROM THE USE OF THE HANG SENG INDEX OR THE HANG SENG CHINA ENTERPRISES INDEX OR ANY COMPONENT OR DATA COMPRISED IN THEM FOR ANY PURPOSE, AND NO WARRANTY OR REPRESENTATION OR GUARANTEE OF ANY KIND WHATSOEVER RELATING TO THE HANG SENG INDEX OR THE HANG SENG CHINA ENTERPRISES INDEX IS GIVEN OR MAY BE IMPLIED. The process and basis of computation and compilation of the Hang Seng Index and the Hang Seng China Enterprises Index and any of the related formula or formulae, constituent stocks and factors may at any time be changed or altered by HSI Services Limited without notice.

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doubt, this disclaimer does not create any contractual or quasi- contractual relationship between any broker, holder or
other person and HSI Services Limited and/or Hang Seng Data Services Limited and must not be construed to have
created such relationship.

The Korea Stock Price Index 200

The Korea Stock Price Index 200 (the “KOSPI 200”) is a capitalization-weighted index of 200 Korean blue-chip stocks which make up a large majority of the total market value of the KRX Stock Market. The KOSPI 200 is the underlying index for stock index futures and options trading. The KOSPI 200 is calculated, maintained and published by the Korea Exchange (“KRX”). The constituent stocks are selected on a basis of the market value of the individual stocks, liquidity and their relative positions in their respective industry groups. The KOSPI 200 is reported by Bloomberg under the ticker symbol “KOSPI2.”

Methodology of the KOSPI 200

All common stocks listed on the KRX as of the periodic realignment date (as defined below) will be included in the selection process, except for the stocks which fall into one of the following categories:

• stocks with administrative issues;
• stocks with liquidation issues;
• stocks issued by securities investment companies;
• stocks that have been listed less than one year as of the last trading day in April of the year in which the periodic review and selection process occurs;
• stocks belonging to the industry groups other than those industry groups listed below;
• a constituent stock merged into a non-constituent stock;
• a company established as a result of a merger between two constituent stocks; and
• any other stocks that are deemed unsuitable to be included in the constituents of the KOSPI 200.

The companies listed on the KOSPI 200 are classified into the following industry groups: (i) fisheries, (ii) mining, (iii) manufacturing, (iv) electricity and gas, (v) construction, (vi) services, (vii) post and communication, and (viii) finance. The constituents of the KOSPI 200 are selected first from the non-manufacturing industry cluster, and then from the manufacturing industry cluster.

The constituents from the non-manufacturing industry cluster are selected in accordance with the following:

• Selection is made in descending order of market capitalization, from large to small, in the same industry group, while ensuring the aggregate market capitalization of the concerned industry group is within 70% of that of all industry groups.
• Notwithstanding the above, the stocks whose ranking of trading volume in descending order is below 85% of the stocks included in deliberation within the same industry group are excluded. In such case, the excluded stock is replaced by a stock that is next in ranking in market capitalization, but satisfies the
trading volume criteria.

The constituents from the manufacturing industry cluster are selected in descending order of market capitalization, while excluding stocks whose ranking of trading volume in descending order is below 85% of the stocks included in the process within the same industry group. The excluded stock is replaced by a stock that is next in ranking in market capitalization, but satisfies the trading volume criteria.

Notwithstanding anything above, a stock whose market capitalization is within the top 50 in terms of market capitalization may be included in the constituents of the KOSPI 200, by taking into consideration the influence that its industry group has on the KOSPI 200, as well as the liquidity of that stock. Stocks to be placed on the replacement list are selected from the stocks included for deliberation, excluding those already selected as constituents of the KOSPI 200.

**Computation of the KOSPI 200**

The KOSPI 200 is computed by multiplying (i) the market capitalization as of the calculation time divided by the market capitalization as of the base date, by (ii) 100. The base date of the KOSPI 200 is January 3, 1990 with a base index of 100. Market capitalization is obtained by multiplying the number of listed common shares of the constituents by the price of the concerned common share.

If the number of listed shares increases due to rights offering, bonus offering and stock dividend, which accompany ex-right or ex-dividend, such increase is included in the number of listed shares on the ex-right date or ex-dividend date.

Share prices refer to the market price established during the regular trading session. If no trading took place on such day, the quotation price is used and if no quotation price is available, the closing price of the most recent trading day is used.

**Stock Revision**

The constituents of the KOSPI 200 are realigned once a year while observing each of the following:

- An existing constituent will not be removed if the ranking of the market capitalization of such stock in its industry group is no lower than 110% of the number of KOSPI 200 constituents of the same industry group;

- In order to be included in the constituents of the KOSPI 200, the ranking of the market capitalization of a stock must place it within the top 90% of the KOSPI 200 constituents of the same industry group;

- If the ranking of the market capitalization of an existing constituent in its industry group is lower than the ranking of 110% of the number of KOSPI 200 constituents of the same industry group, but there is no stock satisfying the requirement specified in the preceding clause, the existing constituent will not be removed; and

- When removing the existing constituents, a constituent whose ranking of market capitalization within the same industry group is the lowest will be removed first.

The periodic realignment date is the trading day following the day that is the last trading day of June contracts of both the index futures and index options. In the event where a constituent of the KOSPI 200 falls under any of the following cases, that constituent shall be removed from the constituents and the removal date is as follows:

- Delisting: the trading day following the delisting date;

- Designation as administrative issue: the designation date;

- Merger: the day of trading halt; and

- It is determined that the stock is unsuitable as a constituent of the KOSPI 200: the trading day following the day of such determination, which is the last trading day of the nearest month contracts of both the index
futures and index options, after the date of such decision.

When realigning the constituents of the KOSPI 200, the replacement stocks are chosen from the replacement list in accordance with the rank order. In the case of an industry group that has no stock listed on the replacement list, a replacement stock is chosen from the replacement list of manufacturing industry cluster.

The KRX Stock Market

The KRX’s predecessor, the Daehan Stock Exchange, was established in 1956. The KRX is an order-driven market, where buy and sell orders compete for best prices. The KRX seeks to maintain a fair and orderly market for trading and regulates and supervises its member firms.

Throughout the trading hours, orders are matched at a price satisfactory to both buy and sell sides, according to price and time priorities. The opening and closing prices, however, are determined by call auctions: at the market opening and closing, orders received for a certain period of time are pooled and matched at the price at which the largest number of shares can be executed. The KRX uses electronic trading procedures, from order placement to trade confirmation. The KRX is open from 9:00 a.m. to 3:00 p.m., Korean time, during weekdays. Investors can submit their orders from 8:00 a.m., one hour before the market opening. Orders delivered to the market during the period from 8:00 a.m. to 9:00 a.m. are queued in the order book and matched by call auction method at 9:00 a.m. to determine opening prices. After opening prices are determined, the trades are conducted by continuous auctions until 2:50 p.m. (10 minutes before the market closing). Besides the regular session, the KRX conducts pre-hours and after-hours sessions for block trading and basket trading. During pre-hours sessions from 7:30 a.m. to 8:30 a.m., orders are matched at the previous day’s respective closing prices. After-hours sessions are open for 2 hours and 50 minutes from 3:10 p.m. to 6:00 p.m. During after-hours sessions, orders are matched at the closing prices of the day.

On January 26, 2004, the KRX introduced the random-end system at the opening and closing call auctions. The stated purpose of the random-end system is to prevent any distortion in the price discovery function of the KRX caused by “fake” orders placed with an intention of misleading other investors. In cases where the highest or lowest indicative price of a stock set during the last five minutes before the closing time of the opening (or closing) call session, 8:55 a.m. to 9:00 a.m. (or 2:55 p.m. to 3:00 p.m.), deviates from the provisional opening (or closing) price by 5% or more, the KRX delays the determination of the opening (or closing) price of the stock up to five minutes. On January 26, 2011, the KRX expanded the random-end system so that it would also be triggered at closing if the final call price deviated by more than 3% from the previous price, published at 2:50 p.m. The official opening (or closing) price of such stock is determined at a randomly chosen time within five minutes after the regular opening (or closing) time. The KRX makes public the indicative prices during the opening (or closing) call trading sessions. Pooling together all bids and offers placed during the order receiving hours for the opening (or closing) session, 8:00 a.m. to 9:00 a.m. (or 2:50 p.m. to 3:00 p.m.), the indicative opening (or closing) prices of all stocks are released to the public on a real-time basis.

The KRX sets a limit on the range that the price of individual stocks can change during a day. As of June 2004, that limit was set at 15%, which meant that the price of each stock could neither fall nor rise by more than 15% from the previous day’s closing price. In addition, when the price and/or trading activities of a stock are expected to show an abnormal movement in response to an unidentified rumor or news, or when an abnormal movement is observed in the market, the KRX may halt the trading of the stock. In such cases, the KRX requests the company concerned to make a disclosure regarding the matter. Once the company makes an official announcement regarding the matter, trading can resume within an hour; however, if the KRX deems that the situation was not fully resolved by the disclosure, trading resumption may be delayed.

The KRX introduced circuit breakers in December 1998. The trading in the equity markets is halted for 20 minutes when the KOSPI 200 falls by 10% or more from the previous day’s closing and the situation lasts for one minute or longer. The trading resumes by call auction where the orders submitted during the 10 minutes after the trading halt ended are matched at a single price.

License Agreement with Korea Exchange

The securities are not sponsored, endorsed, sold or promoted by KRX, the successor of Korea Stock Exchange who calculates the KOSPI 200 and owns the intellectual property rights over it. KRX makes no representation or warranty, express or implied, to the owners of the securities or any member of the public regarding the advisability of investing in securities generally or in the securities particularly or the ability of the KOSPI 200 to track general stock
market performance. KRX’s only relationship to Credit Suisse is the licensing of certain trademarks and trade names of KRX and of the KOSPI 200 which is determined, composed and calculated by KRX without regard to Credit Suisse or the securities. KRX has no obligation to take the needs of Credit Suisse or the owners of the securities into consideration in determining, composing or calculating the KOSPI 200. KRX is not responsible for and has not participated in the determination of the prices and amount of the securities, or the timing of the issuance or sale of the securities, or in the determination or calculation of the equation by which the securities are to be converted into cash. KRX has no obligation or liability in connection with the administration, marketing or trading of the securities.

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The MSCI Indices

Prices used in calculating the applicable level for the MSCI Australia Index, the MSCI Brazil Index, the MSCI Canada Index, the MSCI Emerging Markets IndexSM, the MSCI EAFE® Index, the MSCI Japan Index, the MSCI Korea Index, the MSCI Singapore Free Index, the MSCI Taiwan Index, the MSCI AC (All Country) Asia ex-Japan Index and the MSCI AC (All Country) Far East ex-Japan Index (each an “MSCI Index,” and together, the “MSCI Indices”) component securities are the official exchange closing prices or prices accepted as such in the relevant market. In general, all prices are taken from the main stock exchange in each market. MSCI converts the closing prices into U.S. dollars on a real-time basis and publishes and disseminates the MSCI Indices daily on its website and through numerous data vendors, and disseminates the MSCI Indices levels every 15 seconds or 60 seconds during market trading hours on Bloomberg and Reuters Limited. The MSCI Indices are calculated, maintained and published by MSCI Inc. (“MSCI”).

On May 30, 2008, MSCI completed changes to the methodology used in its MSCI International Equity Indices, which includes the MSCI Emerging Markets Index, the MSCI EAFE® Index, the MSCI Singapore Free Index, the MSCI Taiwan Index, the MSCI AC (All Country) Asia ex-Japan Index and MSCI AC (All Country) Far East ex-Japan Index. MSCI enhanced its Standard Index methodology by moving from a sampled multi-cap approach to an approach targeting exhaustive coverage with non-overlapping size and style segments. The MSCI Standard Indices and the MSCI Small Cap Indices, along with the other MSCI equity indices based on them, transitioned to the Global Investable Market Indices methodology described below.

The MSCI Australia Index

The MSCI Australia Index is a free float-adjusted market capitalization index of securities listed on the Australian Stock Exchange. The MSCI Australia Index is calculated daily in U.S. dollars and published in real time in dollars, every 15 seconds during market trading hours. The MSCI Australia Index seeks to measure the performance of the Australian equity market. It is a capitalization-weighted index that aims to capture 85% of the total market capitalization. As of February 29, 2012, the MSCI Australia Index’s three largest industries were financials, materials and consumer staples. Component companies are adjusted for available float and must meet objective criteria for inclusion to the index, taking into consideration unavailable strategic shareholdings and limitations to foreign ownership. The MSCI Australia Index is intended to reflect the sectoral diversity of the Australian equity market and to represent Australian companies that are available to investors worldwide. The MSCI Australian Index is reported by Bloomberg under the ticker symbol “MXAU.” For information concerning the methodology of the MSCI Australia Index, please refer to “Global Investable Market Indices Methodology” below.

The MSCI Brazil Index

The MSCI Brazil Index is a free float-adjusted, capitalization-weighted index that aims to capture 85% of the (publicly available) total market capitalization in Brazil. The MSCI Brazil Index is calculated daily in U.S. dollars and published in real time in dollars, every 15 seconds during market trading hours. Component companies must meet
The MSCI Brazil Index

The MSCI Brazil Index consists of stocks traded primarily on the Bolsa de Valores de São Paulo (BOVESPA). As of February 29, 2012, the MSCI Brazil Index’s three largest industries were financials, energy and materials. The MSCI Brazil Index has a base date of December 31, 1987 and is reported by Bloomberg under the ticker symbol “MXBR”. For information concerning the methodology of the MSCI Brazil Index, please refer to “Global Investable Market Indices Methodology” below.

The MSCI Canada Index

The MSCI Canada Index is a free float-adjusted market capitalization index of securities listed on the Toronto Stock Exchange. The MSCI Canada Index is calculated daily in U.S. dollars and published in real time in dollars, every 15 seconds during market trading hours. The MSCI Canada Index seeks to measure the performance of the Canadian equity market. It is a capitalization-weighted index that aims to capture 85% of the total market capitalization. As of February 29, 2012, the MSCI Canada Index’s three largest industries were financials, energy and materials. Component companies are adjusted for available float and must meet objective criteria for inclusion to the index, taking into consideration unavailable strategic shareholdings and limitations to foreign ownership. The MSCI Canada Index is intended to reflect the sectoral diversity of the Canadian equity market and to represent Canadian companies that are available to investors worldwide. The MSCI Canadian Index is reported by Bloomberg under the ticker symbol “MXCA.” For information concerning the methodology of the MSCI Canada Index, please refer to “Global Investable Market Indices Methodology” below.

The MSCI Germany Index

The MSCI Germany IndexSM is a free float-adjusted, capitalization-weighted index that aims to capture 85% of the (publicly available) total market capitalization in Germany. Component companies must meet objective criteria for inclusion in the MSCI Germany IndexSM, taking into consideration unavailable strategic shareholdings and limitations to foreign ownership. The MSCI Germany IndexSM is reported by Bloomberg under the ticker symbol “MXDE.” For information concerning the methodology of the MSCI Germany IndexSM, please refer to “Global Investable Market Indices Methodology” below.

The MSCI Emerging Markets Index

The MSCI Emerging Markets IndexSM is a free float-adjusted market capitalization index that is designed to measure equity market performance of global emerging markets. The MSCI Emerging Markets Index is calculated daily in U.S. dollars and published in real time every 15 seconds during market trading hours. As of February 29, 2012, the MSCI Emerging Markets Index consisted of the following 21 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey, and the three largest industries represented in the MSCI Emerging Markets Index were financials, energy and materials. Each of the MSCI Emerging Markets Index Component Country Indices is a sampling of equity securities across industry groups in such country’s equity markets. The MSCI Emerging Markets Index is reported by Bloomberg under ticker symbol “MXEF.” For information concerning the methodology of the MSCI Emerging Markets Index, please refer to “Global Investable Market Indices Methodology” below.

The MSCI EAFE® Index

The MSCI EAFE® Index is a free float-adjusted market capitalization index intended to measure the equity market performance of certain developed markets, excluding the U.S. and Canada. The MSCI EAFE® Index is calculated daily in U.S. dollars and published in real time every 60 seconds during market trading hours. The MSCI EAFE® Index includes components from all countries in Europe, Australasia and the Far East that are designated by MSCI as Developed Markets. As of February 29, 2012, the MSCI EAFE® Index consisted of the following 22 developed market country and territory indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom and the three largest industries represented in the MSCI EAFE® Index were financials, industrials and consumer staples. Unless otherwise specified in the applicable pricing supplement, we are currently one of the companies that make up the MSCI EAFE® Index. The MSCI EAFE Index is reported by Bloomberg under the ticker symbol “MXEA.” For information concerning the methodology of the MSCI EAFE® Index, please refer to “Global Investable Market Indices Methodology” below.
The MSCI Japan Index

The MSCI Japan Index is a free float adjusted market capitalization index of securities listed primarily on the Tokyo Stock Exchange. The MSCI Japan Index is calculated in JPY on a real time basis and disseminated every 60 seconds during market trading hours. The MSCI Japan Index seeks to measure the performance of the Japanese equity market. It is a capitalization weighted index that aims to capture 85% of the total market capitalization. As of February 29, 2012, the MSCI Japan Index’s three largest industries were industrials, consumer discretionary and financials. Component companies are adjusted for available float and must meet objective criteria for inclusion to the index, taking into consideration unavailable strategic shareholdings and limitations to foreign ownership. The MSCI Japan Index is intended to reflect the sectoral diversity of the Japanese equity market and to represent Japanese companies that are available to investors worldwide. The MSCI Japan Index is reported by Bloomberg under the ticker symbol “MXJP.” For information concerning the methodology of the MSCI Japan Index, please refer to “Global Investable Market Indices Methodology” below.

The MSCI Korea Index

The MSCI Korea Index seeks to measure the performance of the South Korea equity market. It is a capitalization-weighted index that aims to capture 85% of the (publicly available) total market capitalization in South Korea. Component companies are adjusted for available float and must meet objective criteria for inclusion in the MSCI Korea Index, taking into consideration unavailable strategic shareholdings and limitations to foreign ownership. The MSCI Korea Index is reported by Bloomberg under the ticker symbol “MXKR.” For information concerning the methodology of the MSCI Korea Index, please refer to “Global Investable Market Indices Methodology” below.

The MSCI Singapore Free Index

The MSCI Singapore Free Index is a free float-adjusted market capitalization index that measures equity market performance in Singapore. As of March 22, 2012, the MSCI Singapore Free Index’s three largest industries were financials, industrials and telecommunication services. The MSCI Singapore Free Index was developed by MSCI and is calculated, maintained and published daily by MSCI, through numerous data vendors, on the MSCI website and every 60 seconds during market trading hours. The MSCI Singapore Free Index is intended to provide performance benchmarks of the Singapore equity market. MSCI Singapore Free Index is reported by Bloomberg under the ticker symbol “SIMSCI.” For information concerning the methodology of the MSCI Singapore Free Index, please refer to “Global Investable Market Indices Methodology” below.

The MSCI Taiwan Index

The MSCI Taiwan Index is a free float-adjusted market capitalization index of securities listed on the Taiwan Stock Exchange. As of February 29, 2012, the MSCI Taiwan Index’s three largest industries were information technology, financials and materials. The MSCI Taiwan Index is calculated daily in the local currencies and published in real time every 15 seconds during market trading hours. The MSCI Taiwan Index is intended to provide performance benchmarks of the Taiwan equity market. The MSCI Taiwan Index is reported by Bloomberg under the ticker symbol “TAMSCI.” For information concerning the methodology of the MSCI Taiwan Index, please refer to “Global Investable Market Indices Methodology” below.

The MSCI AC (All Country) Asia Ex-Japan Index

The MSCI AC (All Country) Asia ex-Japan Index (“MSCI AC Asia ex-Japan Index”) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the Far East, excluding Japan. As of February 29, 2012, the MSCI AC Asia ex-Japan Index’s three largest industries were financials, information technology and industrials and the MSCI AC Asia ex Japan Index consisted of the following ten developed and emerging market country indices: China, Hong Kong, India, Indonesia, Korea, Malaysia, Philippines, Singapore, Taiwan and Thailand. Singapore and Hong Kong are classified by MSCI as developed markets; the remaining countries in the MSCI AC Asia ex-Japan Index are classified as emerging markets. The MSCI AC Asia ex-Japan Index is reported by Bloomberg under ticker symbol “MXASJ.” For information concerning the methodology of the MSCI AC Asia ex-Japan Index, please refer to “Global Investable Market Indices Methodology” below.
The MSCI AC (All Country) Far East Ex-Japan Index

The MSCI AC (All Country) Far East ex-Japan Index (“MSCI AC Far East ex-Japan Index”) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the Far East, excluding Japan. As of February 29, 2012, the MSCI AC Far East ex-Japan Index’s three largest industries were financials, information technology and industrials, and the MSCI AC Far East ex-Japan Index consisted of the following nine developed and emerging market country indices: China, Hong Kong, Indonesia, Korea, Malaysia, Philippines, Singapore, Taiwan and Thailand. Singapore and Hong Kong are classified by MSCI as developed markets; the remaining countries in the MSCI AC Far East ex-Japan Index are classified as emerging markets. The MSCI AC Far East ex-Japan Index is reported by Bloomberg under ticker symbol “MXFEJ.” For information concerning the methodology of the MSCI AC Far East ex-Japan Index, please refer to “Global Investable Market Indices Methodology” below.

Global Investable Market Indices Methodology

MSCI undertakes an index construction process, which involves: (i) defining the Equity Universe; (ii) determining the Market Investable Equity Universe for each market; (iii) determining market capitalization size-segments for each market; (iv) applying Index Continuity Rules for the MSCI Standard Index; (v) creating style segments within each size-segment within each market; and (vi) classifying securities under the Global Industry Classification Standard (the “GICS”).

Defining the Equity Universe

(i) Identifying Eligible Equity Securities: The Equity Universe initially looks at securities listed in any of the countries in the MSCI Global Index Series, which will be classified as either Developed Markets (“DM”) or Emerging Markets (“EM”). All listed equity securities, or listed securities that exhibit characteristics of equity securities, except mutual funds, ETFs, equity derivatives, limited partnerships, and most investment trusts, are eligible for inclusion in the Equity Universe. Real Estate Investment Trusts (“REITs”) in some countries and certain income trusts in Canada are also eligible for inclusion.

(ii) Country Classification of Eligible Securities: Each company and its securities (i.e., share classes) are classified in one and only one country, which allows for a distinctive sorting of each company by its respective country.

Determining the Market Investable Equity Universes

A Market Investable Equity Universe for a market is derived by applying investability screens to individual companies and securities in the Equity Universe that are classified in that market. A market is equivalent to a single country, except in DM Europe, where all DM countries in Europe are aggregated into a single market for index construction purposes. Subsequently, individual DM Europe country indices within the MSCI Europe Index are derived from the constituents of the MSCI Europe Index under the Global Investable Market Indices methodology.

The Global Investable Equity Universe is the aggregation of all Market Investable Equity Universes. The DM Investable Equity Universe is the aggregation of all the Market Investable Equity Universes for Developed Markets.

Some of the investability requirements referred to above are applied at the individual security level and some at the overall company level, represented by the aggregation of individual securities of the company. As such, the inclusion or exclusion of one security does not imply the automatic inclusion or exclusion of other securities of the same company.

The investability screens used to determine the Investable Equity Universe in each market are as follows:

(i) Equity Universe Minimum Size Requirement: This investability screen is applied at the company level. In order to be included in a Market Investable Equity Universe, a company must have the required minimum full market capitalization. A company will meet this requirement if its cumulative free float-adjusted market capitalization is within the top 99% of the sorted Equity Universe.

(ii) Equity Universe Minimum Free Float-Adjusted Market Capitalization Requirement: This investability screen is applied at the individual security level. To be eligible for inclusion in a Market Investable Equity Universe, a security must have a free float-adjusted market capitalization equal to or higher than 50% of the Equity Universe Minimum Size Requirement.
(iii) DM and EM Minimum Liquidity Requirement: This investability screen is applied at the individual security level. To be eligible for inclusion in a Market Investable Equity Universe, a security must have adequate liquidity measured by the twelve-month and three-month Annual Traded Value Ratio (“ATVR”), and the three-month frequency of trading. The ATVR screens out extreme daily trading volumes, taking into account the free float-adjusted market capitalization size of securities. The aim of the twelve-month and the three-month ATVR together with the three-month frequency of trading is to select securities with a sound long and short-term liquidity. A minimum liquidity level of 20% of three- and twelve-month ATVR and 90% of three-month frequency of trading over the last four consecutive quarters are required for inclusion of a security in a Market Investable Equity Universe of a DM, and a minimum liquidity level of 15% of three- and twelve-month ATVR and 80% of three-month frequency of trading over the last four consecutive quarters are required for inclusion of a security in a Market Investable Equity Universe of an EM. In instances when a security does not meet the above criteria, the security will be represented by a relevant liquid eligible depositary receipt if it is trading in the same geographical region. Depositary receipts are deemed liquid if they meet all the above mentioned criteria for twelve-month ATVR, three-month ATVR and three-month frequency of trading.

(iv) Global Minimum Foreign Inclusion Factor Requirement: This investability screen is applied at the individual security level. To be eligible for inclusion in a Market Investable Equity Universe, a security’s Foreign Inclusion Factor (“FIF”) must reach a certain threshold. The FIF of a security is defined as the proportion of shares outstanding that is available for purchase in the public equity markets by international investors. This proportion accounts for the available free float of and/or the foreign ownership limits applicable to a specific security (or company). In general, a security must have an FIF equal to or larger than 0.15 to be eligible for inclusion in a Market Investable Equity Universe. Exceptions to this general rule are made only in the limited cases where the exclusion of securities of a very large company would compromise the relevant MSCI Index’s ability to fully and fairly represent the characteristics of the underlying market.

(v) Minimum Length of Trading Requirement: This investability screen is applied at the individual security level. For an initial public offering (“IPO”) to be eligible for inclusion in a Market Investable Equity Universe, the new issue must have started trading at least four months before the implementation of the initial construction of the index or at least three months before the implementation of a Semi-Annual Index Review. This requirement is applicable to small new issues in all markets. Large IPOs are not subject to the Minimum Length of Trading Requirement and may be included in a Market Investable Equity Universe and the Standard Index outside of a Quarterly or Semi-Annual Index Review.

(vi) Minimum Foreign Room Requirement: This investability screen is applied at the individual security level. For a security that is subject to a foreign ownership limit to be eligible for inclusion in a market investable equity universe, the proportion of shares still available to foreign investors relative to the maximum allowed (referred to as “foreign room”) must be at least 15%.

Defining Market Capitalization Size-Segments for Each Market

Once a Market Investable Equity Universe is defined, it is segmented into the following size-based indices:

- Investable Market Index (Large + Mid + Small)
- Standard Index (Large + Mid)
- Large Cap Index
- Mid Cap Index
- Small Cap Index

Creating the Size-Segment Indices in each market involves the following steps: (i) defining the Market Coverage Target Range for each size-segment; (ii) determining the Global Minimum Size Range for each size-segment;
(iii) determining the Market Size-Segment Cutoffs and associated Segment Number of Companies; (iv) assigning companies to the size-segments; and (v) applying final size-segment investability requirements and index continuity rules.

Index Continuity Rules for the Standard Indices

In order to achieve index continuity, as well as provide some basic level of diversification within a market index, notwithstanding the effect of other index construction rules, a minimum number of five constituents will be maintained for a DM Standard Index and a minimum number of three constituents will be maintained for an EM Standard Index.

If after the application of the index construction methodology, a Standard Index contains fewer than five securities in a Developed Market or three securities in an Emerging Market, then the largest securities by free float-adjusted market capitalization are added to the Standard Index in order to reach five constituents in that Developed Market or three in that Emerging Market. At subsequent Index Reviews, if the free float-adjusted market capitalization of a non-index constituent is at least 1.50 times the free float-adjusted market capitalization of the smallest existing constituent after rebalancing, the larger free float-adjusted market capitalization security replaces the smaller one. When the index continuity rule is in effect, the market size-segment cutoff is set at 0.5 times the global minimum size reference for the MSCI Standard Index rather than the full market capitalization of the smallest company in that market’s standard index.

Creating Style Indices within Each Size-Segment

All securities in the investable equity universe are classified into Value or Growth segments using the MSCI Global Value and Growth methodology.

Classifying Securities under the Global Industry Classification Standard

All securities in the Global Investable Equity Universe are assigned to the industry that best describes their business activities. To this end, MSCI has designed, in conjunction with Standard & Poor’s, the Global Industry Classification Standard (“GICS”). Under the GICS, each company is assigned uniquely to one sub-industry according to its principal business activity. Therefore, a company can belong to only one industry grouping at each of the four levels of the GICS. Please refer to “Background on GICS” below for further information.

Maintenance of the MSCI Indices

The MSCI Global Investable Market Indices are maintained with the objective of reflecting the evolution of the underlying equity markets and segments on a timely basis, while seeking to achieve index continuity, continuous investability of constituents and replicability of the indices, and index stability and low index turnover.

In particular, index maintenance involves:

(i) Semi-Annual Index Reviews (“SAIRs”) in May and November of the Size-Segment and Global Value and Growth Indices which include:

- updating the indices on the basis of a fully refreshed Equity Universe;
- taking buffer rules into consideration for migration of securities across size-segments and style segments; and
- updating FIFs and Number of Shares (“NOS”).

The objective of the SAIRs is to systematically reassess the various dimensions of the Equity Universe for all markets on a fixed semi-annual timetable. A SAIR involves a comprehensive review of the Size-Segment and Global Value and Growth Indices.

(ii) Quarterly Index Reviews (“QIRs”) in February and August of the Size-Segment Indices aimed at
including significant new eligible securities (such as IPOs that were not eligible for earlier inclusion) in the index;

allowing for significant moves of companies within the Size-Segment Indices, using wider buffers than in the SAIR; and

reflecting the impact of significant market events on FIFs and updating NOS.

QIRs are designed to ensure that the indices continue to be an accurate reflection of the evolving equity marketplace. This is achieved by a timely reflection of significant market driven changes that were not captured in the index at the time of their actual occurrence but are significant enough to be reflected before the next SAIR. QIRs may result in additions or deletions due to migration to another Size-Segment Index, and changes in FIFs and in NOS. Only additions of significant new investable companies are considered, and only for the Standard Index. The buffer zones used to manage the migration of companies from one segment to another are wider than those used in the SAIR. The style classification is reviewed only for companies that are reassigned to a different size-segment.

(iii) Ongoing event-related changes. Ongoing event-related changes to the indices are the result of mergers, acquisitions, spin-offs, bankruptcies, reorganizations and other similar corporate events. They can also result from capital reorganizations in the form of rights issues, bonus issues, public placements and other similar corporate actions that take place on a continuing basis. These changes generally are reflected in the indices at the time of the event. Significantly large IPOs are included in the indices after the close of the company’s tenth day of trading.

**Announcement Policy**

The results of the SAIRs are announced at least two weeks in advance of their effective implementation dates as of the close of the last business day of May and November.

The results of the QIRs are announced at least two weeks in advance of their effective implementation dates as of the close of the last business day of February and August.

All changes resulting from corporate events are announced prior to their implementation.

The changes are typically announced at least ten business days prior to these changes becoming effective in the indices as “expected” announcements, or as “undetermined” announcements, when the effective dates are not known yet or when aspects of the event are uncertain. MSCI sends “confirmed” announcements at least two business days prior to events becoming effective in the indices provided that all necessary public information concerning the event is available. The full list of all new and pending changes is delivered to clients on a daily basis, between 5:30 p.m. and 6:00 p.m., US Eastern Time.

In exceptional cases, events are announced during market hours for same or next day implementation. Announcements made by MSCI during market hours are usually linked to late company disclosure of corporate events or unexpected changes to previously announced corporate events.

In the case of secondary offerings representing more than 5% of a security’s number of shares for existing constituents, these changes will be announced prior to the end of the subscription period when possible and a subsequent announcement confirming the details of the event (including the date of implementation) will be made as soon as the results are available.

Both primary equity offerings and secondary offerings for U.S. securities, representing at least 5% of the security’s number of shares, will be confirmed through an announcement during market hours for next day or shortly after implementation, as the completion of the events cannot be confirmed prior to the notification of the pricing.

Early deletions of constituents due to bankruptcy or other significant cases are announced as soon as practicable prior to their implementation.

**Calculation of the MSCI Indices**

The MSCI Indices are calculated using the Laspeyres’ concept of a weighted arithmetic average together with
the concept of chain-linking. As a general principle, today’s MSCI Indices levels are obtained by applying the change in the market performance to the previous period MSCI Indices levels.

\[
\text{PriceIndexLevelUSD}_t = \text{PriceIndexLevelUSD}_{t-1} \times \frac{\text{IndexAdjustedMarketCapUSD}_t}{\text{IndexInitialMarketCapUSD}_t}
\]

\[
\text{PriceIndexLevelLocal}_t = \text{PriceIndexLevelLocal}_{t-1} \times \frac{\text{IndexAdjustedMarketCapForLocal}_t}{\text{IndexInitialMarketCapUSD}_t}
\]

Where:

• \(\text{PriceIndexLevelUSD}_{t-1}\) is the Price Index level in USD at time \(t-1\)

• \(\text{IndexAdjustedMarketCapUSD}_t\) is the Adjusted Market Capitalization of the index in USD at time \(t\)

• \(\text{IndexInitialMarketCapUSD}_t\) is the Initial Market Capitalization of the index in USD at time \(t\)

• \(\text{PriceIndexLevelLocal}_{t-1}\) is the Price Index level in local currency at time \(t-1\)

• \(\text{IndexAdjustedMarketCapForLocal}_t\) is the Adjusted Market Capitalization of the index in USD converted using FX rate as of \(t-1\) and used for local currency index at time \(t\)

Note: \(\text{IndexInitialMarketCapUSD}_t\) was previously called \(\text{IndexUnadjustedMarketCapPreviousUSD}\)

The Security Price Index Level is calculated as follows:

\[
\text{SecurityPriceIndexLevel}_t = \text{SecurityPriceIndexLevel}_{t-1} \times \frac{\text{SecurityAdjustedMarketCapForLocal}_t}{\text{SecurityInitialMarketCapUSD}_t}
\]

\[
\text{SecurityAdjustedMarketCapForLocal}_t = \frac{\text{EndOfDayNumberOfShares}_{t,1} \times \text{Price Per Share}_t \times \text{Inclusion Factor}_t \times \text{PAF}_t \times \text{FXrate}_{t-1}}{\text{ICI}_t} \times \text{ICI}_{t-1}
\]

\[
\text{SecurityInitialMarketCapUSD}_t = \frac{\text{EndOfDayNumberOfShares}_{t,1} \times \text{Price Per Share}_{t-1} \times \text{Inclusion Factor}_t}{\text{FXrate}_{t-1}}
\]

Where:

• \(\text{SecurityPriceIndexLevel}_{t-1}\) is Security Price Index level at time \(t-1\)

• \(\text{SecurityAdjustedMarketCapForLocal}_t\) is the Adjusted Market Capitalization of security \(s\) in USD converted using FX rate as at \(t-1\)

• \(\text{SecurityInitialMarketCapUSD}_t\) is the Initial Market Capitalization of security \(s\) in USD at time \(t\)

• \(\text{EndOfDayNumberOfShares}_{t,1}\) is the number of shares of security \(s\) at time \(t-1\)

• \(\text{PricePerShare}_t\) is the price per share of security \(s\) at time \(t\)

• \(\text{PricePerShare}_{t-1}\) is the price per share of security \(s\) at time \(t-1\)

• \(\text{InclusionFactor}_t\) is the inclusion factor of security \(s\) at time \(t\). The inclusion factor can be one or the combination of the following factors: Foreign Inclusion Factor, Domestic Inclusion Factor, Growth Inclusion Factor, Value Inclusion Factor, Index Inclusion Factor
• $PAF_t$ is the Price Adjustment Factor of security $s$ at time $t$

• $FXrate_{t-1}$ is the FX rate of the price currency of security $s$ vs USD at time $t-1$. It is the value of 1 USD in foreign currency

• $ICI_t$ is the Internal Currency Index of price currency at time $t$. The ICI is different than 1 when a country changes the internal value of its currency (e.g. from Turkish Lira to New Turkish Lira – $ICI = 1,000,000$)

$ICI_{t-1}$ is the Internal Currency Index of price currency at time $t-1$

The Index Market Capitalization is calculated as follows:

$IndexAdjustedMarketCapUSD_t = \sum_{s\in l,t} \frac{Index\ Number\ of\ Shares_{s,t} \times Price\ Per\ Share_{t} \times Inclusion\ Factor_{t} \times PAF_{t}}{FXrate_{t}}$

$IndexAdjustedMarketForLocal_t = \sum_{s\in l,t} \left( \frac{Index\ Number\ of\ Shares_{s,t} \times Price\ Per\ Share_{t} \times Inclusion\ Factor_{t} \times PAF_{t}}{FXrate_{t-1}} \times \frac{ICI_{t}}{ICI_{t-1}} \right)$

$IndexInitialMarketCapUSD_t = \sum_{s\in l,t} \frac{Index\ Number\ of\ Shares_{s,t-1} \times Price\ Per\ Share_{t-1} \times Inclusion\ Factor_{t}}{FXrate_{t-1}}$

Where:

• $Index\ Number\ of\ Shares_{s,t}$ is the number of shares of security $s$ at time $t-1$.

• $Price\ Per\ Share_{t}$ is the price per share of security $s$ at time $t$.

• $Price\ Per\ Share_{t-1}$ is the price per share of security $s$ at time $t-1$.

• $Inclusion\ Factor_{t}$ is the inclusion factor of security $s$ at time $t$. The inclusion factor can be one or the combination of the following factors: Foreign Inclusion Factor, Domestic Inclusion Factor, Growth Inclusion Factor, Value Inclusion Factor, Index Inclusion Factor.

• $PAF_t$ is the Price Adjustment Factor of security $s$ at time $t$.

• $FXrate_{t}$ is the FX rate of the price currency of security $s$ vs USD at time $t$. It is the value of 1 USD in foreign currency.

• $FXrate_{t-1}$ is the FX rate of the price currency of security $s$ vs USD at time $t-1$. It is the value of 1 USD in foreign currency.

• $ICI_t$ is the Internal Currency Index of price currency at time $t$. The ICI is different than 1 when a country changes the internal value of its currency (e.g. from Turkish Lira to New Turkish Lira – $ICI = 1,000,000$).

• $ICI_{t-1}$ is the Internal Currency Index of price currency at time $t-1$.

Corporate Events

Mergers and Acquisitions. As a general principle, MSCI implements M&As as of the close of the last trading day of the acquired entity or merging entities (last offer day for tender offers), regardless of the status of the securities
Tender Offers. In tender offers, the acquired or merging security is generally deleted from MSCI Indices at the end of the initial offer period, when the offer is likely to be successful and/or if the free float of the security is likely to be substantially reduced (this rule is applicable even if the offer is extended), or once the results of the offer have been officially communicated and the offer has been successful and the security’s free float has been substantially reduced, if all required information is not available in advance or if the offer’s outcome is uncertain. The main factors considered by MSCI when assessing the outcome of a tender offer (not in order of importance) are: the announcement of the offer as friendly or hostile, a comparison of the offer price to the acquired security’s market price, the recommendation by the acquired company’s board of directors, the major shareholders’ stated intention whether to tender their shares, the required level of acceptance, the existence of pending regulatory approvals, market perception of the transaction, official preliminary results, if any, and other additional conditions for the offer.

If a security is deleted from an index, the security will not be reinstated immediately after its deletion even when the tender offer is subsequently declared unsuccessful and/or the free float of the security is not substantially reduced. It may be reconsidered for index inclusion in the context of a quarterly index review or annual full country index review. MSCI uses market prices for implementation.

Late Announcements of Completion of Mergers and Acquisitions. When the completion of an event is announced too late to be reflected as of the close of the last trading day of the acquired or merging entities, implementation occurs as of the close of the following day or as soon as practicable thereafter. In these cases, MSCI uses a calculated price for the acquired or merging entities. The calculated price is determined using the terms of the transaction and the price of the acquiring or merged entity, or, if not appropriate, using the last trading day’s market price of the acquired or merging entities.

Conversions of Share Classes. Conversions of a share class into another share class resulting in the deletion and/or addition of one or more classes of shares are implemented as of the close of the last trading day of the share class to be converted.

Spin-Offs. On the ex-date of a spin-off, a PAF is applied to the price of the security of the parent company. The PAF is calculated based on the terms of the transaction and the market price of the spun-off security. If the spun-off entity qualifies for inclusion, it is included as of the close of its first trading day. If appropriate, MSCI may link the price history of the spun-off security to a security of the parent company.

In cases of spin-offs of partially-owned companies, the post-event free float of the spun-off entity is calculated using a weighted average of the existing shares and the spun-off shares, each at their corresponding free float. Any resulting changes to FIFs and/or DIFs are implemented as of the close of the ex-date.

When the spun-off security does not trade on the ex-date, a “detached” security is created to avoid a drop in the free float-adjusted market capitalization of the parent entity, regardless of whether the spun-off security is added or not. The detached security is included until the spun-off security begins trading, and is deleted thereafter. Generally, the value of the detached security is equal to the difference between the cum price and the ex price of the parent security.

Corporate Actions. Corporate actions such as splits, stock dividends and rights issues, which affect the price of a security, require a price adjustment. In general, the PAF is applied on the ex-date of the event to ensure that security prices are comparable between the ex-date and the cum date. To do so, MSCI adjusts for the value of the right and/or the value of the special assets that are distributed and the changes in number of shares and FIF, if any, are reflected as of the close of the ex-date. In general, corporate actions do not impact the free float of the securities because the distribution of new shares is carried out on a pro rata basis to all existing shareholders. Therefore, MSCI will generally not implement any pending number of shares and/or free float updates simultaneously with the event.

If a security does not trade for any reason on the ex-date of the corporate action, the event will be generally implemented on the day the security resumes trading.
Share Placements and Offerings. Changes in number of shares and FIF resulting from primary equity offerings representing more than 5% of the security’s number of shares are generally implemented as of the close of the first trading day of the new shares, if all necessary information is available at that time. Otherwise, the event is implemented as soon as practicable after the relevant information is made available. A primary equity offering involves the issuance of new shares by a company. Changes in number of shares and FIF resulting from primary equity offerings representing less than 5% of the security’s number of shares are deferred to the next regularly scheduled Quarterly Index Review following the completion of the event. For public secondary offerings of existing constituents representing more than 5% of the security’s number of shares, where possible, MSCI will announce these changes and reflect them shortly after the results of the subscription are known. Secondary public offerings that, given lack of sufficient notice, were not reflected immediately will be reflected at the next Quarterly Index Review. Secondary offerings involve the distribution of existing shares of current shareholders in a listed company and are usually pre-announced by a company or by a company’s shareholders and open for public subscription during a pre-determined period.

Debt-to-Equity Swaps. In general, large debt-to-equity swaps involve the conversion of debt into equity originally not convertible at the time of issue. In this case, changes in numbers of shares and subsequent FIF and/or DIF changes are implemented as of the close of the first trading day of the newly issued shares, or shortly thereafter if all necessary information is available at the time of the swap. In general, shares issued in debt-to-equity swaps are assumed to be issued to strategic investors. As such, the post event free float is calculated on a pro forma basis assuming that all these shares are non-free float. Changes in numbers of shares and subsequent FIF and/or DIF changes due to conversions of convertible bonds or other convertible instruments, including periodical conversions of preferred stocks and small debt-to-equity swaps are implemented at a following Quarterly Index Review.

Suspensions and Bankruptcies. MSCI will remove from the MSCI Equity Index Series as soon as practicable companies that file for bankruptcy, companies that file for protection from their creditors and/or are suspended and for which a return to normal business activity and trading is unlikely to occur in the future. When the primary exchange price is not available, MSCI will delete securities at an over-the-counter or equivalent market price when such a price is available and deemed relevant. If no over-the-counter or equivalent price is available, the security will be deleted at the smallest price (unit or fraction of the currency) at which a security can trade on a given exchange. For securities that are suspended, MSCI will carry forward the market price prior to the suspension during the suspension period.

Background on GICS®

The GICS is a global standard, developed jointly in 1999 by S&P and MSCI, to categorize companies by their business. It currently consists of 10 sectors, 24 industry groups, 68 industries and 154 sub-industries, as part of a four-tiered, hierarchical classification system. Over 34,000 companies are classified under the GICS methodology. Companies are classified according to their “principal business activity.” Revenues are a significant factor in determining principal business activity, although earnings and market perception are also considered important. If a company’s subsidiary files separate financials to its reporting government agency, then the subsidiary will be considered a separate entity and classified independently under the GICS methodology. A GICS code will change whenever there is a major corporate action that redefines a company’s primary line of business. At a minimum, companies are reviewed annually to ensure that they have not redefined their lines of business through a series of smaller events. The GICS methodology and structure fall under the overall supervision of the GICS Operations Committee, which consists of both members from S&P and MSCI.

License Agreement with MSCI for the MSCI Indices

We have entered into an agreement with MSCI providing us and certain of our affiliates or subsidiaries identified in that agreement with a nonexclusive license and, for a fee, with the right to use the MSCI Indices, which are owned and published by MSCI, in connection with certain securities.

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in the determination or calculation of the equation by which the securities are to be converted into cash. Neither MSCI nor any other party has an obligation or liability to owners of these securities in connection with the administration, marketing or trading of the securities.

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The NASDAQ-100® Index

The NASDAQ-100® Index (the “Nasdaq Index”) includes securities of 100 of the largest domestic and international non-financial companies listed on The NASDAQ Stock Market based on market capitalization. It does not include financial companies including investment companies. The Nasdaq Index was developed by, and is calculated, maintained and published by NASDAQ. Current information regarding the market value of the Nasdaq Index is available from NASDAQ as well as numerous market information services.

Methodology of the NASDAQ-100® Index

The Nasdaq Index is a modified market capitalization weighted index. The value of the Nasdaq Index equals the aggregate value of the Nasdaq Index share weights of each of the component securities of the Nasdaq Index, multiplied by each such security’s last sale price, and divided by the divisor of the Nasdaq Index. The divisor serves the purpose of scaling the aggregate value to a lower order of magnitude which is more desirable for index reporting purposes. The Nasdaq Index share weights of the component securities of the Nasdaq Index at any time are based upon the total shares outstanding in each of those securities and are additionally subject, in certain cases, to rebalancing. Accordingly, each underlying stock’s influence on the level of the Nasdaq Index is directly proportional to the value of its Nasdaq Index share weight. If trading in a component security is halted while the market is open, the last traded price for that security is used for all index computations until trading in such security resumes. If trading is halted before the market is open, the previous day’s last sale price is used. The Nasdaq Index began on January 31, 1985 at a base value of 125.00, as adjusted. The Nasdaq Index is reported by Bloomberg under ticker symbol “NDX.”

The formula for the Nasdaq Index value is as follows:

\[
\text{Aggregate Adjusted Market Value} \div \text{Divisor}
\]

The Nasdaq Index is ordinarily calculated without regard to cash dividends on the component securities. The Nasdaq Index is calculated during the trading day and disseminated every 15 seconds through the NASDAQ Index Dissemination ServicesSM.

Underlying Stock Eligibility Criteria

Nasdaq Index eligibility is limited to specific types of securities, including foreign and domestic common stocks, ordinary shares, ADRs and tracking stocks. The following types of securities and companies are not eligible for inclusion in the Nasdaq Index: closed-end funds, convertible debentures, exchange traded funds, limited liability companies, limited partnership interests, preferred stocks, rights, shares or units of beneficial interest, warrants, units and other derivative securities. Securities of investment companies are not eligible for inclusion in the Nasdaq Index.
For the purposes of the Nasdaq Index eligibility criteria, if the security is a depositary receipt representing a security of a non-U.S. issuer, then references to the “issuer” are references to the issuer of the underlying security.

Initial Eligibility Criteria

To be eligible for initial inclusion in the Nasdaq Index, a security must be listed on The NASDAQ Stock Market and meet the following criteria:

- the security’s U.S. listing must be exclusively on the NASDAQ Global Market or the NASDAQ Global Select Market (unless the security was dually listed on another U.S. market prior to January 1, 2004 and has continuously maintained that listing);

- the security must be of a non-financial company;

- the security may not be issued by an issuer currently in bankruptcy proceedings;

- the security must have an average daily trading volume of at least 200,000 shares;

- if the security is of a foreign issuer (a foreign issuer is determined based on its country of incorporation), such security must have listed options on a recognized options market in the United States or be eligible for listed-options trading on a recognized options market in the United States;

- only one class of security per issuer is allowed;

- the issuer of the security may not have entered into a definitive agreement or other arrangement which would likely result in the security no longer being Nasdaq Index eligible;

- the issuer of the security may not have annual financial statements with an audit opinion that is currently withdrawn;

- the issuer of the security must have “seasoned” on the Nasdaq or another recognized market (generally, a company is considered to be seasoned if it has been listed on a market for at least two years; in the case of spin-offs, the operating history of the spin-off will be considered); and

- if the security would otherwise qualify to be in the top 25% of the securities included in the Nasdaq Index by market capitalization for the six prior consecutive month ends, then a one-year “seasoning” criteria would apply.

Continued Eligibility Criteria

To be eligible for continued inclusion in the Nasdaq Index, the following criteria apply:

- the security’s U.S. listing must be exclusively on the Nasdaq Global Select Market or the Nasdaq Global Market (unless the security was dually listed on another U.S. market prior to January 1, 2004 and has continuously maintained that listing);

- the security must be of a non-financial company;

- the security may not be issued by an issuer currently in bankruptcy proceedings;

- the security must have an average daily trading volume of at least 200,000 shares as measured annually during the ranking review process;

- if the security is of a foreign issuer, then such security must have listed options on a recognized options market in the U.S. or be eligible for listed-options trading, as measured annually during the ranking review process;
the security must have an adjusted market capitalization equal to or exceeding 0.10% of the aggregate adjusted market capitalization of the Nasdaq Index at each month end. In the event a company does not meet this criterion for two consecutive month ends, it will be removed from the Nasdaq Index effective after the close of trading on the third Friday of the following month; and

- the issuer of the security may not have annual financial statements with an audit opinion that is currently withdrawn.

For the purposes of the Nasdaq Index eligibility criteria, if the security is a depositary receipt representing a security of a non-U.S. issuer, then references to the “issuer” are references to the issuer of the underlying security.

**Annual Ranking Review**

The Nasdaq Index securities are evaluated on an annual basis, except under extraordinary circumstances which may result in an interim evaluation, as follows (this evaluation is referred to herein as the “Ranking Review”). Securities listed on The NASDAQ Stock Market which meet the applicable eligibility criteria are ranked by market value. Nasdaq Index-eligible securities which are already in the Nasdaq Index and which are ranked in the top 100 eligible securities (based on market capitalization) are retained in the Nasdaq Index. A security that is ranked 101 to 125 is also retained, provided that such security was ranked in the top 100 eligible securities as of the previous Ranking Review. Securities not meeting such criteria are replaced. The replacement securities chosen are those Nasdaq Index-eligible securities not currently in the Nasdaq Index that have the largest market capitalization. The data used in the ranking includes end of October NASDAQ market data and is updated for total shares outstanding submitted in a publicly filed SEC document via EDGAR through the end of November.

Generally, the list of annual additions and deletions is publicly announced via a press release in the early part of December, and replacements are made effective after the close of trading on the third Friday in December. Moreover, if at any time during the year a Nasdaq Index security is no longer traded on the Nasdaq, or is otherwise determined by the Nasdaq to become ineligible for continued inclusion in the Nasdaq Index, the security will be replaced with the largest market capitalization security not currently in the Nasdaq Index and meeting the Initial Eligibility Criteria for the Nasdaq Index listed above. Ordinarily, a security will be removed from the NASDAQ Index at its last sale price. If, however, at the time of its removal the security is halted from trading on its primary listing market and an official closing price cannot readily be determined, the security may, in NASDAQ’s discretion, be removed at a zero price. The zero price will be applied to the security after the close of the market but prior to the time the official closing value of the NASDAQ Index is disseminated, which is ordinarily 17:16:00 ET.

**Maintenance of the Nasdaq Index**

In addition to the Ranking Review, the securities in the Nasdaq Index are monitored every day by the Nasdaq with respect to changes in total shares outstanding arising from secondary offerings, stock repurchases, conversions or other corporate actions. The Nasdaq has adopted the following quarterly scheduled weight adjustment procedures with respect to those changes. If the change in total shares outstanding arising from a corporate action is greater than or equal to 10.0%, that change is made to the Nasdaq Index on the evening prior to the effective date of that corporate action or as soon as practical thereafter. Otherwise, if the change in total shares outstanding is less than 10.0%, then all those changes are accumulated and made effective at one time on a quarterly basis after the close of trading on the third Friday in each of March, June, September and December. In either case, the Nasdaq Index share weights for those underlying stocks are adjusted by the same percentage amount by which the total shares outstanding have changed in those Nasdaq Index securities. Ordinarily, whenever there is a change in the Nasdaq Index share weights or a change in a component security included in the Nasdaq Index, the Nasdaq adjusts the divisor to assure that there is no discontinuity in the level of the Nasdaq Index that might otherwise be caused by any of those changes.

In the case of a special cash dividend, Nasdaq will determine on an individual basis whether to make a change to the price and/or shares of a component security in accordance with the Nasdaq Index dividend policy. If it is determined that a change will be made, it will become effective on the ex-date. Ordinarily, whenever there is a change in shares of the Index, a change in component security or a change to the price of an component security due to spin-off, rights issuances or special cash dividends, the divisor is adjusted to ensure that there is no discontinuity in the value of the Nasdaq Index, which might otherwise be caused by any such change. All changes are announced in advance and will be reflected in the Nasdaq Index prior to market open on the Nasdaq Index effective date.
The divisor is determined as follows:

\[
\frac{\text{Market Value after Adjustments}}{\text{Market Value before Adjustments}} \times \text{Divisor before Adjustments}
\]

Rebalancing of the Nasdaq Index

The Nasdaq Index is calculated under a modified capitalization-weighted methodology, which is a hybrid between equal weighting and conventional capitalization weighting. This methodology is expected to: (1) retain in general the economic attributes of capitalization weighting; (2) promote portfolio weight diversification (thereby limiting domination of the Nasdaq Index by a few large stocks); (3) reduce Nasdaq Index performance distortion by preserving the capitalization ranking of companies; and (4) reduce market impact on the smallest Nasdaq Index securities from necessary weight rebalancings.

Under the methodology employed, on a quarterly basis coinciding with the Nasdaq’s quarterly scheduled weight adjustment procedures, the Nasdaq Index securities are categorized as either Large Stocks or Small Stocks depending on whether their current percentage weights (after taking into account scheduled weight adjustments due to stock repurchases, secondary offerings or other corporate actions) are greater than, or less than or equal to, the average percentage weight in the Nasdaq Index (i.e., as a 100-stock index, the average percentage weight in the Nasdaq Index is 1.0%).

This quarterly examination will result in a Nasdaq Index rebalancing if either one or both of the following two weight distribution requirements are not met: (1) the current weight of the single largest market capitalization Nasdaq Index security must be less than or equal to 24.0% and (2) the collective weight of those Nasdaq Index securities whose individual current weights are in excess of 4.5%, when added together, must be less than or equal to 48.0%. In addition, the Nasdaq may conduct a special rebalancing if it is determined necessary to maintain the integrity of the Nasdaq Index. If either one or both of these weight distribution requirements are not met upon quarterly review, or NASDAQ determines that a special rebalancing is required, a weight rebalancing will be performed. First, relating to weight distribution requirement (1) above, if the current weight of the single largest Nasdaq Index security exceeds 24.0%, then the weights of all Large Stocks will be scaled down proportionately towards 1.0% by enough for the adjusted weight of the single largest Nasdaq Index security to be set to 20.0%. Second, relating to weight distribution requirement (2) above, for those Nasdaq Index securities whose individual current weights or adjusted weights in accordance with the preceding step are in excess of 4.5%, if their collective weight exceeds 48.0%, then the weights of all Large Stocks will be scaled down proportionately towards 1.0% by just enough for the collective weight, so adjusted, to be set to 40.0%.

The aggregate weight reduction among the Large Stocks resulting from either or both of the above rescalings will then be redistributed to the Small Stocks in the following iterative manner. In the first iteration, the weight of the largest Small Stock will be scaled upwards by a factor which sets it equal to the average Nasdaq Index weight of 1.0%. The weights of each of the smaller remaining Small Stocks will be scaled up by the same factor reduced in relation to each stock’s relative ranking among the Small Stocks such that the smaller the Nasdaq Index security in the ranking, the less the scale-up of its weight. This is intended to reduce the market impact of the weight rebalancing on the smallest component securities in the Nasdaq Index.

In the second iteration, the weight of the second largest Small Stock, already adjusted in the first iteration, will be scaled upwards by a factor which sets it equal to the average Nasdaq Index weight of 1.0%. The weights of each of the smaller remaining Small Stocks will be scaled up by this same factor reduced in relation to each stock’s relative ranking among the Small Stocks such that, once again, the smaller the stock in the ranking, the less the scale-up of its weight.

Additional iterations will be performed until the accumulated increase in weight among the Small Stocks exactly equals the aggregate weight reduction among the Large Stocks from rebalancing in accordance with weight distribution requirement (1) and/or weight distribution requirement (2).

Then, to complete the rebalancing procedure, once the final percent weights of each of the Nasdaq Index securities are set, the Nasdaq Index share weights will be determined anew based upon the last sale prices and aggregate capitalization of the Nasdaq Index at the close of trading on the Thursday in the week immediately preceding the week of the third Friday in March, June, September and December. Changes to the Nasdaq Index share weights will be made effective after the close of trading on the third Friday in March, June, September and December, and an adjustment to the
Nasdaq Index divisor will be made to ensure continuity of the Nasdaq Index.

Ordinarily, new rebalanced weights will be determined by applying the above procedures to the current Nasdaq Index share weights. However, the Nasdaq may from time to time determine rebalanced weights, if necessary, by instead applying the above procedure to the actual current market capitalization of the Nasdaq Index components. In those instances, the Nasdaq would announce the different basis for rebalancing prior to its implementation.

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**The Nikkei 225 Index**

The Nikkei 225 Index (the “Nikkei Index”) is a stock index calculated, published and disseminated by Nikkei Inc. that measures the composite price performance of certain Japanese stocks. The Nikkei Index currently is based on 225 underlying stocks (the “Nikkei Underlying Stocks”) trading on the Tokyo Stock Exchange (the “TSE”) representing a broad cross-section of Japanese industries. All 225 Nikkei Underlying Stocks are stocks listed in the First Section of the TSE. Stocks listed in the First Section of the TSE are among the most actively traded stocks on the TSE. Nikkei Inc. rules require that the 75 most liquid issues (one-third of the component count of the Nikkei Index) be included in the Nikkei Index. The Nikkei 225 Index is reported by Bloomberg under the ticker symbol “NKY.”

**Methodology of the Nikkei 225 Index**

The 225 companies included in the Nikkei Index are divided into six sector categories: Technology, Financials, Consumer Goods, Materials, Capital Goods/Others and Transportation and Utilities. In selecting the constituents of the
Nikkei Index, the 450 most liquid stocks on the TSE are identified and sorted according to sector categories. For each sector, the most liquid 50% of the stocks in such sector are included in the Nikkei Index. The six sector categories are divided into 36 industrial classifications as follows:

- Technology—Pharmaceuticals, Electrical Machinery, Automobiles, Precision Machinery, Telecommunications;
- Financials—Banks, Miscellaneous Finance, Securities, Insurance;
- Consumer Goods—Marine Products, Food, Retail, Services;
- Materials—Mining, Textiles, Paper and Pulp, Chemicals, Oil, Rubber, Ceramics, Steel, Nonferrous Metals, Trading House;
- Capital Goods/Others—Construction, Machinery, Shipbuilding, Transportation Equipment, Miscellaneous Manufacturing, Real Estate; and
- Transportation and Utilities—Railroads and Buses, Trucking, Shipping, Airlines, Warehousing, Electric Power, Gas.

The Nikkei Index is a modified, price-weighted index (*i.e.*, a Nikkei Underlying Stock’s weight in the index is based on its price per share rather than the total market capitalization of the issuer) that is calculated by (i) multiplying the per share price of each Nikkei Underlying Stock by the corresponding weight factor for such Nikkei Underlying Stock, (ii) calculating the sum of all these products and (iii) dividing such sum by a divisor. The divisor was initially set at 225 for the date of May 16, 1949 using historical numbers from May 16, 1949. The divisor was 24.966 as of September 28, 2011, and is subject to periodic adjustments as set forth below. Each weight factor is computed by dividing ¥50 by the par value of the relevant Nikkei Underlying Stock, so that the share price of each Nikkei Underlying Stock, when multiplied by its weight factor, corresponds to a share price based on a uniform par value of ¥50. The stock prices used in the calculation of the Nikkei Index are those reported by a primary market for the Nikkei Underlying Stocks (currently the TSE). The level of the Nikkei Index is calculated once per minute during TSE trading hours.

In order to maintain continuity in the Nikkei Index in the event of certain changes due to non-market factors affecting the Nikkei Underlying Stocks, such as the addition or deletion of stocks, substitution of stocks, stock splits or distributions of assets to stockholders, the divisor used in calculating the Nikkei Index is adjusted in a manner designed to prevent any instantaneous change or discontinuity in the level of the Nikkei Index. Thereafter, the divisor remains at the new value until a further adjustment is necessary as the result of another change. As a result of such change affecting any Nikkei Underlying Stock, the divisor is adjusted in such a way that the sum of all share prices immediately after such change multiplied by the applicable weight factor and divided by the new divisor (*i.e.*, the level of the Nikkei Index immediately after such change) will be equal to the level of the Nikkei Index immediately prior to the change.

A Nikkei Underlying Stock may be deleted or added by Nikkei Inc. Any stock becoming ineligible for listing in the First Section of the TSE due to any of the following reasons will be deleted from the Nikkei Underlying Stocks: (i) bankruptcy of the issuer, (ii) merger of the issuer with, or acquisition of the issuer by, another company, (iii) delisting of such stock, (iv) transfer of such stock to the “Seiri-Post” because of excess debt of the issuer or because of any other reason or (v) transfer of such stock to the Second Section. In addition, a component stock transferred to the “Kanri-Post” (Posts for stocks under supervision) is in principle a candidate for deletion. Nikkei Underlying Stocks with relatively low liquidity, based on trading value and rate of price fluctuation over the past five years, may be deleted by Nikkei Inc. Upon deletion of a stock from the Nikkei Underlying Stocks, Nikkei Inc. will select a replacement for such deleted Nikkei Underlying Stock in accordance with certain criteria. In an exceptional case, a newly listed stock in the First Section of the TSE that is recognized by Nikkei Inc. to be representative of a market may be added to the Nikkei Underlying Stocks. In such a case, an existing Underlying Stock with low trading volume and deemed not to be representative of a market will be deleted by Nikkei Inc.

A list of the issuers of the Nikkei Underlying Stocks constituting the Nikkei Index is available from the Nikkei Economic Electronic Databank System and from the Stock Market Indices Data Book published by Nikkei Inc. Nikkei Inc. may delete, add or substitute any stock underlying the Nikkei Index.
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In addition, the Nikkei Index Sponsor gives no assurance regarding any modification or change in any methodology used in calculating the Nikkei Index and is under no obligation to continue the calculation, publication and dissemination of the Nikkei Index.

The Russell 2000® Index

The Russell 2000® Index (a “Russell U.S. Index”) is intended to track the performance of the small-cap segment of the U.S. equity market. The Russell 2000® Index is reconstituted annually and eligible initial public offerings (“IPOs”) are added to the Russell 2000® Index at the end of each calendar quarter. The Russell 2000® Index is a subset of the Russell 3000® Index, which contains the largest 4,000 companies incorporated in the U.S. and its territories and represents approximately 99% of the U.S. equity market. The Russell 2000® Index measures the composite price performance of stocks of approximately 2,000 U.S. companies. As of January 31, 2012, the largest five sectors represented by the Russell 2000® Index were Financial Services, Technology, Consumer Discretionary, Producer Durables and Health Care. Real-time dissemination of the value of the Russell 2000® Index by Reuters began on December 31, 1986. The Russell 2000® Index was developed by Russell Investments (“Russell”) and is calculated, maintained and published by Russell. The Russell 2000® Index is reported by Bloomberg under ticker symbol “RTY.”

Methodology for the Russell U.S. Indices

Companies which Russell assigns to the U.S. equity market are included in the Russell U.S. indices. If a company incorporates, has a stated headquarters location, and also trades in the same country (ADR’s and ADS’s are not eligible), the company is assigned to the equity market of its country of incorporation. If any of the three do not match, Russell then defines three Home Country Indicators (“HCI”): country of Incorporation, country of Headquarters, and country of the most liquid exchange as defined by two-year average daily dollar trading volume (“ADDTV”) from all exchanges within a country. Using the HCIs, Russell cross-compares the primary location of the company’s assets with the three HCIs. If the primary location of assets matches any of the HCIs, then the company is assigned to its primary asset location. However, if there is not enough information to conclude a company’s primary country of assets, Russell uses the primary location of the company’s revenue for the same cross-comparison and assigns the company to its home country in a similar fashion. If conclusive country details can not be derived from assets or revenue, Russell assigns the company to the country where its headquarters are located unless the country is a Benefit Driven Incorporation (BDI) country; in which case, the company will be assigned to the country of its most liquid stock exchange. Russell lists the following countries as BDIs: Anguilla, Antigua and Barbuda, Bahamas, Barbados, Belize, Bermuda, British Virgin Islands, Cayman Islands, Channel Islands, Cook Islands, Faroe Islands, Gibraltar, Isle of Man, Liberia, Marshall Islands, Former Netherlands Antilles, and Turks and Caicos Islands.

Preferred and convertible preferred stock, redeemable shares, participating preferred stock, warrants and rights and trust receipts are not eligible for inclusion in the Russell U.S. Indices. Royalty trusts, limited liability companies,
closed-end investment companies (business development companies are eligible), blank check companies, special purpose acquisition companies, and limited partnerships are also not eligible for inclusion in the Russell U.S. Indices. Over-the-counter, bulletin board and pink sheet securities that are traded on a major U.S. exchange are not eligible for inclusion. Stocks must trade at or above $1.00 on their primary exchange on the last trading day in May of each year or during the IPO eligibility periods to be eligible for inclusion in the Russell U.S. Indices. However, if a stock falls below $1.00 intra-year, it will not be removed until the next reconstitution, if it is then still trading below $1.00. Companies with only a small portion of their shares available in the marketplace are not eligible. In order to be included in the annual reconstitution, a stock must be listed on the last trading day in May and Russell must have access to documentation on that date supporting the company’s eligibility for inclusion. IPOs are considered for inclusion quarterly.

The primary criterion used to determine the initial list of securities eligible for the Russell U.S. Indices is total market capitalization, which is determined by multiplying total outstanding shares by the market price as of the last trading day in May for those securities being considered at annual reconstitution. Common stock, non-restricted shares exchangeable on a one-for-one basis at the holder’s option, and partnership units/membership interests representing an economic interest in a linked liability company or limited partnership are used to determine market capitalization for a company. If multiple share classes of common stock exist, they are combined. In cases where the common stock share classes act independently of each other, each class is considered for inclusion separately. On the last trading day of May of each year, all eligible securities are ranked by their total market capitalization. Reconstitution occurs on the last Friday in June. However, at times this date precedes a long U.S. holiday weekend, when liquidity is low. In order to ensure proper liquidity in the markets, when the last Friday in June is the 28th, 29th or 30th, reconstitution will occur on the preceding Friday.

Once the market capitalization for each security is determined by use of total shares and price, each security is placed in the appropriate Russell market capitalization based index. The largest 4,000 securities become members of the Russell 3000ETM Index. The Russell 2000® Index is a subset of this index and generally includes companies #1001 to #3000 (based on descending total market capitalization) included in the Russell 3000ETM Index.

After the initial market capitalization breakpoints are determined by the ranges listed above, new members are assigned on the basis of the breakpoints and existing members are reviewed to determine if they fall within a cumulative 5% market capitalization range around these new market capitalization breakpoints. If an existing member’s market capitalization falls within this cumulative 5% of the market capitalization breakpoint, it will remain in its current index rather than be moved to a different market capitalization–based Russell index.

**Capitalization Adjustments**

After membership is determined, a security’s shares are adjusted to include only those shares available to the public, which is often referred to as “free float.” The purpose of this adjustment is to exclude from market calculations the capitalization that is not available for purchase and is not part of the investable opportunity set. Stocks are weighted in the Russell U.S. Indices by their available market capitalization, which is calculated by multiplying the primary closing price by the available shares. The following types of shares are considered unavailable for purchase and removed from total market capitalization to arrive at free float or available market capitalization:

- ESOP or LESOP shares that comprise 10% or more of the shares outstanding are adjusted;
- Cross ownership by another Russell 3000ETM Index or Russell Global® Index member. Shares held by another member of a Russell index (including Russell global indices) is considered cross ownership, and all shares will be adjusted regardless of percentage held;
- Large corporate and private holdings: Shares held by another listed company (non-member) or by private individuals will be adjusted if they are greater than 10% of shares outstanding. Not included in this class are institutional holdings, including investment companies, partnerships, insurance companies, mutual funds, banks or venture capital firms;
- Unlisted share classes: Classes of common stock that are not traded on a U.S. exchange are adjusted;
- IPO lock-ups: Shares locked up during an IPO that are not available to the public and will be excluded from the market value at the time the IPO enters the index; and
• Government Holdings:
  • Direct government holders: Those holdings listed as “government of” are considered unavailable and will be removed entirely from available shares.
  • Indirect government holders: Shares held by government investment boards and/or investment arms will be treated similar to large private holdings and removed if the holding is greater than 10%.
  • Government pensions: Any holding by a government pension plan is considered institutional holdings and will not be removed from available shares.

Corporate Actions Affecting a Russell U.S. Index

Changes to a Russell U.S. Index are made when an action is final. Depending upon the time an action is determined to be final, Russell will either (1) apply the action after the close of the current market day, or (2) apply the action after the close of the following day. The following summarizes the types of Russell U.S. Index maintenance adjustments. A full description of all corporate action driven change to the Russell U.S. Indices can be found on the Russell’s website.

• “No Replacement” Rule: Securities that leave a Russell U.S. Index for any reason (e.g., mergers, acquisitions or other similar corporate activity) are not replaced. Thus, the number of securities in a Russell U.S. Index over the year will fluctuate according to corporate activity.

• Rules for Deletions:
  • Mergers and Acquisitions: Mergers and Acquisitions (M&A) result in changes to the membership and to the weighting of members within a Russell U.S. Index. M&A activity is applied to a Russell U.S. Index after the action is determined to be final. If both companies involved are included in the Russell 3000E™ Index or the Russell Global Index, the acquired company is deleted and its market capitalization is moved to the acquiring company’s stock, according to the merger terms. If only one company is included in the Russell 3000E™ Index, there may be two forms of merger or acquisition: if the acquiring company is a member, the acquiring company’s shares will be adjusted at month end, and if the acquiring company is not a member, the acquired company will be deleted if it is a standard acquisition or the acquired company will be deleted and the surviving entity will be placed in the appropriate market capitalization index if it is a reverse merger.
  • Reincorporations: Companies that are reincorporated to another country are deleted from the index when the reincorporation is final.
  • Delisting: Only companies listed on U.S. exchanges are included in the Russell U.S. Indices. Therefore, when a company is delisted from a U.S. exchange and moved to OTC, the company is removed from the Russell U.S. Index either at the close of the current day or the following day.
  • Bankruptcies and Voluntary Liquidations: Companies filing for Chapter 7 bankruptcy or that have filed a liquidation plan will be removed from the Russell U.S. Indices at the time of filing. Companies filing for Chapter 11 reorganization bankruptcy will remain members of the Russell U.S. Indices, unless the companies are delisted from the primary exchange and then normal delisting rules will apply.

• Rule for Additions:
  • Spin-offs: Spin-off companies are added to the parent company’s index and capitalization tier of membership, if the spin-off company is large enough. To be eligible, the spun-off company’s total market capitalization must be greater than the market adjusted total market capitalization of the smallest security in the Russell 3000E™ Index at the latest reconstitution.
  • Initial Public Offerings: Eligible IPOs are added to the Russell U.S. Indices each quarter.
License Agreement with Russell

We and Russell have entered into a non-exclusive license agreement providing for the license to us, in exchange for a fee, of the right to use the Russell 2000® Index in connection with the securities. The license agreement between Russell and us provides that the language substantially the same as the following language must be stated in this underlying supplement. The Russell 2000® Index is the intellectual property of Russell (the “Sponsor”). The Sponsor reserves all rights including copyright, to the Russell 2000® Index.

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The S&P Indices

The S&P 500® Index, the S&P MidCap 400® Index and the S&P® 100 Index (each an “S&P Index,” and together, the “S&P Indices”), the S&P Homebuilders Select Industry™ Index, the S&P Metals & Mining Select Industry™ Index, and the S&P/ASX 200 Index are published by Standard & Poor’s Financial Services LLC (“S&P”).

The S&P 500® Index

The S&P 500® Index is intended to provide a performance benchmark for the U.S. equity markets. The calculation of the level of the S&P 500® Index (as discussed below in further detail) is based on the relative value of the aggregate market value of the common stocks of 500 companies as of a particular time as compared to the aggregate average market value of the common stocks of 500 similar companies during the base period of the years 1941 through 1943. Historically, the market value of any S&P 500® Index component stock was calculated as the product of the market price per share and the number of the then outstanding shares of such S&P 500® Index component stock. As discussed below, on March 21, 2005, S&P began to use a new methodology to calculate the market value of the component stocks and on September 16, 2005, S&P completed its transition to the new calculation methodology. The 500 companies are not the 500 largest companies listed on the NYSE and not all 500 companies are listed on such exchange. S&P chooses companies for inclusion in the S&P 500® Index with an aim of achieving a distribution by broad industry groupings that approximates the distribution of these groupings in the common stock population of the U.S. equity market. S&P may from time to time, in its sole discretion, add companies to, or delete companies from, the S&P 500® Index to achieve the objectives stated above. Relevant criteria employed by S&P include the viability of the particular company, the extent to which that company represents the industry group to which it is assigned, the extent to which the market price of that company’s common stock is generally responsive to changes in the affairs of the respective industry and the market value and trading activity of the common stock of that company. The S&P 500® Index is reported by Bloomberg under the ticker symbol “SPX.” For information concerning the methodology and the criteria
for inclusion in the S&P 500® Index, please refer to “The S&P Indices Methodology” and “Criteria for Inclusion in the S&P Indices,” respectively, below.

**The S&P Midcap 400® Index**

The S&P MidCap 400® Index is intended to provide a benchmark for performance measurement of the medium capitalization segment of the U.S. equity markets. It tracks the stock price movement of 400 companies with mid-sized market capitalizations, primarily ranging from $1 billion to $4.4 billion. S&P chooses companies for inclusion in the S&P MidCap 400® Index with an aim of achieving a distribution by broad industry grouping that approximates the distribution of these groupings in the common stock population of the medium capitalization segment of the U.S. equity market. Relevant criteria employed by S&P include the viability of the particular company, the extent to which that company represents the industry group to which it is assigned, the extent to which the company’s common stock is widely held and the market value and trading activity of the common stock of that company. The S&P MidCap 400® Index is reported by Bloomberg under the ticker symbol “MID.” For information concerning the methodology and the criteria for inclusion in the S&P MidCap 400® Index, please refer to “The S&P Indices Methodology” and “Criteria for Inclusion in the S&P Indices,” respectively, below.

**The S&P 100® Index**

The S&P 100® Index is a subset of the S&P 500® Index and is comprised of 100 leading U.S. stocks with exchange-listed options. Constituents of the S&P 100® Index are selected for sector balance and represent over 60% of the market capitalization of the S&P 500® Index and almost 45% of the market capitalization of the U.S. equity markets. Because the S&P 100® Index is derived from the S&P 500® Index, the S&P 100® Index stocks are also subject to the published S&P 500® criteria for additions and deletions. In addition, only companies included in the S&P 500® Index are eligible for inclusion in the S&P 100® Index. All stocks added to the S&P 100® Index must maintain exchange-listed options. Sector balance is considered in the selection of companies for the S&P 100® Index. S&P may from time to time, in its sole discretion, add companies to, or delete companies from, the S&P 100® Index to achieve the objectives stated above. Relevant criteria employed by S&P include the viability of the particular company, the extent to which that company represents the industry group to which it is assigned, the extent to which the company’s common stock is widely held and the market value and trading activity of the common stock of that company. S&P may remove a company that substantially violates one or more of the criteria for index inclusion from the S&P 100® Index. The S&P 100® Index is reported by Bloomberg under the ticker symbol “OEX.” For information concerning the methodology and the criteria for inclusion in the S&P 100® Index, please refer to “The S&P Indices Methodology” and “Criteria for Inclusion in the S&P Indices,” respectively, below.

**Criteria for Inclusion in the S&P Indices**

In order to be included in the S&P Indices, the stock must meet the following criteria:

- the issuer must have an unadjusted market capitalization of $4.0 billion or more. The market capitalization requirements are reviewed periodically so as to ensure consistency with market conditions;

- the ratio of annual dollar value traded to float-adjusted market capitalization should be 1.00 or greater and the company must trade a minimum of 250,000 shares in each of the six months leading up to the evaluation date;

- the issuer of the stock must be a U.S. company (to determine whether an issuer is a U.S. company, S&P considers a number of factors, including the location of the company’s operations, corporate structure, accounting standards and exchange listings);

- at least 50% of the issuer’s market capitalization must be publicly floated;

- the sector representation for the S&P 500® Index is periodically evaluated and updated based on activity in the U.S. economy. Updates to the sector representation for the component indices result in equivalent updates to the sector representation in other S&P indices;

- the issuer must also be found to be financially viable by posting four consecutive quarters of positive as-reported earnings, where as-reported earnings are defined as GAAP net income, excluding discontinued
operations and extraordinary items, and a company’s balance sheet leverage must be operationally
justifiable in the context of both its industry peers and its business model; and

• the issuer must also be an operating company—limited partnerships, OTC bulletin board issues, closed-end
funds, ETFs, ETNs, royalty trusts, tracking stocks, preferred shares, unit trusts, equity warrants, convertible
bonds, investment trusts, ADRs, ADSs and MLP IT units are not eligible; but real estate investment trusts
and business development companies are eligible.

A company can be removed from the S&P Indices if it substantially violates one or more of the criteria for
index inclusion, or if the company is involved in a merger, acquisition or restructuring such that it no longer meets the
inclusion criteria.

The S&P Indices Methodology

On March 21, 2005, S&P began to calculate the S&P Indices based on a half float-adjusted formula, and on
have not been changed by the shift to float adjustment. However, the adjustment affects each company’s weight in the
S&P Indices (i.e., its market value).

Under float adjustment, the share counts used in calculating the S&P Indices reflect only those shares that are
available to investors, not all of a company’s outstanding shares. S&P defines three groups of shareholders whose
holdings are subject to float adjustment:

• holdings by other publicly traded corporations, venture capital firms, private equity firms, strategic partners
or leveraged buyout groups;

• holdings by government entities, including all levels of government in the United States or foreign
countries; and

• holdings by current or former officers and directors of the company, founders of the company, or family
trusts of officers, directors or founders, as well as holdings of trusts, foundations, pension funds, employee
stock ownership plans or other investment vehicles associated with and controlled by the company.

However, treasury stock, stock options, restricted shares, equity participation units, warrants, preferred stock,
convertible stock, and rights are not part of the float. In cases where holdings in a group exceed 10% of the outstanding
shares of a company, the holdings of that group will be excluded from the float-adjusted count of shares to be used in the
index calculation. Mutual funds, investment advisory firms, pension funds or foundations not associated with the
company and investment funds in insurance companies, shares of a United States company traded in Canada as
“exchangeable” shares, shares that trust beneficiaries may buy or sell without difficulty or significant additional expense
beyond typical brokerage fees, and, if a company has multiple classes of stock outstanding, shares in an unlisted or non-
traded class if such shares are convertible by shareholders to a listed class without undue delay and cost, are also part of
the float.

For each stock, an investable weight factor (“IWF”) is calculated by dividing (i) the available float shares,
defined as the total shares outstanding less shares held in one or more of the three groups listed above where the group
holdings exceed 10% of the outstanding shares, by (ii) the total shares outstanding. For companies with multiple classes
of stock, S&P will calculate the weighted average IWF for each stock using the proportion of the total company market
capitalization of each share class as the weights. The result is reviewed to assure that when the weighted average IWF is
applied to the class included in the S&P Indices, the shares to be purchased are not significantly larger than the available
float for the included class.

The S&P Indices are calculated using a base-weighted aggregate methodology: the level of the relevant S&P
Index reflects the total market value of all component stocks relative to such S&P Index’s base period.

An indexed number is used to represent the results of this calculation in order to make the value easier to work
with and track over time.

The daily calculation of the S&P Indices is computed by dividing the sum of the IWF multiplied by both the
price and the total shares outstanding for each stock \( i.e. \), the aggregate market value) by the index divisor. By itself, the index divisor is an arbitrary number. However, in the context of the calculation of the S&P Indices, it is the only link to the original base period level of the S&P Indices. The index divisor keeps the S&P Indices comparable over time and is the manipulation point for all adjustments to the S&P Indices.

Index maintenance includes monitoring and completing the adjustments for company additions and deletions, rights issues, share buybacks and issuances and spinoffs. Changes to the S&P Indices are made on an as-needed basis. There is no annual or semi-annual reconstitution. Rather, changes in response to corporate actions and market developments can be made at any time. Constituent changes are typically announced one to five days before they are scheduled to be implemented.

To prevent the level of the S&P Indices from changing due to corporate actions, all corporate actions that affect the total market value of the S&P Indices require an index divisor adjustment. By adjusting the index divisor for the change in total market value, the level of the S&P Indices remains constant. This helps maintain the level of the S&P Indices as an accurate barometer of stock market performance and ensures that the movement of the S&P Indices does not reflect the corporate actions of individual companies in the S&P Indices. All index divisor adjustments are made after the close of trading and after the calculation of the S&P Indices. Some corporate actions, such as stock splits and stock dividends, require simple changes in the common shares outstanding and the stock prices of the companies in the S&P Indices and do not require index divisor adjustments.

The table below summarizes the types of S&P Index maintenance adjustments and indicates whether or not an index divisor adjustment is required.

<table>
<thead>
<tr>
<th>Type of Corporate Action</th>
<th>Adjustment Factor</th>
<th>Divisor Adjustment Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company added/ deleted</td>
<td>Net change in market value determines divisor adjustment.</td>
<td>Yes</td>
</tr>
<tr>
<td>Change in shares outstanding</td>
<td>Any combination of secondary issuance, share repurchase or buy back – share counts revised to reflect change.</td>
<td>Yes</td>
</tr>
<tr>
<td>Stock split</td>
<td>Share count revised to reflect new count. Divisor adjustment is not required since the share count and price changes are offsetting.</td>
<td>No</td>
</tr>
<tr>
<td>Spin-off</td>
<td>If the spun-off company is not being added to the index, the divisor adjustment reflects the decline in index market value ( i.e. ), the value of the spun-off unit.</td>
<td>Yes</td>
</tr>
<tr>
<td>Spin-off</td>
<td>Spun-off company added to the index, another company removed to keep number of names fixed. Divisor adjustment reflects deletion.</td>
<td>Yes</td>
</tr>
<tr>
<td>Change in IWF due to a corporate action or a purchase or sale by an inside holder</td>
<td>Increasing (decreasing) the IWF increases (decreases) the total market value of the index. The divisor change reflects the change in market value caused by the change to an IWF.</td>
<td>Yes</td>
</tr>
<tr>
<td>Special dividend</td>
<td>When a company pays a special dividend the share price is assumed to drop by the amount of the dividend; the divisor adjustment reflects this drop in index market value.</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Rights offering: Each shareholder receives the right to buy a proportional number of additional shares at a set (often discounted) price. The calculation assumes that the offering is fully subscribed. Divisor adjustment reflects increase in market cap measured as the shares issued multiplied by the price paid.

Stock splits and stock dividends do not affect the index divisor of the S&P Index, because following a split or dividend both the stock price and number of shares outstanding are adjusted by S&P so that there is no change in the market value of the S&P component stock. All stock split and dividend adjustments are made after the close of trading on the day before the ex-date.

Each of the corporate events exemplified in the table requiring an adjustment to the index divisor has the effect of altering the market value of the S&P component stock and consequently of altering the aggregate market value of the S&P component stocks, i.e. the post-event aggregate market value. In order that the pre-event index value not be affected by the altered market value (whether increase or decrease) of the affected S&P component stock, a new index divisor is derived as follows:

\[
\frac{\text{Post-Event Aggregate Market Value}}{\text{New Divisor}} = \frac{\text{Post-Event Aggregate Market Value}}{\text{Pre-Event Index Value}}
\]

A large part of the index maintenance process involves tracking the changes in the number of shares outstanding of each of the companies included in each S&P Index. Four times a year, on a Friday close to the end of each calendar quarter, the share totals of companies in the S&P Indices are updated as required by any changes in the number of shares outstanding. After the totals are updated, the index divisor is adjusted to compensate for the net change in the total market value of the index. In addition, changes in a company’s total shares outstanding of 5% or more due to public offerings, tender offers, Dutch auctions or exchange offers are made as soon as reasonably possible. Other changes of 5% or more (for example, due to company stock repurchases, private placements, an acquisition of a privately held company, redemptions, exercise of warrants, conversion of preferred stock, notes, debt, equity participations, at-the-market stock offerings or other recapitalizations) are made weekly, and are announced on Wednesdays for implementation after the close of trading the following Wednesday (one week later). Weekly share changes scheduled to be effective on the Wednesday of a rebalancing week are combined with the quarterly share rebalancing and implemented on Friday of that week. When appropriate, an immediate adjustment is made to the index divisor.

The S&P® Homebuilders Select Industry™ Index

The S&P® Homebuilders Select Industry™ Index (the “S&P Homebuilders Index”) is an equal-weighted index that is designed to measure the performance of the homebuilders sub-industry portion of the S&P® Total Market Index (the “S&P TMI”), a benchmark that measures the performance of the U.S. equity market. The S&P TMI offers broad market exposure to companies of all market capitalization, including all common equities listed on the NYSE, the AMEX and the NASDAQ National and Small Cap markets. Only U.S. companies are eligible for inclusion in the S&P TMI. The S&P Homebuilders Index includes companies in the following sub-industries: homebuilding, building products, home furnishings, home improvement, homefurnishing retail and household appliances. Each of the component stocks in the S&P Homebuilders Index is a constituent company within the homebuilding sub-industry of the S&P TMI. The S&P Homebuilders Index is reported by Bloomberg under ticker symbol “SPSHO.” For information concerning the methodology of the S&P Homebuilders Index, please refer to “Methodology of the Select Industry Indices” below.

The S&P® Metals & Mining Select Industry™ Index

The S&P® Metals & Mining Select Industry™ Index (the “S&P Metals & Mining Index”) is an equal weighted index that is designed to measure the performance of the homebuilders sub-industry portion of the S&P TMI, a benchmark that measures the performance of the U.S. equity market. The S&P TMI offers broad market exposure to companies of all market capitalization, including all common equities listed on the NYSE, the AMEX and the NASDAQ National and Small Cap markets. Only U.S. companies are eligible for inclusion in the S&P TMI. The S&P Metals and
Mining Index includes companies in the following sub-industries: aluminum, coal & consumable fuels, diversified metals & mining, gold, precious metals & minerals and steel. Each of the component stocks in the S&P Metals & Mining Index is a constituent company within the metals and mining sub-industry of the S&P TMI. The S&P Metals & Mining Index is reported by Bloomberg under ticker symbol “SPSIMM.” For information concerning the methodology of the S&P Metals & Mining Index, please refer to “Methodology of the Select Industry Indices” below.

Methodology of the Select Industry Indices

Membership to each of the S&P Homebuilders Index and the S&P Metals & Mining Index (each, a “Select Industry Index” and together the “Select Industry Indices”) is based on a company’s GICS classification, as well as a company’s float-adjusted liquidity ratio (FALR), float-adjusted market capitalization and domicile.

To be eligible for a Select Industry Index, companies must be in the S&P TMI and must satisfy one of the two following combined size and liquidity criteria:

- Float-adjusted market capitalization above $500 million and FALR above 90%.
- Float-adjusted market capitalization above $400 million and FALR above 150%.

All companies satisfying the above requirements are included in the applicable Select Industry Index. The total number of companies in each Select Industry Index should be at least 35. If there are fewer than 35 stocks in a Select Industry Index, stocks from a supplementary list of highly correlated sub-industries, that meet the market capitalization and liquidity thresholds above, are included in order of their float-adjusted market capitalization to reach 35 constituents. Minimum market capitalization requirements may be relaxed to ensure there are at least 22 companies in each Select Industry Index as of each rebalancing effective date. Existing index constituents are removed at the quarterly rebalancing effective date if either their float-adjusted market capitalization falls below $300 million or their FALR falls below 50%.

Market Capitalization

Float-adjusted market capitalization should be at least $400 million for index inclusion. Existing index components must have a float-adjusted market capitalization of $300 million to remain in the index at each rebalancing. If a Select Industry Index still does not have enough stocks that meet the criteria for inclusion, the minimum market capitalization requirements may be relaxed until the other requirements have been satisfied.

Liquidity

The liquidity measurement used is a liquidity ratio, defined by dollar value traded over the previous 12 months divided by float-adjusted market capitalization as of the index-rebalancing date. Stocks having a float-adjusted market capitalization above $500 million must have a liquidity ratio greater than 90% to be eligible for addition to a Select Industry Index. Stocks having a float-adjusted market capitalization between $400 and $500 million must have a liquidity ratio greater than 150% to be eligible for addition to a Select Industry Index. Existing index constituents must have a liquidity ratio greater than 50% to remain in a Select Industry Index at the quarterly rebalancing. The length of time to evaluate liquidity is reduced to the available trading period for IPOs or spin-offs that do not have 12 months of trading history.

Domicile

Only U.S. companies are eligible for inclusion in the Select Industry Indices.

Select Industry Index Construction and Calculations

The Select Industry Indices are equal-weighted and calculated by the divisor methodology.

The initial divisor is set to have a base index value of 1000 on December 17, 1999. The index value is simply the index market value divided by the index divisor:

\[
\text{Index Value} = \frac{\text{Index Market Value}}{\text{Divisor}}
\]
In order to maintain index series continuity, it is also necessary to adjust the divisor at each rebalancing.

\[(\text{Index Value})_{\text{before rebalance}} = (\text{Index Value})_{\text{after rebalance}}\]

Therefore,

\[(\text{Divisor})_{\text{after rebalance}} = (\text{Index Market Value})_{\text{after rebalance}} / (\text{Index Value})_{\text{before rebalance}}\]

At each quarterly rebalancing, stocks are initially equally weighted, using closing prices as of the second Friday of the last month of the quarter as the reference price. Adjustments are then made to ensure that there are no stocks whose weight in the index is more than can be traded in a single day for a $500 million portfolio. S&P calculates a maximum basket liquidity weight for each stock in the index using the ratio of its three-month average daily value traded to $500 million. Each stock’s weight in the index is then compared to its maximum basket liquidity weight and is set to the lesser of its maximum basket liquidity weight and its initial equal weight. All excess weight is redistributed across the index to the uncapped stocks. If necessary, a final adjustment is made to ensure that no stock in the index has a weight greater than 4.5%. This step of the iterative weighting process may force the weight of those stocks limited to their maximum basket liquidity weight to exceed that weight. In such cases, S&P will make no further adjustments. If any of the Select Industry Indices contains exactly 22 companies as of the rebalancing effective date, the index will be equally weighted without basket liquidity constraints.

**Select Industry Index Maintenance**

The membership of an S&P Select Industry Index is reviewed quarterly. Rebalancing occurs after the closing on the third Friday of the quarter ending month. The reference date for additions and deletions is after the closing of the last trading date of the previous month. No companies are added between rebalancings. However, a company will be deleted from a Select Industry Index if the S&P TMI drops the constituent. Unless a constituent deletion causes the number of companies in a Select Industry Index to fall below 22 stocks, then the dropped is accompanied by an add assuming the weight of the dropped stock.

For equal and modified market cap weighted indices, when a stock is removed from an index at a price of $0.00, the stock’s replacement will be added to the index at the weight using the previous day’s closing value, or the most immediate prior business day that the deleted stock was not valued at $0.00.

The table below summarizes the types of index maintenance adjustments and indicates whether an index adjustment is required.

<table>
<thead>
<tr>
<th>S&amp;P TMI Action</th>
<th>Adjustment Made to Index</th>
<th>Divisor Adjustment?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constituent deletion</td>
<td>If the constituent is a member of the applicable Select Industry Index, it is dropped.</td>
<td>Yes</td>
</tr>
<tr>
<td>Constituent add</td>
<td>Only in cases where the deletion causes the component count to fall below 22 stocks, then the dropped is accompanied by an add assuming the weight of the dropped stock.</td>
<td>No, except in the case of stocks removed at $0.00</td>
</tr>
<tr>
<td>Share changes between quarterly share adjustments</td>
<td>None.</td>
<td>No</td>
</tr>
</tbody>
</table>
Quarterly share changes: There is no direct adjustment, however, on the same date the applicable Select Industry Index rebalancing will take place.

GICS change: None. If, after the GICS change, a company no longer qualifies to belong to the applicable Select Industry Index, it is removed at the next rebalancing.

**Corporate Actions**

<table>
<thead>
<tr>
<th>Corporate Action</th>
<th>Adjustment Made to Index</th>
<th>Divisor Adjustment?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spin-off</td>
<td>In general, both the parent company and spin-off companies will remain in the index until the next index rebalancing, regardless of whether they conform to the theme of the index. When there is no market-determined price available for the spin, the spin is added to the index at zero price at the close of the day before the ex-date.</td>
<td>No</td>
</tr>
<tr>
<td>Rights Offering</td>
<td>The price is adjusted to the Price of the Parent Company minus (the Price of the Rights Subscription/Rights Ratio). The Index Shares change so that the company’s weight remains the same as its weight before the spin-off.</td>
<td>No</td>
</tr>
<tr>
<td>Stock Split</td>
<td>The Index Shares are multiplied by and price is divided by the split factor.</td>
<td>No</td>
</tr>
<tr>
<td>Share Issuance or Share Repurchase</td>
<td>None.</td>
<td>No</td>
</tr>
<tr>
<td>Special Dividends</td>
<td>Price of the stock making the special dividend payment is reduced by the per share special dividend amount after the close of trading on the day before the dividend ex-date.</td>
<td>Yes</td>
</tr>
</tbody>
</table>

**Total Return**

Each Select Industry Index will have a total return counterpart, which assumes dividends are reinvested in the applicable Select Industry Index after the close on the ex-date. On any given date $t$:  

\[
\text{Total Return Multiplier}_t = \frac{[(\text{Total Return Index Value}_{t-1}) + (\text{Index Dividend Points}_t)]}{(\text{Index Value}_{t-1})} \\
\text{Total Return Index Value}_t = (\text{Total Return Index Value}_{t-1}) \times (\text{Total Return Multiplier}_t) \\
\text{Index Dividend Points}_t = \sum (\text{Index Shares})_{t-1} \times (\text{Ex-dividends})_{t-1} / \text{Divisor}_t
\]

**The S&P/ASX 200 Index**

The S&P/ASX 200 Index is intended to provide a performance benchmark for the Australian equity market. The S&P/ASX 200 Index is comprised of the stocks included in the S&P/ASX 100 Index plus an additional 100 stocks selected by the Standard & Poor’s Australian Index Committee (“S&P/ASX Committee”). The S&P/ASX 200 Index is float-adjusted, covering approximately 80% of the total market capitalization of the Australian market. The index essentially covers large-cap and mid-cap stocks evaluated for liquidity and size. The components of the S&P/ASX 200 Index are drawn from the universe of ordinary and preferred equity stocks listed on the Australian Stock Exchange.
(“ASX”). Other types of securities, including convertible stock, bonds, warrants, and preferred stocks that provide a guaranteed fixed return are not eligible for inclusion. The S&P/ASX 200 Index is reported by Bloomberg under the ticker symbol “AS51.”

**Methodology of the S&P/ASX 200 Index**

The S&P/ASX 200 Index weights companies according to the GICS®, which creates uniform ground rules for replicable, custom-tailored, industry-focused portfolios. It also enables meaningful comparisons of sectors and industries across regions. Sector indices are available for the S&P/ASX 200 Index. As of August 31, 2011, the securities included in the S&P/ASX 200 Index were classified into the following eleven sectors: Energy, Materials, Industrials, Consumer Discretionary, Consumer Staples, Health Care, Information Technology, Telecommunications Services, Utilities, Property and Financials—x—Property.

**Calculation of the S&P/ASX 200 Index**

The calculation of the value of the S&P/ASX 200 Index is based on the relative float-adjusted aggregate market capitalization of the stocks of 200 companies in the Australian market as of a particular time as compared to the base value of the S&P/ASX 200 Index. The index market capitalization for each S&P/ASX 200 component stock is calculated by multiplying the company’s stock price times the number of ordinary shares times the investable weight factor (as discussed below). Calculations for the S&P/ASX 200 Index are based on stock prices taken from the Australian Stock Exchange (“ASX”). The official daily S&P/ASX 200 Index closing values are calculated after the market closes and are based on the last traded price for each S&P/ASX 200 component stock. Component stocks of the S&P/ASX 200 Index are determined after an analysis of the stocks’ liquidity, free float and market capitalization. A constituent of the S&P/ASX 200 Index must be sufficiently liquid to enable institutional investors to buy in and sell out of the company without severely distorting the share price of that stock. The S&P/ASX Committee assesses whether a company has sufficient liquidity to be eligible for the S&P/ASX 200 Index by analyzing each company’s free float and daily share turnover. Free float is defined as the portion of shares not being held by the following: (i) government and government agencies, (ii) controlling and strategic shareholders/partners, (iii) any other entities or individuals which hold more than 5%, excluding some financial institutions and funds and (iv) other restricted portions such as treasury stocks. Stocks are deemed ineligible for inclusion in the S&P/ASX 200 if their free float is less than 30%. In addition, the S&P/ASX Committee considers market capitalization, adjusting each company’s market capitalization for free float. An investable weight factor is used in the adjustment process. In most cases, a stock’s factor will be a direct reflection of its level of free float. The S&P/ASX Committee considers average float-adjusted market capitalization over a six-month period when assessing whether a company’s market capitalization is sufficient for the company to be represented in the S&P/ASX 200.

The S&P/ASX Committee is responsible for setting policy, determining index composition and administering the S&P/ASX 200 Index in accordance with the S&P/ASX methodology. The S&P/ASX Committee is a team of five, including three S&P economists and index analysts and two ASX representatives. The S&P/ASX Committee may add, remove or bypass any company or security during the selection process. In maintaining the S&P/ASX 200 Index, the S&P/ASX Committee considers the guiding principle of minimizing changes to the index portfolio. The S&P/ASX Committee deletes component stocks from the S&P/ASX 200 Index for reasons including acquisition, insufficient market capitalization, insufficient liquidity, liquidation or insolvency and company restructurings. Between index rebalancings, additions to the S&P/ASX 200 Index are triggered only by deletions, and are evaluated using the criteria described above for selection of S&P/ASX 200 component stocks. Initial public offerings may be eligible for inclusion prior to six months of data being available, but only if a deletion occurs and the S&P/ASX Committee decides that the inclusion is justified.

The S&P/ASX Committee rebalances the S&P/ASX 200 Index quarterly at the end of March, June, September and December; the free float and investable weight factors of S&P/ASX 200 component stocks are reviewed as part of the March rebalance. Quarterly rebalances analyze market capitalization and liquidity over the previous six months. The S&P/ASX Committee announces index deletions and replacements to the S&P/ASX 200 Index to the market on the first Friday of March, June, September and December. Quarterly changes become effective at the close of trade on the third Friday of March, June, September and December. The S&P/ASX 200 Index is also rebalanced, and investable weight factors are adjusted, on an as needed basis when significant corporate events occur.

Share counts for S&P/ASX 200 Index constituents are updated quarterly and are rounded to the nearest thousand. The update to the number of issued shares will be considered if the change is at least 5% of the float-adjusted
shares or 100 million Australian dollars (“A$”) in value. Share updates for foreign-domiciled securities will take place annually at the March rebalancing. The update to the number of index shares will only take place when the six-month average of CDIs or the Total Securities held in the Australian branch of issuer sponsored register (where supplied) and in CHESS, as of the March rebalancing, differs from the current index shares by either 5% or a market-cap dollar amount greater than A$100 million. Intra-quarter share changes are implemented at the effective date or as soon as reliable information is available; however, they will only take place in the following circumstances: (i) changes in a company’s float-adjusted shares of 5% or more due to market-wide shares issuance, (ii) rights issues, bonus issues and other major corporate actions and (iii) share issues resulting from index companies merging and major off-market buybacks. Share changes due to mergers or acquisitions are implemented when the transaction occurs, even if both of the companies are not in the same S&P index and regardless of the size of the change.

License Agreement with S&P

We and S&P are parties to a non-exclusive license agreement providing for the license to us, in exchange for a fee, of the right to use indices owned and published by S&P in connection with certain securities, including the securities.

The license agreement between S&P and us provides that language substantially the same as the following language must be stated in this pricing supplement:

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The S&P CNX Nifty Index

The S&P CNX Nifty Index is a diversified 50-stock, market capitalization-weighted index comprising large and highly liquid securities traded on the NSE. The S&P CNX Nifty Index covers 21 sectors of the Indian economy and as of December 2011 includes securities with a market capitalization representing approximately 67% of the total float-adjusted market capitalization of the Indian stock market. The S&P CNX Nifty Index is calculated and maintained by India Index Services and Products Ltd. (“IISL”), which is a joint venture between the National Stock Exchange of India Ltd. (“NSE”) and CRISIL Ltd. (formerly Credit Rating Information Services of India Limited) (“CRISIL”), and is disseminated on the NSE website. IISL has a consulting and licensing agreement with Standard & Poor’s, a division of The McGraw-Hill Companies, Inc. Information contained in the NSE website is not incorporated by reference in, and should not be considered a part of, this underlying supplement or any pricing supplement. The S&P CNX Nifty Index is reported by Bloomberg under the ticker symbol “NSEI.”

The S&P CNX Nifty Index was established with a base value of 1000 and a base capital of 2.06 trillion Indian rupees as of November 3, 1995, which marked the completion of one year of operations of NSE’s Capital Market Segment. All prices for the S&P CNX Nifty Index are in Indian rupees.

Selection Criteria

To be eligible for inclusion in the S&P CNX Nifty Index, a company must be domiciled in India and trade on the NSE. All common shares of such companies are eligible for inclusion in the S&P CNX Nifty Index. Convertible stock, bonds, warrants, rights, and preferred stock that provide a guaranteed fixed return are not eligible. A company must also meet market capitalization, liquidity and free float requirements, as described below.

Float-Adjusted Market Capitalization

Companies eligible for inclusion in the S&P CNX Nifty Index must have at least twice the float-adjusted market capitalization of the current smallest index constituent.

Liquidity

For inclusion in the S&P CNX Nifty Index, the security should have traded at an average impact cost of
0.50% or less for 90% of the observations during the six months prior to the date of review. Impact cost is the cost, at any point in time, of executing a transaction in a security in proportion to the weight of its market capitalization against the S&P CNX Nifty Index market capitalization. This is the percentage mark up suffered while buying or selling the desired quantity of a security compared to its ideal price, which is the average of the best buy price and the best sell price.

**Free Float**

For inclusion in the S&P CNX Nifty Index, a company should have available to investors at least 10% of its stock that is not held by its promoters and associated entities (where identifiable) and available to investors.

A company which comes out with an initial public offering will be eligible for inclusion in the S&P CNX Nifty Index if it fulfills the normal eligibility criteria for the S&P CNX Nifty Index (market capitalization, liquidity and floating stock) for a trailing three-month period instead of a trailing six-month period.

**Index Calculation**

The S&P CNX Nifty Index is calculated real-time on all days that the NSE is open, using a market capitalization weighted methodology wherein the level of the S&P CNX Nifty Index reflects the total market value of all the stocks in the S&P CNX Nifty Index relative to a particular base period. The methodology also takes into account constituent changes in the S&P CNX Nifty Index and corporate actions such as stock splits, rights issuance, etc., without affecting the S&P CNX Nifty Index value.

The S&P CNX Nifty Index is computed by dividing the total market capitalization of the component securities as of the current date \( (MC_n) \) by the total market capitalization of the same securities as of the initial date \( (MC_i) \), multiplied by the S&P CNX Nifty Index value as of the initial date \( (I_1) \):

\[
I_n = \frac{(I_1 * MC_n)}{MC_i}
\]

The total market capitalization as of the current date is computed as follows:

\[
MC_n = \sum_{i=1}^{N} P_i * Q_i
\]

where:

\( Q_i \) = Number of float-adjusted shares outstanding (of the \( i^{th} \) issue) as of the current date.

\( P_i \) = Security price of the \( i^{th} \) issue as of the current date.

\( N \) = Total number of component securities used in the S&P CNX Nifty Index calculation.

In addition to price bands that exist for certain securities, the NSE has index-based, market-wide “circuit breakers.” The circuit breakers apply when the S&P CNX Nifty Index or the BSE Sensex Index fluctuates in value more than 10%, 15% or 20%. Once triggered, a circuit breaker causes all equity and equity derivative markets to cease to trade nationwide for a specified number of hours.

**Index Maintenance**

There is a three-tier governance structure comprising the board of directors of IISL, the S&P CNX Nifty Index Policy Committee and the S&P CNX Nifty Index Maintenance Subcommittee. The S&P CNX Nifty Index Policy Committee is involved in the policy and guidelines for managing the S&P CNX Nifty Index. The S&P CNX Nifty Index Maintenance Subcommittee makes all decisions on additions and deletions of companies in the S&P CNX Nifty Index.

The S&P CNX Nifty Index is reviewed semi-annually, and six weeks’ notice is given to the market before any changes to the constitution of the S&P CNX Nifty Index take effect. A list of eligible securities is compiled based on the
float-adjusted market capitalization criteria. Then, the liquidity and free float filter are applied, and the list of companies remaining forms the pool of potential replacement securities. The fifty companies in the pool with the largest float-adjusted market capitalization are selected for inclusion in the S&P CNX Nifty Index.

Changes in the S&P CNX Nifty Index level reflect changes in the total market capitalization of the S&P CNX Nifty Index that are caused by stock price movements in the market. They do not reflect changes in the market capitalization of the S&P CNX Nifty Index, or of the individual stocks, that are caused by corporate actions such as dividend payments, stock splits, distributions to shareholders, mergers, or acquisitions. When a stock is replaced by another stock in the S&P CNX Nifty Index, the S&P CNX Nifty Index divisor is adjusted so the change in index market value that results from the addition and deletion does not change the S&P CNX Nifty Index level.

The S&P CNX Nifty Index is also monitored on a continuing basis to allow for adjustments due to share changes, stock splits, stock dividends, and stock price adjustments due to restructurings or spin-offs. Some corporate actions, such as stock splits and stock dividends, require simple changes in the common shares outstanding and the stock prices of the companies in the S&P CNX Nifty Index. Other corporate actions, such as share issuances, change the market value of the S&P CNX Nifty Index and require a divisor adjustment to prevent the value of the S&P CNX Nifty Index from changing. Adjusting the divisor for a change in market value leaves the value of the S&P CNX Nifty Index unaffected by the corporate action. Divisor adjustments are made after the close of trading and after the calculation of the closing value of the S&P CNX Nifty Index. Corporate actions such as splits, stock dividends, spin-offs, rights offerings, and share changes are applied after providing five days notice, except that changes entailing less than 5% impact on the issued share capital are accumulated and implemented on a monthly basis.

License Agreement with IISL

IISL and Credit Suisse have entered into or will enter into a non-exclusive license agreement providing for the sub-license to us, and certain of our affiliates, in exchange for a fee, of the right to use the S&P CNX Nifty Index, which is owned and published by IISL, in connection with certain securities.

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The securities are not are sponsored, endorsed, sold or promoted by IISL or S&P. Neither IISL nor S&P makes any representation or warranty, express or implied, to the owners of the securities, or any member of the public regarding the advisability of investing in securities generally or in the securities particularly or the ability of the S&P CNX Nifty Index to track general stock market performance in India. The relationship of S&P and IISL to Credit Suisse is only in respect of the licensing of certain trademarks and trade names of their Index which is determined, composed and calculated by IISL without regard to Credit Suisse or the securities. Neither S&P nor IISL has any obligation to take the needs of Credit Suisse or the owners of the securities into consideration in determining, composing or calculating the S&P CNX Nifty Index. Neither S&P nor IISL is responsible for or has participated in the determination of the timing of, prices at, or quantities of the securities to be issued or in the determination or calculation of the equation by which the securities are to be converted into cash. Neither IISL nor S&P has any obligation or liability in connection with the administration, marketing or trading of the securities.

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The S&P Select Sector Indices

The stocks included in each of the Energy Select Sector Index, the Financial Select Sector Index, the Health Care Select Sector Index and the Materials Select Sector Index (each a “Select Sector Index” and one of the nine “Select Sector Indices”) are selected by BofA Merrill Lynch, acting as index compilation agent in consultation with S&P, from the universe of companies represented by the S&P Indices. The nine Select Sector Indices together will include all of the companies represented in the S&P 500® Index and each of the stocks in the S&P 500® Index will be allocated to one and only one of the Select Sector Indices. S&P acts as index calculation agent in connection with the calculation and dissemination of each Select Sector Index.

The Energy Select Sector Index

The Energy Select Sector Index, which is one of nine Select Sector sub-indices of the S&P 500® Index, is a modified market capitalization-based index intended to track the movements of companies that are components of the S&P 500® Index and are involved in the development or production of crude oil and natural gas, and provide drilling and other energy-related services. The Energy Select Sector Index includes companies from the following industries: oil, gas, and consumable fuels and energy equipment and services. The Energy Select Sector Index is reported by Bloomberg under the ticker symbol “IXE.” For information concerning the methodology of the Energy Select Sector Index, please refer to “Methodology of the Select Sector Indices” below.

The Financial Select Sector Index

The Financial Select Sector Index, which is one of the nine Select Sector sub-indices of the S&P 500® Index, is intended to give investors an efficient, modified market capitalization-based way to track the movements of certain public companies that represent the financial sector of the S&P 500® Index. The Financial Select Sector Index includes component stocks in the following industries: commercial banks, capital markets, diversified financial services, insurance, real estate investment trusts, consumer finance, thrifts and mortgage finance and real estate management and development. The Financial Select Sector Index is reported by Bloomberg under the ticker symbol “IXM.” For information concerning the methodology of the Financial Select Sector Index, please refer to “Methodology of the Select Sector Indices” below.

The Health Care Select Sector Index

The Health Care Select Sector Index, which is one of nine Select Sector sub-indices of the S&P 500® Index, is a modified market capitalization-based index intended to track the movements of companies that are components of the S&P 500® Index from the following industries: pharmaceuticals, health care providers and services, health care equipment and supplies, biotechnology, life sciences tools and services, and health care technology. The Health Care Select Sector Index is reported by Bloomberg under the ticker symbol “IXV.” For information concerning the methodology of the Health Care Select Sector Index, please refer to “Methodology of the Select Sector Indices” below.

The Materials Select Sector Index

The Materials Select Sector Index, which is one of nine Select Sector sub-indices of the S&P 500® Index, is a modified market capitalization-based index intended to track the movements of companies that are components of the S&P 500® Index from the following industries: chemicals, construction materials, containers and packaging, metals and mining and paper and forest products. The Materials Select Sector Index is reported by Bloomberg under the ticker symbol “IXB.” For information concerning the methodology of the Materials Select Sector Index, please refer to “Methodology of the Select Sector Indices” below.

Methodology of the Select Sector Indices

Each Select Sector Index was developed and is maintained in accordance with the criteria set forth below.

• Each of the component stocks in a Select Sector Index is a constituent company of the S&P 500® Index.

• The nine Select Sector Indices together will include all of the companies represented in the S&P 500® Index and each of the stocks in the S&P 500® Index will be allocated to one and only one of the Select Sector Indices.
• BofA Merrill Lynch, acting as the index compilation agent, assigns each constituent stock of the S&P 500® Index to a Select Sector Index. The index compilation agent, after consultation with S&P, assigns a company’s stock to a particular Select Sector Index on the basis of such company’s sales and earnings composition and the sensitivity of the company’s stock price and business results to the common factors that affect other companies in each Select Sector Index. S&P has sole control over the removal of stocks from the S&P 500® Index and the selection of replacement stocks to be added to the S&P 500® Index. However, S&P plays only a consulting role in the Select Sector Index assignment of the S&P 500® Index component stocks, which is the sole responsibility of the index compilation agent.

• Each Select Sector Index is calculated by the American Stock Exchange Index Services Group (“ISG”) using a modified “market capitalization” methodology. This design ensures that each of the component stocks within a Select Sector Index is represented in a proportion consistent with its percentage with respect to the total market capitalization of such Select Sector Index. Under certain conditions, however, the number of shares of a component stock within the Select Sector Index may be adjusted to conform to Internal Revenue Code requirements.

• Rebalancing the Select Sector Indices to meet the asset diversification requirements will be the responsibility of S&P. If shortly prior to the last business day of any calendar quarter (a “Quarterly Qualification Date”), a component stock (or two or more component stocks) approaches the maximum allowable value limits set forth above (the “Asset Diversification Limits”), the percentage that such component stock (or component stocks) represents in the Select Sector Index will be reduced and the market capitalization-based weighted value of such component stock (or component stocks) will be redistributed across the component stocks that do not closely approach the Asset Diversification Limits in accordance with the following methodology: First, each component stock that exceeds 24% of the total value of the Select Sector Index will be reduced to 23% of the total value of the Select Sector Index and the aggregate amount by which all component stocks exceed 24% will be redistributed equally across the remaining component stocks that represent less than 23% of the total value of the Select Sector Index. If as a result of this redistribution, another component stock then exceeds 24%, the redistribution will be repeated as necessary. Second, with respect to the 50% of the value of the Select Sector Index accounted for by the lowest weighted component stocks, each component stock that exceeds 4.8% of the total value of the Select Sector Index will be reduced to 4.6% and the aggregate amount by which all component stocks exceed 4.8% will be distributed equally across all remaining component stocks that represent less than 4.6% of the total value of the Select Sector Index. If as a result of this redistribution another component stock that did not previously exceed 4.8% of the Select Sector Index value then exceeds 4.8%, the redistribution will be repeated as necessary until at least 50% of the value of the Select Sector Index is accounted for by component stocks representing no more than 4.8% of the total value of the Select Sector Index. If necessary, this reallocation process may take place more than once prior to a Quarterly Qualification Date to insure that the Select Sector Index and the Select Sector SPDR Fund portfolio based upon it conform to the requirements for qualification of the Underlying Fund as a registered investment company.

Each Select Sector Index is calculated using the same methodology utilized by S&P in calculating the S&P 500® Index, using a base-weighted aggregate methodology. See “The S&P Indices Methodology” and “The S&P 500® Index” above. The daily calculation of each Select Sector Index is computed by dividing the total market value of the companies in the Select Sector Index by a number called the index divisor.

The index compilation agent at any time may determine that an S&P 500® Index component stock which has been assigned to one Select Sector Index has undergone such a transformation in the composition of its business that it should be removed from that Select Sector Index and assigned to a different Select Sector Index. In the event that the index compilation agent notifies ISG that an S&P 500® component stock’s Select Sector Index assignment should be changed, the Exchange will disseminate notice of the change following its standard procedure for announcing index changes and will implement the change in the affected Select Sector Indices on a date no less than one week after the initial dissemination of information on the sector change to the maximum extent practicable. It is not anticipated that S&P 500® component stocks will change sectors frequently.

Component stocks removed from and added to the S&P 500® Index will be deleted from and added to the appropriate Select Sector Index on the same schedule used by S&P for additions and deletions from the S&P 500® Index insofar as practicable.
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We or one of our affiliates and S&P are parties to a non-exclusive license agreement providing for the license to us, in exchange for a fee, of the right to use indices owned and published by S&P in connection with certain securities, including these securities. “Standard & Poor’s®,” “S&P®,” “S&P 500®,” “Standard & Poor’s 500®,” “500®,” “MidCap 400®,” “S&P 100®,” “100®,” “S&P® Homebuilders Select Industry™ Index,” “S&P® Metals & Mining Select Industry™ Index,” “SPDR®,” “S&P® Select Industry,” “S&P® TMI Index,” “S&P® Select Sector Index,” “Energy Select Sector Index,” “Financial Select Sector Index,” “Health Care Select Sector Index” and “Materials Select Sector Index” are trademarks of Standard & Poor’s Corporation and have been licensed for use by Credit Suisse.

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The Swiss Market Index

The Swiss Market Index (“SMI”) is a free-float-adjusted market capitalization weighted index that represents about 90% of the free-float capitalization of the Swiss equity market. The SMI was introduced on June 30, 1988 at a baseline value of 1500 points. Its composition is examined once a year. The SMI comprises the 20 largest and most liquid equities of the Swiss Performance Index (“SPI”). Calculation takes place in real-time: as soon as a new transaction occurs in a security contained in the SMI, an updated index level is calculated and displayed. The Swiss Market Index was developed by the SIX Swiss Exchange and is calculated, maintained and published by the SIX Swiss Exchange. The SMI is reported by Bloomberg under the ticker symbol “SMI.”

Methodology of the SMI

The SMI is calculated according to the Laspeyres method using a weighted arithmetic mean over a defined selection of securities. The current index level can be calculated by dividing the sum of the market capitalizations of the securities contained in the SMI by the divisor. The securities included in the SMI are weighted according to their free float. This means that large share packages that reach or exceed the threshold of 5% are subtracted from the total market capitalization.

The free float is calculated on the basis of outstanding shares. Issued and outstanding equity capital is, as a rule, the total amount of equity capital that has been fully subscribed and wholly or partially paid in and documented in the Commercial Register. Conditional and authorized capital does not count as issued and outstanding equity capital. The free float is calculated on the basis of listed shares only. Where a company has different categories of listed securities,
these are considered separately for the purposes of calculating the index.

In principle, shares in fixed ownership are deemed to be those that have been reported to the SIX Swiss Exchange by a person or group of persons whose shareholding has exceeded the relevant threshold values under Arts. 20ff. of the Stock Exchange Act (‘SESTA’). Shares of persons and groups of persons who are subject to a shareholder agreement which is binding for more than 5% of the listed shares or who, according to publicly known facts, have a long-term interest in a company are also deemed to be in fixed ownership.

The SIX Swiss Exchange may use sources in addition to the reports pursuant to SESTA to calculate shares in fixed ownership. In particular, the SIX Swiss Exchange may use data gained from issuer surveys that it conducts itself.

Exceptions

Shares held by the following groups are deemed free-floating regardless whether a report has been made pursuant to the above:

- Custodian nominees
- Trustee companies
- Investment funds
- Pension funds
- Investment companies

The SIX Swiss Exchange classifies at its own discretion persons and groups of persons who, because of their area of activity or the absence of important information, cannot be clearly assigned. The free-float rule applies only to bearer shares and registered shares. Capital issued in the form of participation certificates and bonus certificates is taken into full account in calculating the index because it does not confer voting rights.

Calculation and publication intervals

The SMI is calculated in real time. The index is recalculated and republished immediately upon any changes in the price of any security. The shortest interval between calculation is one second. All index data is distributed by SIX Exfeed Ltd (subsidiary of SIX Group Ltd) via information service providers (e.g., Reuters, Telekurs and BLOOMBERG).

Prices used

In calculating the SMI, the last paid price is taken into account. If no price has been paid on the day of calculation, the bid price is used. In the absence of a bid price, the previous day's price is used. Only the prices achieved via the electronic order book of the SIX Swiss Exchange are used.

Trading hours

The trading hours for Swiss equities, participation certificates and bonus certificates are determined by the SIX Swiss Exchange. Since the opening phase usually causes strong price fluctuations, the SMI is first calculated two minutes after the start of order book trading. This index level is called the “open”. A closing auction takes place ten minutes before close of trading. At the close of trading, the final closing prices used in calculating the closing level of the SMI are established.

Determination of rankings and identification of candidates

The basic universe for admission to the SMI is the SPI. In order to be admitted and remain in the SPI universe a given security must meet a minimum free float rate of 20%. If a stock falls below this limit and does not reach or exceed it again within three months, it is excluded. Securities which are not admitted to the SPI universe because they do not meet the free float conditions are admitted if the minimum free float rate of 20% has been met continuously over a
period of three months.

A selection list in which all SPI securities are ranked and which forms the basis for the rankings can be downloaded from the SIX Swiss Exchange website. The position of each security is determined by a combination of the following criteria:

- Average free float capitalization (compared to the capitalization of the entire SPI)
- Cumulated on order book turnover (compared to the total turnover of the SPI).

The average market capitalization in percent and the turnover in percent are each given a weighting of 50% and yield the so-called weighted market share. The time period used for making the calculation is July 1 through June 30 of the following year.

*Ordinary adjustment dates*

The number of securities and free-float shares are adjusted on two ordinary adjustment dates a year:

- The third Friday in March (after close of trading)
- The third Friday in September (after close of trading)

The SIX Swiss Exchange may conduct a capital survey among issuers in order to obtain the required data. The announcement of the provisional new securities occurs at least one month before the adjustment date. The SIX Swiss Exchange reserves the right to take account of recent changes before the adjustment date, so the definite new securities are announced only five trading days before the adjustment date.

*Extraordinary adjustment of the number of shares*

In order to maintain the stability of the SMI and avoid frequent minor changes to the weighting, a change of the total number of outstanding securities leads to an extraordinary adjustment only if it is equal to or greater than 5%. If an increase amounts to a change of less than 5%, it is taken into account in the next event and added to it. If the cumulative change is equal to or greater than 5%, the total number of outstanding securities is adjusted outside the ordinary dates on the day of the corporate event responsible for the cumulative change. The adjustment of the total number of outstanding securities is made on the day of the corporate event.

If the free float changes by 10 percentage points or more in a given year, the extraordinary adjustment is made immediately. A notification period of 10 trading days applies. In exceptional cases, the SIX Swiss Exchange reserves the right to make this adjustment without observing the notification period.

If the free float changes as a result of an extraordinary adjustment of the number of shares, the free float is adjusted at the same time as the number of shares even if the free float changes by less than ten percentage points. After a takeover, the free float of the company in question is adjusted upon publication of the end result. A five-day notification period applies. At the same time, the SIX Swiss Exchange may exclude the security from the relevant index family.

*Dividend payments*

As a price index, the SMI is not adjusted for dividends. Dividends are, however, fully taken account of in performance indices. Repayments of capital through the reduction of a share’s par value, which can take the place of a cash dividend or constitute a component of the regular distribution, are treated in the same way as a normal dividend payment (i.e. no adjustment to the price index divisor). However, distributions (e.g., special dividends and anniversary bonuses) that, contrary to the company’s usual dividend policy, are paid out or declared extraordinary dividends, are not deemed dividends in the above sense. These distributions are considered corporate events and also result in adjustments to the divisors of price indices. Dividend payments are always treated as gross amounts, including the withholding tax portion.
Information on corporate events

Any forthcoming extraordinary corporate events that result in an adjustment to the indices are published by e-mail via Investor Service Equity. This service is offered free of charge by the SIX Swiss Exchange Indices department. The registration form is available on the SIX Swiss Exchange website. The SIX Swiss Exchange accepts no liability for Investor Service Equity.

License Agreement

SIX Swiss Exchange has had the names of all the indices created by it protected under trademark law. They have been registered in Switzerland as well as in key markets both in Europe and overseas. Under certain conditions, SIX Swiss Exchange permits third parties to use the trademarks of its index family for commercial purposes. It has levied a license fee for such use since 1999.

We have entered into a license agreement with SIX Swiss Exchange whereby we, in exchange for a fee, are permitted to use the SMI in connection with certain securities, including the securities. We are not affiliated with SIX Swiss Exchange, the only relationship between SIX Swiss Exchange and us is any licensing of the use of SIX Swiss Exchange’s indices and trademarks relating to them.

The securities are not in any way sponsored, endorsed, sold or promoted by the SIX Swiss Exchange and the SIX Swiss Exchange makes no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of the SMI and/or the figure at which the SMI stands at any particular time on any particular day or otherwise. However, SIX Swiss Exchange shall not be liable (whether in negligence or otherwise) to any person for any error in the SMI and SIX Swiss Exchange shall not be under any obligation to advise any person of any error therein. Swiss Market Index® is a registered trademark of SIX Swiss Exchange which is used under license.

The Tokyo Stock Price Index

The Tokyo Stock Price Index (the “TOPIX® Index”) is a free float-adjusted market capitalization weighted index developed by the TSE. Publication of the TOPIX® Index began on July 1, 1969, based on an initial index value of 100 at January 4, 1968. The TOPIX® Index is computed and published every second via TSE’s Market Information System, and is reported to securities companies across Japan and available worldwide through computerized information networks. The TOPIX® Index was developed by the Tokyo Stock Exchange (the “TSE”) and is calculated, maintained and published by the TSE. The TOPIX® Index is reported by Bloomberg under the ticker symbol “TPX.”

Methodology of the TOPIX® Index

The component stocks of the TOPIX® Index consist of all Japanese common stocks listed on the First Section of the TSE. The TOPIX® Index measures changes in the aggregate market value of these stocks. The TSE Japanese stock market is divided into two sections: the First Section and the Second Section. Listings of stocks on the TSE are divided between these two sections, with stocks listed on the First Section typically being limited to larger, longer established and more actively traded issues and the Second Section to smaller and newly listed companies. The component stocks of the TOPIX® Index are determined based on market capitalization and liquidity. Review and selection of component stocks is conducted semiannually, based on market data as of the base date for selection.

The TOPIX® Index is a free float-adjusted market capitalization weighted index, with the market price of each component stock multiplied by the number of shares listed (as adjusted by multiplying the free float weight to take into account only the listed shares deemed to be available for trading in the market). The TSE is responsible for calculating and maintaining the TOPIX® Index, and can add, delete or substitute the stocks underlying the TOPIX® Index or make other methodological changes that could change the value of the TOPIX® Index. The underlying stocks may be removed, if necessary, in accordance with deletion/addition rules which provide generally for the deletion of a stock from the TOPIX® Index if such stock ceases to meet the criteria for inclusion. Stocks listed on the Second Section of the TSE may be transferred to the First Section if they satisfy applicable criteria. Such criteria include numerical minimum values for number of shares listed, number of shareholders and average monthly trading volume, among others. Similarly, when a First Section stock falls within the coverage of TSE rules prescribing reassignment thereof to the Second Section, such stock will be removed from the First Section. As of February 29, 2012, stocks of 1,673 Japanese companies were assigned to the First Section of the TSE and stocks of 431 companies were assigned to the Second Section.
Computation of the TOPIX® Index

The TOPIX® Index is not expressed in Japanese Yen, but is presented in terms of points (as a decimal figure) rounded off to the nearest one-hundredth. The TOPIX® Index is calculated by multiplying 100 by the figure obtained by dividing the current free float-adjusted market value (the current market price per share at the time of the index calculation multiplied by the number of free float-adjusted common shares listed on the First Section of the TSE at the same instance) (the “Current Market Value”) by the base market value (i.e., the Current Market Value on the base date) (the “Base Market Value”).

The calculation of the TOPIX Index can be represented by the following formula:

\[
\text{Index} = \frac{\text{Current Market Value}}{\text{Base Market Value}} \times 100
\]

In order to maintain continuity, the Base Market Value is adjusted from time to time to ensure that it reflects only price movements resulting from auction market activity, and to eliminate the effects of other factors and prevent any instantaneous change or discontinuity in the level of the TOPIX® Index. Such factors include, without limitation: new listings, delistings, new share issues either through public offerings or through rights offerings to shareholders, issuance of shares as a consequence of exercise of convertible bonds or warrants, and transfer of listed securities from the First Section to the Second Section of the TSE.

The formula for the adjustment is as follows:

\[
\frac{\text{Adjusted Market Value on business day before Adjustment Date}}{\text{Base Market Value before adjustment}} = \frac{(\text{Adjusted Market Value on business day before Adjustment Date} \pm \text{Adjustment Amount})}{\text{Base Market Value after adjustment}}
\]

Where Adjustment Amount is equal to the changes in the number of shares included in the calculation of the TOPIX® Index multiplied by the price of those shares used for the purposes of the adjustment.

Therefore,

\[
\text{Old Base Market Value} \times \frac{(\text{Adjusted Market Value on business day before Adjustment Date} \pm \text{Adjustment Amount})}{\text{Adjusted Market Value on business day before Adjustment Date}} = \text{New Base Market Value}
\]

The Base Market Value remains at the new value until a further adjustment is necessary as a result of another change. As a result of such change affecting the Current Market Value or any stock underlying the TOPIX® Index, the Base Market Value is adjusted in such a way that the new value of the TOPIX® Index will equal the level of the TOPIX® Index immediately prior to such change.

No adjustment is made to the Base Market Value, however, in the case of events such as stock splits or reverse stock splits, which theoretically do not affect market capitalization.

The Tokyo Stock Exchange

The TSE is one of the world’s largest securities exchanges in terms of market capitalization. Trading hours are currently from 9:00 a.m. to 11:30 a.m. and from 12:30 p.m. to 3:00 p.m., Tokyo time, Monday through Friday.

Due to the time zone difference, on any normal trading day the TSE will close prior to the opening of business in New York City on the same calendar day. Therefore, the closing level of the TOPIX® Index on a trading day will generally be available in the United States by the opening of business on the same calendar day.

The TSE has adopted certain measures, including daily price floors and ceilings on individual stocks, intended to prevent any extreme short-term price fluctuations resulting from order imbalances. In general, any stock listed on the
TSE cannot be traded at a price lower than the applicable price floor or higher than the applicable price ceiling. These price floors and ceilings are expressed in absolute Japanese yen, rather than percentage limits based on the closing price of the stock on the previous trading day. In addition, when there is a major order imbalance in a listed stock, the TSE posts a “special bid quote” or a “special asked quote” for that stock at a specified higher or lower price level than the stock’s last sale price in order to solicit counter-orders and balance supply and demand for the stock. Prospective investors should also be aware that the TSE may suspend the trading of individual stocks in certain limited and extraordinary circumstances, including, for example, unusual trading activity in that stock. As a result, changes in the TOPIX® Index may be limited by price limitations or special quotes, or by suspension of trading, on individual stocks that make up the TOPIX® Index, and these limitations, in turn, may adversely affect the value of the securities.

License Agreement with the TSE

We have entered into a non-exclusive license agreement with the TSE providing for the license to Credit Suisse and certain of our affiliated or subsidiary companies, in exchange for a fee, of the right to use the TOPIX® Index, which is owned and published by the TSE, in connection with the securities.

The TOPIX® Index Value and the TOPIX® Trademarks are subject to the intellectual property rights owned by the Tokyo Stock Exchange, Inc. and the Tokyo Stock Exchange, Inc. owns all rights relating to the TOPIX® Index, such as calculation, publication and use of the TOPIX® Index Value and relating to the TOPIX® Trademarks.

The Tokyo Stock Exchange, Inc. reserves the right to change the methods of calculation or publication, to cease the calculation or publication of the TOPIX® Index Value or to change the TOPIX® Trademarks or cease the use thereof. The Tokyo Stock Exchange, Inc. makes no warranty or representation whatsoever, either as to the results stemming from the use of the TOPIX® Index Value and the TOPIX® Trademarks or as to the figure at which the TOPIX® Index Value stands on any particular day. The Tokyo Stock Exchange, Inc. gives no assurance regarding accuracy or completeness of the TOPIX® Index Value and data contained therein. Further, the Tokyo Stock Exchange, Inc. shall not be liable for the miscalculation, incorrect publication, delayed or interrupted publication of the TOPIX® Index Value. The securities are not in any way sponsored, endorsed or promoted by the Tokyo Stock Exchange, Inc. The Tokyo Stock Exchange, Inc. shall not bear any obligation to give an explanation of the securities, or any advice on investments to any purchaser of the securities, or to the public. The Tokyo Stock Exchange, Inc. neither selects specific stocks or groups thereof nor takes into account any needs of the issuer or any purchaser of the securities, for calculation of the TOPIX Index Value. Including but not limited to the foregoing, the Tokyo Stock Exchange, Inc. shall not be responsible for any damage resulting from the issue and sale of the securities.

“TOPIX®” and “TOPIX Index®” are trademarks of the Tokyo Stock Exchange, Inc. and prior to the settlement date we expect them to be licensed for use by Credit Suisse. The securities have not been, and they will not be, passed on by the TSE as to their legality or suitability. The securities will not be issued, endorsed, sold or promoted by the TSE. THE TSE MAKES NO WARRANTIES AND BEARS NO LIABILITY WITH RESPECT TO THE SECURITIES.

THE REFERENCE FUNDS

The securities may be linked to the performance of one or more of the following reference funds. We have derived all information contained in this underlying supplement regarding each reference fund, including, without limitation, its composition, its method of calculation and changes in its components and its historical closing values, from publicly available information. We have not participated in the preparation of, or verified, such publicly available information. Such information reflects the policies of, and is subject to change by, the sponsor(s) of each such reference fund.

If any Bloomberg symbol for a particular reference fund differs from, or is more precise than, any Bloomberg symbol referenced below, we will set forth the different, or more precise, Bloomberg symbol in the relevant pricing supplement. We make no representation or warranty as to the accuracy or completeness of the information obtained from Bloomberg Financial Markets.

Each reference fund is developed, calculated and maintained by its respective sponsor(s) and/or publisher. Neither we nor any of the agents have participated in the preparation of such information or made any due diligence inquiry with respect to any reference fund, sponsor(s) or publisher. We cannot give any assurance that all events occurring prior to the date of the applicable pricing supplement (including events that would affect the accuracy or completeness of the publicly available information described in the preceding paragraph) that may affect the level of any
reference fund (and therefore the level of any such reference fund at the time we price the securities, as applicable) have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning the sponsor of any reference index or reference fund could affect the interest, payment at maturity or any other amounts payable, if any, on the securities, as applicable, and therefore the market value of the securities in the secondary market, if any.

You, as an investor in the securities, should make your own investigation into any relevant reference fund, sponsor(s) or publisher. The sponsors and publishers are not involved in the offer of the securities in any way and have no obligation to consider your interests as a holder of the securities. The sponsors and/or publishers have no obligation to continue to publish the reference funds, and may discontinue or suspend publication of any reference fund at any time in their sole discretion.

The historical performance of a reference fund is not an indication of its future performance and future performance may differ significantly from historical performance, either positively or negatively.

Information contained on certain websites mentioned below is not incorporated by reference in, and should not be considered part of, this underlying supplement or the accompanying prospectus supplement and prospectus.

**The iShares® Funds**

The iShares® Trust is a registered investment company that consists of numerous separate investment portfolios, including:

- the iShares® Barclays TIPS Bond Fund,
- the iShares® Barclays 20+ Year Treasury Bond Fund,
- the iShares® Dow Jones Transportation Average Index Fund,
- the iShares® Dow Jones U.S. Financial Sector Index Fund,
- the iShares® Dow Jones U.S. Real Estate Index Fund,
- the iShares® FTSE/Xinhua China 25 Index Fund,
- the iShares® MSCI Emerging Markets Index Fund,
- the iShares® MSCI EAFE® Index Fund,
- the iShares® MSCI Australia Index Fund,
- the iShares® MSCI Brazil Index Fund,
- the iShares® MSCI Canada Index Fund,
- the iShares® MSCI Germany Index Fund,
- the iShares® MSCI Japan Index Fund, and
- the iShares® MSCI South Korea Index Fund (along with each of the above an “iShares ETF,” and together, the “iShares ETFs”).

BFA is the investment advisor to the iShares ETFs and is a wholly-owned subsidiary of BTC, which in turn is a wholly-owned subsidiary of BlackRock, Inc. The iShares ETFs are investment portfolios maintained and managed by iShares®. BlackRock Fund Advisors (“BFA”) is the investment advisor to the iShares ETFs, and is a wholly-owned subsidiary of BlackRock Institutional Trust Company, N.A. (“BTC”), which in turn is a wholly-owned subsidiary of BlackRock, Inc. Prior to December 1, 2009, BTC was known as Barclays Global Investors, N.A. The iShares ETFs are
investment portfolios maintained and managed by iShares® Inc. (“iShares®”).

Information provided to or filed with the SEC by iShares® pursuant to the Securities Act of 1933, as amended, and the Investment Company Act of 1940, as amended, can be located by reference to SEC file numbers 333-92935 and 811-09729, respectively, through the SEC’s website at http://www.sec.gov. For additional information regarding iShares®, BFA and the iShares ETFs, please see:

- the prospectus dated March 1, 2012 for the iShares® Barclays TIPS Bond Fund,
- the prospectus dated July 1, 2011 for the iShares® Barclays 20+ Year Treasury Bond Fund,
- the prospectus dated September 1, 2011 for the iShares® Dow Jones Transportation Average Index Fund,
- the prospectus dated September 1, 2011 for the iShares® Dow Jones U.S. Financial Sector Index Fund,
- the prospectus dated September 1, 2011 for the iShares® Dow Jones U.S. Real Estate Index Fund,
- the prospectus dated December 1, 2011 for the iShares® FTSE/Xinhua China 25 Index Fund,
- the prospectus dated January 1, 2012 for the iShares® MSCI Emerging Markets Index Fund,
- the prospectus dated December 1, 2011 for the iShares® MSCI EAFE Index Fund,
- the prospectus dated January 1, 2012 for the iShares® MSCI Australia Index Fund,
- the prospectus dated January 1, 2012 for the iShares® MSCI Brazil Index Fund,
- the prospectus dated January 1, 2012 for the iShares® MSCI Canada Index Fund,
- the prospectus dated January 1, 2012 for the iShares® MSCI Germany Index Fund,
- the prospectus dated January 1, 2012 for the iShares® MSCI Japan Index Fund, and
- the prospectus dated January 1, 2012 for the iShares® MSCI South Korea Index Fund.

In addition, information about iShares® and the iShares ETFs may be obtained from other sources including, but not limited to, press releases, newspaper articles and other publicly disseminated documents and the iShares® website. Information contained in the iShares® website is not incorporated by reference in, and should not be considered a part of, this underlying supplement or any pricing supplement, and we have not participated in the preparation of, or verified, such publicly available information.

The iShares® Barclays Tips Bond Fund

The iShares® Barclays TIPS Bond Fund seeks to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of the inflation-protected public obligations of the United States Treasury. Inflation-protected public obligations of the U.S. Treasury, commonly known as “TIPS,” are securities issued by the U.S. Treasury that are designed to provide inflation protection to investors. TIPS are income-generating instruments whose interest and principal payments are adjusted for inflation—a sustained increase in prices that erodes the purchasing power of money. The inflation adjustment, which is typically applied monthly to the principal of the bond, follows a designated inflation index, such as the consumer price index. A fixed coupon rate is applied to the inflation-adjusted principal so that as inflation rises, both the principal value and the interest payments increase. This can provide investors with a hedge against inflation, as it helps preserve the purchasing power of an investment. Because of this inflation adjustment feature, inflation-protected bonds typically have lower yields than conventional fixed-rate bonds. The iShares® Barclays TIPS Bond Fund generally invests at least 90% of its assets in the bonds included in the Barclays Capital U.S. Treasury Inflation Protected Securities (TIPS) Index (Series-L) and at least 95% of its assets in U.S. government bonds. The iShares® Barclays TIPS Bond Fund may invest up to 10% of its assets in U.S. government bonds not included in the Barclays Capital U.S. Treasury Inflation Protected Securities (TIPS) Index (Series-L), but which BFA believes will help the iShares® Barclays TIPS Bond Fund track the Barclays Capital U.S. Treasury Inflation
Protected Securities (TIPS) Index (Series-L). The shares of the iShares® Barclays TIPS Bond Fund are listed for trading on the NYSE Arca. Trading prices of the iShares® Barclays TIPS Bond Fund are reported by Bloomberg under the ticker symbol “TIP UP”. For further information on methodology that applies generally to the iShares® funds, please refer to “The iShares ETF Methodology” below.

**Barclays Capital U.S. Treasury Inflation Protected Securities (TIPS) Index (Series-L)**

The Barclays Capital U.S. Treasury Inflation Protected Securities (TIPS) Index (Series-L) measures the performance of inflation-protected public obligations of the U.S. Treasury. The Barclays Capital U.S. Treasury Inflation Protected Securities (TIPS) Index (Series-L) is market capitalization weighted, includes all publicly issued U.S. inflation-protected securities that meet the criteria for inclusion and is rebalanced once a month on the last calendar day of the month. The U.S. inflation-protected securities included in the Barclays Capital U.S. Treasury Inflation Protected Securities (TIPS) Index (Series-L) must have a remaining maturity of at least one year, are rated investment grade (at least Baa3 by Moody’s Investors Service), have $250 million or more of outstanding face value and have settled on or before the rebalancing date. In addition, the securities must be denominated in U.S. dollars and must be fixed-rate and non-convertible. In calculating the Barclays Capital U.S. Treasury Inflation Protected Securities (TIPS) Index (Series-L), income from coupons is reinvested on the monthly rebalancing date. The Barclays Capital U.S. Treasury Inflation Protected Securities (TIPS) Index (Series-L) is calculated, maintained and published by Barclays Capital Inc. (“BCI”).

**The iShares® Barclays 20+ Year Treasury Bond Fund**

The iShares® Barclays 20+ Year Treasury Bond Fund seeks to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of the long-term sector of the United States Treasury Market as defined by the Barclays Capital U.S. 20+ Year Treasury Bond Index. The iShares® Barclays 20+ Year Treasury Bond Fund generally invests at least 90% of its assets in the bonds included in the Barclays Capital U.S. 20+ Year Treasury Bond Index and at least 95% of its assets in U.S. government bonds. The iShares® Barclays 20+ Year Treasury Bond Fund may invest up to 10% of its assets in U.S. government bonds not included in the Barclays Capital U.S. 20+ Year Treasury Bond Index, but which BFA believes will help the iShares® Barclays 20+ Year Treasury Bond Fund track the Barclays Capital U.S. 20+ Year Treasury Bond Index. The shares of the iShares® Barclays 20+ Year Treasury Bond Fund are listed for trading on the NYSE Arca. Trading prices of the iShares® Barclays 20+ Year Treasury Bond Fund are reported by Bloomberg under the ticker symbol “TLT UP”. For further information on methodology that applies generally to the iShares® funds, please refer to “The iShares ETF Methodology” below.

**Barclays Capital U.S. 20+ Year Treasury Bond Index**

The Barclays Capital U.S. 20+ Year Treasury Bond Index measures the performance of public obligations of the U.S. Treasury. The Barclays Capital U.S. 20+ Year Treasury Bond Index is market capitalization weighted, includes all publicly issued U.S. Treasury securities that meet the criteria for inclusion and is rebalanced once a month on the last calendar day of the month. The U.S. Treasury securities included in the Barclays Capital U.S. 20+ Year Treasury Bond Index must have a remaining maturity of greater than or equal to 20 years, are rated investment grade (at least Baa3 by Moody’s Investors Service), have $250 million or more of outstanding face value and have settled on or before the rebalancing date. In addition, the securities must be denominated in U.S. dollars and must be fixed-rate and non-convertible. In calculating the index, income from coupons is reinvested on the monthly rebalancing date. The Barclays Capital U.S. 20+ Year Treasury Bond Index is calculated, maintained and published by BCI.

**The iShares® Dow Jones Transportation Average Index Fund**

The iShares® Dow Jones Transportation Average Index Fund seeks to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of the transportation sector of the U.S. equity market as measured by the Dow Jones Transportation Average Index. The Dow Jones Transportation Average Index includes companies in the following primary groups: airlines, trucking, railroads, air freight, transportation services and industrial services. The iShares® Dow Jones Transportation Average Index Fund may invest the remainder of its assets in securities not included in its Dow Jones Transportation Average Index but which BFA believes will help the iShares® Dow Jones Transportation Average Index Fund track the Dow Jones Transportation Average Index, and in futures contracts, options on futures contracts, options and swaps as well as cash and cash equivalents, including shares of money market funds advised by BFA. The iShares® Dow Jones Transportation Average Index Fund is an exchange traded fund that trades on the NYSE Arca under the ticker symbol “IYT.” For further information on methodology that applies generally to the iShares® funds, please refer to “The iShares ETF Methodology” below.
The Dow Jones Transportation Average Index

The Dow Jones Transportation Average Index is a price-weighted index that includes companies in the following primary groups: airlines, trucking, railroads, air freight, transportation services and industrial services. The components are selected at the discretion of the Averages Committee, which is comprised of the Managing Editor of The Wall Street Journal, the head of Dow Jones Indexes research and the head of CME Group research, as representative of the broad market of U.S. transportation industry. There are no pre-determined criteria for selection of a component stock except that component companies represented by the Dow Jones Transportation Average Index typically are added only if they have an excellent reputation, demonstrate sustained growth, are of interest to a large number of investors and accurately represent the U.S. transportation industry. The Dow Jones Transportation Average Index is reported by Bloomberg under the ticker symbol “DJT.”

The iShares® Dow Jones U.S. Financial Sector Index Fund

The iShares® Dow Jones U.S. Financial Sector Index Fund seeks to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of publicly traded securities in the financial sector of the U.S. equity market, as measured by the Dow Jones U.S. Financials Index. Thus, the iShares® Dow Jones U.S. Financial Sector Index Fund is concentrated in the bank, non-life insurance, life insurance, real estate and general finance sectors. For information about the Dow Jones U.S. Financials Index, see “The Dow Jones Indices” above. The iShares® Dow Jones U.S. Financial Sector Index Fund is an exchange traded fund that trades on the NYSE Arca under the ticker symbol “IYF.” For information concerning the methodology of the iShares® Dow Jones U.S. Financial Select Sector Index Fund, please refer to “The iShares ETF Methodology” below.

The iShares® Dow Jones U.S. Real Estate Index Fund

The iShares® Dow Jones U.S. Real Estate Index Fund seeks to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of publicly traded securities in the real estate sector of the U.S. equity market, as measured by the Dow Jones U.S. Real Estate Index. Thus, the iShares® Dow Jones U.S. Real Estate Sector Index Fund is concentrated in the following sectors: real estate holding and development and real estate investment trusts. For information about the Dow Jones U.S. Real Estate Index, see “The Dow Jones Indices” above. For information about the Dow Jones U.S. Real Estate Index, see “The Dow Jones Indices” above. The iShares® Dow Jones U.S. Real Estate Sector Index Fund is an exchange traded fund that trades on the NYSE Arca under the ticker symbol “IYR.” For information concerning the methodology of the iShares® Dow Jones U.S. Real Estate Select Sector Index Fund, please refer to “The iShares ETF Methodology” below.

The iShares® FTSE/Xinhua China 25 Index Fund

The iShares® FTSE/Xinhua China 25 Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the FTSE/Xinhua China 25 Index. The FTSE/Xinhua China 25 Index is designed to represent the performance of the largest companies in the China equity market that are available to international investors. The FTSE/Xinhua China 25 Index consists of 25 of the largest and most liquid Chinese companies. The underlying components included in the FTSE/Xinhua China 25 Index are weighted based on the total market value of their shares, so that the underlying components with the higher total market values generally have a higher representation in the FTSE/Xinhua China 25 Index. Each underlying component included in the FTSE/Xinhua China 25 Index is a current constituent of the FTSE All-World Index. All of the underlying components included in the FTSE/Xinhua China 25 Index trade on the Hong Kong Stock Exchange. As of March 2, 2012, the FTSE/Xinhua China 25 Index’s top three industries were financials, telecommunications and oil & gas. For further information about the FTSE/Xinhua China 25 Index, see “The FTSE/Xinhua China 25 Index” above. The iShares® FTSE/Xinhua China 25 Index Fund is an exchange traded fund that trades on NYSE Arca under the ticker symbol “FXI.” For information concerning the methodology of the iShares® FTSE/Xinhua China 25 Index Fund, please refer to “The iShares ETF Methodology” below.

The iShares® MSCI Emerging Markets Index Fund

BFA uses a representative sampling strategy for the iShares® MSCI Emerging Markets Index Fund (the “MSCI Emerging Markets Index Fund”), according to which it invests in a representative sample of stocks underlying the MSCI
Emerging Markets Index that collectively has an investment profile similar to the MSCI Emerging Markets Index. The MSCI Emerging Markets Index is designed to measure equity market performance in the global emerging markets. As of January 31, 2012, the MSCI Emerging Markets Index consisted of the following 21 emerging market indexes: Brazil, Chile, China, Colombia, the Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, the Philippines, Poland, Russia, South Africa, Taiwan, Thailand and Turkey. As of March 2, 2012, the MSCI Emerging Markets Index’s three largest industries were financials, energy and information technology. BFA expects that, over time, the correlation between the MSCI Emerging Markets Index Fund’s performance and that of the MSCI Emerging Markets Index, before fees and expenses, will be 95% or better. For more information about the MSCI Emerging Markets Index, see “The MSCI Emerging Markets Index” above. The MSCI Emerging Markets Index Fund is an exchange traded fund that trades on NYSE Arca under the ticker symbol “EEM.” For information concerning the methodology of the iShares® MSCI Emerging Markets Index Fund, please refer to “The iShares ETF Methodology” below.

The iShares® MSCI EAFE® Index Fund

BFA uses a representative sampling strategy for the iShares® MSCI EAFE® Index Fund (the “MSCI EAFE Index Fund”), according to which it invests in a representative sample of stocks underlying the MSCI EAFE® Index that collectively has an investment profile similar to the MSCI EAFE® Index. The MSCI EAFE® Index includes stocks from Europe, Australasia and the Far East and as of January 31, 2012, consisted of the following 22 developed market country indexes: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom. As of March 2, 2012, the MSCI Emerging Markets Index’s three largest industries were financials, industrials and consumer staples. BFA expects that, over time, the correlation between the MSCI EAFE Index Fund’s performance and that of the MSCI EAFE® Index, before fees and expenses, will be 95% or better. For further information about the MSCI EAFE® Index, see “The MSCI EAFE Index” above. The MSCI EAFE Index Fund is an exchange traded fund that trades on NYSE Arca under the ticker symbol “EFA.” For information concerning the methodology of the iShares® MSCI EAFE® Index Fund, please refer to “The iShares ETF Methodology” below.

The iShares® MSCI Australia Index Fund

BFA uses a representative sampling strategy for the iShares® MSCI Australia Index Fund (the “iShares MSCI Australia Index Fund”) according to which it invests in a representative sample of stocks underlying the MSCI Australia Index that collectively has an investment profile similar to the MSCI Australia Index. The iShares MSCI Australia Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of publicly traded securities in the Australian market, as measured by the MSCI Australia Index. The MSCI Australia Index seeks to measure the performance of the Australian equity market. It is a capitalization-weighted index that aims to capture 85% of the total market capitalization. As of March 2, 2012, the MSCI Australia Index’s three largest industries were financials, materials and consumer staples. Component companies are adjusted for available float and must meet objective criteria for inclusion to the index, taking into consideration unavailable strategic shareholdings and limitations to foreign ownership. For more information about the MSCI Australia Index, see “The MSCI Australia Index” above. The iShares® MSCI Australia Index Fund is an exchange traded fund that trades on the NYSE Arca under the ticker symbol “EWA.” For information concerning the methodology of the iShares® MSCI Australia Index Fund, please refer to “The iShares ETF Methodology” below.

The iShares® MSCI Brazil Index Fund

BFA uses a representative sampling strategy for the iShares® MSCI Brazil Index Fund (the “MSCI Brazil Index Fund”), according to which it invests in a representative sample of stocks underlying the MSCI Brazil Index that collectively has an investment profile similar to the MSCI Brazil Index. The MSCI Brazil Index consists of stocks traded primarily on the BM&FBOVESPA. As of March 2, 2012, the MSCI Brazil Index’s three largest industries were financials, energy and materials. BFA expects that, over time, the correlation between the MSCI Brazil Index Fund’s performance and that of the MSCI Brazil Index, before fees and expenses, will be 95% or better. For more information about the MSCI Brazil Index, see “The MSCI Brazil Index” above. The MSCI Brazil Index Fund is an exchange traded fund that trades on NYSE Arca under the ticker symbol “EWZ.” For information concerning the methodology of the iShares® MSCI Brazil Index Fund, please refer to “The iShares ETF Methodology” below.
The iShares® MSCI Canada Index Fund

BFA uses a representative sampling strategy for the iShares® MSCI Canada Index Fund (the “iShares MSCI Canada Index Fund”) according to which it invests in a representative sample of stocks underlying the MSCI Canada Index that collectively has an investment profile similar to the MSCI Canada Index. The iShares MSCI Canada Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of publicly traded securities in the Canadian market, as measured by the MSCI Canada Index. The MSCI Canada Index seeks to measure the performance of the Canadian equity market. It is a capitalization-weighted index that aims to capture 85% of the total market capitalization. As of March 2, 2012, the MSCI Canada Index’s three largest industries were financials, energy and materials. Component companies are adjusted for available float and must meet objective criteria for inclusion to the index, taking into consideration unavailable strategic shareholdings and limitations to foreign ownership. For more information about the MSCI Canada Index, see “The MSCI Canada Index” above. The iShares® MSCI Canada Index Fund is an exchange traded fund that trades on the NYSE Arca under the ticker symbol “EWC.” For information concerning the methodology of the iShares® MSCI Canada Index Fund, please refer to “The iShares ETF Methodology” below.

The iShares® MSCI Germany Index Fund

BFA uses a representative sampling strategy for the iShares® MSCI Germany Index Fund (the “iShares MSCI Germany Index Fund”) according to which it invests in a representative sample of stocks underlying the MSCI Germany Index that collectively has an investment profile similar to the MSCI Germany Index. The iShares MSCI Germany Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of publicly traded securities in the German market, as measured by the MSCI Germany Index. The MSCI Germany Index seeks to measure the performance of the German equity market. It is a capitalization-weighted index that aims to capture 85% of the total market capitalization. Component companies are adjusted for available float and must meet objective criteria for inclusion to the index, taking into consideration unavailable strategic shareholdings and limitations to foreign ownership. For more information about the MSCI Germany Index, see “The MSCI Germany Index” above. The iShares® MSCI Germany Index Fund is an exchange traded fund that trades on the NYSE Arca under the ticker symbol “EWG.” For information concerning the methodology of the iShares MSCI Germany Index Fund, please refer to “The iShares ETF Methodology” below.

The iShares® MSCI Japan Index Fund

BFA uses a representative sampling strategy for the iShares® MSCI Japan Index Fund (the “iShares MSCI Japan Index Fund”) according to which it invests in a representative sample of stocks underlying the MSCI Japan Index that collectively has an investment profile similar to the MSCI Japan Index. The iShares MSCI Japan Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of publicly traded securities in the Japanese market, as measured by the MSCI Japan Index. The MSCI Japan Index seeks to measure the performance of the Japanese equity market. It is a capitalization-weighted index that aims to capture 85% of the total market capitalization. As of March 2, 2012, the MSCI Japan Index’s three largest industries were industrials, consumer discretionary and financials. Component companies are adjusted for available float and must meet objective criteria for inclusion to the index, taking into consideration unavailable strategic shareholdings and limitations to foreign ownership. For more information about the MSCI Japan Index, see “The MSCI Japan Index” above. The iShares® MSCI Japan Index Fund is an exchange traded fund that trades on the NYSE Arca under the ticker symbol “EWJ.” For information concerning the methodology of the iShares® MSCI Japan Index Fund, please refer to “The iShares ETF Methodology” below.

The iShares® MSCI South Korea Index Fund

BFA uses a representative sampling strategy for the iShares® MSCI South Korea Index Fund (the “iShares MSCI South Korea Index Fund”) according to which it invests in a representative sample of stocks underlying the MSCI Korea Index that collectively has an investment profile similar to the MSCI Korea Index. The iShares MSCI South Korea Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of publicly traded securities in the South Korean market, as measured by the MSCI Korea Index. The MSCI Korea Index seeks to measure the performance of the South Korea equity market. It is a capitalization-weighted index that aims to capture 85% of the (publicly available) total market capitalization in South Korea. As of March 2, 2012, the MSCI Korea Index’s three largest industries were information technology, consumer discretionary and industrials. For more information about the MSCI Korea Index, see “The MSCI Korea Index” above. The iShares MSCI South Korea Index Fund is an exchange traded fund that trades on the NYSE Arca under the ticker symbol “EWS.” For information concerning the methodology of the iShares® MSCI South Korea Index Fund, please refer to “The iShares ETF Methodology” below.
Index Fund is an exchange traded fund that trades on the NYSE Arca under the ticker symbol “EWY.” For information concerning the methodology of the iShares MSCI South Korea Index Fund, please refer to “The iShares ETF Methodology” below.

**The iShares ETF Methodology**

**Investment Objective and Strategy**

Each iShares ETF seeks to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of publicly traded securities in a certain industry, as represented by the index underlying such ETF. Thus, the iShares ETFs are concentrated in the relevant industry.

Each iShares ETF uses a representative sampling strategy (as described below under “—Representative Sampling”) to track its underlying index. The iShares® Dow Jones Transportation Average Index Fund, the iShares® Dow Jones U.S. Real Estate Index Fund, the iShares® FTSE/Xinhua China 25 Index Fund, the iShares® MSCI Emerging Markets Index Fund, the iShares® MSCI EAFE® Index Fund, the iShares® MSCI Australia Index Fund, the iShares® MSCI Brazil Index Fund, the iShares® MSCI Canada Index Fund, the iShares® MSCI Japan Index Fund and the iShares® MSCI South Korea Index Fund each generally invest between 90% and 95% (varying by fund) in securities of the underlying index and depositary receipts representing securities of the underlying index, and may invest the remainder of its assets in securities, including securities not represented in the index underlying such ETF, but which BFA believes will help to track the index underlying such ETF, futures contracts, options on futures contracts, other types of options, and swaps related to such index as well as cash and cash equivalents, including shares of money market funds advised by BFA or its affiliates. For a discussion of the investment objective and strategy of the iShares® Barclays TIPS Bond Fund and the iShares® Barclays 20+ Year Treasury Bond Fund, please refer to “The iShares® Barclays TIPS Bond Fund” and “The iShares® Barclays 20+ Year Treasury Bond Fund” above, respectively.

**Representative Sampling**

Each iShares ETF pursues a “representative sampling” strategy in attempting to track the performance of the relevant underlying index, and generally does not hold all of the equity securities included in such index. Each iShares ETF invests in a representative sample of securities. Securities selected have aggregate investment characteristics (based on market capitalization and industry weightings), fundamental characteristics (such as return variability and yield) and liquidity measures similar to those of the relevant index.

**Correlation**

The relevant index is a theoretical financial calculation, while each iShares ETF is an actual investment portfolio. The performance of each iShares ETF and the relevant index will vary somewhat due to transaction costs, market impact, corporate actions (such as mergers and spin-offs) and timing variances. BFA expects that, over time, the correlation between each iShares ETFs’ performance and that of its respective underlying index, before fees and expenses, will be 95% or better. A figure of 100% would indicate perfect correlation. Any correlation of less than 100% is called “tracking error.” Each iShares ETF, using a representative sampling strategy, can be expected to have a greater tracking error than a fund using replication strategy. Replication is a strategy in which a fund invests in substantially all of the securities in its underlying index in approximately the same proportions as in the relevant index.

**Industry Concentration Policy**

Each iShares ETF concentrates its investments to approximately the same extent that the relevant index concentrates in the stocks of the relevant industry.

**The iShares® Silver Trust**

The Bank of New York Mellon is the trustee of the the iShares® Silver Trust (the “Silver Trust”), BlackRock Asset Management International Inc. (“BAMI”) is the sponsor of the Silver Trust and JPMorgan Chase Bank N.A., London branch, is the custodian of the Silver Trust. The Silver Trust is an investment trust formed on April 21, 2006 that seeks to mirror as closely as possible the price of silver bullion, less fees and expenses. The Silver Trust trades on the NYSE Arca under the symbol “SLV.”
Information provided to or filed with the Securities and Exchange Commission (the “SEC”) by the Silver Trust pursuant to the Securities Act of 1933 and the Securities Exchange Act of 1934 can be located by reference to SEC file numbers 333-136506 and 001-32863, respectively, through the SEC’s website at http://www.sec.gov. For additional information regarding the Silver Trust, BAMI, the trustee and the custodian, please see the prospectus dated October 4, 2011 for the iShares® Silver Trust. In addition, information about the Silver Trust may be obtained from other sources including, but not limited to, press releases, newspaper articles and other publicly disseminated documents and the public website of the Silver Trust maintained by BAMI at http://us.ishares.com. We make no representation or warranty as to the accuracy or completeness of such information, and the information on the http://us.ishares.com website is not, and should not be considered, incorporated by reference herein.

**Investment Objective and Strategy**

The investment objective of the Silver Trust is for the value of the shares of the Silver Trust, called “iShares®,” to reflect, at any given time, the price of silver owned by the Silver Trust at that time, less the Silver Trust’s expenses and liabilities. The Silver Trust is designed to provide investors with a means to invest in silver and seeks to mirror as closely as possible the price of silver bullion, before fees and expenses. The Silver Trust holds silver bars and issues shares in exchange for deposits of silver and distributes silver in connection with the redemption of shares. Silver owned by the Silver Trust will be held by the custodian in England, and other locations that may be authorized in the future.

The shares of the Silver Trust represent units of fractional undivided beneficial interest in and ownership of the Silver Trust, the primary asset of which is silver, held by the custodian on behalf of the Silver Trust. The Silver Trust is not actively managed. It does not engage in any activities designed to obtain a profit from, or to ameliorate losses caused by, changes in the price of silver. However, the Silver Trust is expected to make sales of silver to pay the sponsor’s fee and to cover expenses and liabilities not assumed by the sponsor. Such sales result in the Silver Trust holding cash for brief periods of time. In addition, there may be other situations where the Silver Trust may hold cash. For example, a claim may arise against the custodian, an authorized participant, or any other third party, which is settled in cash. In those situations where the Silver Trust unexpectedly receives cash or any other assets, the trust agreement provides that no deposits of silver will be accepted (i.e., there will be no issuance of new iShares) until after the record date for the distribution of such cash or other property has passed.

**Creation and Redemption**

The Silver Trust issues and redeems baskets of iShares on a continuous basis (for purposes of the Silver Trust, a “basket” equals 50,000 iShares). Baskets of iShares are only issued or redeemed in exchange for an amount of silver determined by the trustee on each day that NYSE Arca is open for regular trading. No iShares are issued unless the custodian has allocated to the Silver Trust’s account (except for an unallocated amount of silver not in excess of 1,100 ounces), the corresponding amount of silver. On the day of creation of the Silver Trust, a basket required delivery of 500,000 ounces of silver. The amount of silver necessary for the creation of a basket, or to be received upon redemption of a basket, decreases continuously over the life of the Silver Trust, due to the payment or accrual of fees and other expenses or liabilities payable by the Silver Trust. Baskets may be created or redeemed only by authorized participants, who pay the trustee a transaction fee for each order to create or redeem baskets.

**Valuation of Silver; Computation of Net Asset Value**

On each business day, as soon as practicable after 4:00 p.m. (New York time), the trustee evaluates the silver held by the Silver Trust and determines the NAV of the Silver Trust. For purposes of making these calculations, a business day means any day other than a day when NYSE Arca is closed for regular trading.

The trustee values the Silver Trust’s silver on the basis of that day’s announced “London Fix” (the price per ounce of silver set by three market making members of the London Bullion Market Association (“LBMA”) at approximately 12:00 noon, London time, on each working day). If there is no announced London Fix on a business day, the trustee is authorized to use the most recently announced London Fix unless the trustee, in consultation with the sponsor, determines that such price is inappropriate as a basis for evaluation.

The LBMA fixings are an open process at which market participants can transact business on the basis of a single quoted price. Three market making members of the LBMA conduct the silver fixing meeting under the chairmanship of The Bank of Nova Scotia-ScotiaMocatta by telephone at 12:00 noon (London time) each working day. The other two members of the silver fixing are Deutsche Bank AG and HSBC Bank USA N.A. (London branch). Orders
executed at the fixing are conducted as principal-to-principal transactions between the client and the dealer through whom the order is placed. Clients place orders with the dealing rooms of the fixing members, who net all the orders before communicating their interest to their representative at the fixing. The metal price is then adjusted to reflect whether there are more buyers or sellers at a given price until such time as supply and demand is seen to be balanced. Orders can be changed throughout the proceedings as the price is moved higher and lower until such time as buyers’ and sellers’ orders are satisfied and the price is said to be “fixed”.

Once the value of the silver has been determined, the trustee subtracts all accrued fees (other than the fees to be computed by reference to the value of the Silver Trust or its assets), expenses and other liabilities of the Silver Trust from the total value of the silver and all other assets of the Silver Trust. The resulting figure is the adjusted net asset value of the Silver Trust, which is used to compute all fees (including the trustee’s and the sponsor’s fees) which are calculated from the value of the Silver Trust’s assets.

To determine the net asset value of the Silver Trust, the trustee subtracts from the adjusted net asset value of the Silver Trust the amount of accrued fees computed from the value of the Silver Trust’s assets. The trustee also determines the NAV by dividing the net asset value of the Silver Trust by the number of the iShares outstanding at the time the computation is made. As of June 30, 2011, the NAV per iShare of the Silver Trust was $34.14.

**Trust Expenses**

The Silver Trust’s only ordinary recurring expense is expected to be the sponsor’s fee. In exchange for the sponsor’s fee, the sponsor has agreed to assume the following administrative and marketing expenses incurred by the Silver Trust: the trustee’s fee, the custodian’s fee, NYSE Arca listing fees, SEC registration fees, printing and mailing costs, audit fees and expenses and up to $100,000 per annum in legal fees and expenses. The sponsor also paid the costs of the Silver Trust’s organization and the initial sale of the iShares, including the applicable SEC registration fees.

The sponsor’s fee is accrued daily and paid monthly in arrears at an annualized rate equal to 0.50% of the adjusted net asset value of the Silver Trust. The trustee will, when directed by the sponsor, and, in the absence of such direction, may, in its discretion, sell silver in such quantity and at such times, as may be necessary to permit payment of the sponsor’s fee and of Silver Trust expenses or liabilities not assumed by the sponsor. The trustee is authorized to sell silver at such times and in the smallest amounts required to permit such payments as they become due, it being the intention to avoid or minimize the Silver Trust’s holdings of assets other than silver. Accordingly, the amount of silver to be sold will vary from time to time depending on the level of the Silver Trust’s expenses and the market price of silver.

Cash held by the trustee pending payment of the Silver Trust’s expenses will not bear any interest. Each sale of silver by the Silver Trust will be a taxable event to shareholders.

**Termination of the iShares® Silver Trust**

The sponsor and the trustee may agree to amend the trust agreement without the consent of the holders of iShares. If an amendment imposes or increases fees or charges, except for taxes and other governmental charges, or prejudices a substantial right of holders of iShares, it will not become effective for outstanding iShares until 30 days after the trustee notifies the Depository Trust Company (“DTC”) of the amendment. At the time an amendment becomes effective, by continuing to hold iShares, investors are deemed to agree to the amendment and to be bound by the trust agreement as amended.

The trustee will terminate the trust agreement if any of the following events occur:

- the trustee is notified that the iShares are delisted from NYSE Arca and are not approved for listing on another national securities exchange within five business days of their delisting;

- holders of at least 75% of the outstanding iShares notify the trustee that they elect to terminate the Silver Trust;

- 60 days have elapsed since the trustee notified the sponsor of the trustee’s election to resign and a
successor trustee has not been appointed and accepted its appointment;

- the SEC determines that the Silver Trust is an investment company under the Investment Company Act of 1940, as amended, and the trustee has actual knowledge of that determination;

- the aggregate market capitalization of the Silver Trust, based on the closing price for the iShares, was less than $350 million on each of five consecutive trading days and the trustee receives, within six months from the last of those trading days, notice that the sponsor has decided to terminate the Silver Trust;

- the CFTC determines that the Silver Trust is a commodity pool under the Commodity Exchange Act and the trustee has actual knowledge of that determination; or

- the Silver Trust fails to qualify for treatment, or ceases to be treated, as a grantor trust for United States federal income tax purposes and the trustee receives notice that the sponsor has determined that the termination of the Silver Trust is advisable.

If not terminated earlier by the trustee, the Silver Trust will terminate in 2046, on the fortieth anniversary of its creation. The trustee will notify DTC at least 30 days before the date for termination of the trust agreement. After termination, the trustee and its agents will do the following under the trust agreement but nothing else: (1) collect distributions pertaining to trust property, (2) pay the Silver Trust’s expenses and sell silver as necessary to meet those expenses and (3) deliver trust property upon surrender and cancellation of iShares. Ninety days or more after termination, the trustee may sell any remaining trust property by public or private sale. After that, the trustee will hold the money it received on the sale, as well as any other cash it is holding under the trust agreement for the pro rata benefit of the registered holders that have not surrendered their iShares. It will not invest the money and has no liability for interest. The trustee’s only obligations will be to account for the money and other cash, after deduction of applicable fees, trust expenses and taxes and governmental charges.

**Historical Performance of the iShares® Silver Trust**

We will provide historical price information with respect to the shares of the Silver Trust in the relevant terms supplement. You should not take any such historical prices as an indication of future performance.

**Disclaimer**

The notes are not sponsored, endorsed, sold or promoted by BAMI. BAMI makes no representations or warranties to the owners of the notes or any member of the public regarding the advisability of investing in the notes. BAMI has no obligation or liability in connection with the operation, marketing, trading or sale of the notes.

**The S&P SPDR® Funds**

The Energy Select Sector SPDR® Fund, the Financial Select Sector SPDR® Fund, the Health Care Select Sector SPDR® Fund and the Materials Select Sector SPDR® Fund (each an “S&P SPDR ETF,” and together, the “S&P SPDR ETFs”) are each an investment portfolio maintained and managed by Standard & Poor’s and SSgA Funds Management, Inc. (“SSFM”). SSFM is the investment advisor to the S&P SPDR ETFs.

The Select Sector SPDR Trust (the “Trust”) is a registered investment company that consists of nine separate investment portfolios, including each S&P SPDR ETF. Information provided to or filed with the SEC by the Trust pursuant to the Securities Act of 1933, as amended, and the Investment Company Act of 1940, as amended, can be located by reference to Commission file numbers 333-57791 and 811-08837, respectively, through the Commission’s website at http://www.sec.gov. For additional information regarding the Select Sector SPDRs, SSFM and each S&P SPDR ETF, please see the Select Sector SPDRs’ Prospectus, dated January 31, 2012. In addition, information may be obtained from other sources including, but not limited to, press releases, newspaper articles and other publicly disseminated documents. We make no representation or warranty as to the accuracy or completeness of this publicly available information.
The Energy Select Sector SPDR® Fund

The Energy Select Sector SPDR® Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the publicly traded equity securities of companies in the Energy Select Sector Index. The Energy Select Sector Index measures the performance of the energy sector of the U.S. equity market. The Energy Select Sector Index includes companies from the following industries: oil, gas, and consumable fuels, and energy equipment and services. The Energy Select Sector SPDR® Fund is an exchange traded fund that trades on the NYSE Arca under the ticker symbol “XLE.” For information about the Energy Select Sector Index, see “The S&P Select Sector Indices” above. For information concerning the methodology of the Energy Select Sector SPDR® Fund, please refer to “Methodology of The S&P SPDR Funds” below.

The Financial Select Sector SPDR® Fund

The Financial Select Sector SPDR® Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of publicly traded equity securities in the Financial Select Sector Index. The Financial Select Sector Index measures the performance of the financial services sector of the U.S. equity market. The Financial Select Sector Index includes companies in the following industries: diversified financial services; insurance; commercial banks; capital markets; real estate investment trusts (“REITs”); consumer finance; thrifts & mortgage finance; and real estate management & development. The Financial Select Sector SPDR® Fund is an exchange traded fund that trades on the NYSE Arca under the ticker symbol “XLF.” For information about the Financial Select Sector Index, see “The S&P Select Sector Indices” above. For information concerning the methodology of the Financial Select Sector SPDR® Fund, please refer to “Methodology of The S&P SPDR Funds” below.

The Health Care Select Sector SPDR® Fund

The Health Care Select Sector SPDR® Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the publicly traded equity securities in the Health Care Select Sector Index. The Health Care Select Sector Index measures the performance of the health care sector of the U.S. equity market. The Health Care Select Sector Index includes companies from the following industries: pharmaceuticals, health care providers and services, health care equipment and supplies, biotechnology, life sciences tools and services, and health care technology. The Health Care Select Sector SPDR® Fund is an exchange traded fund that trades on the NYSE Arca under the ticker symbol “XLV.” For information about the Health Care Select Sector Index, see “The S&P Select Sector Indices” above. For information concerning the methodology of the Health Care Select Sector SPDR® Fund, please refer to “Methodology of The S&P SPDR Funds” below.

The Materials Select Sector SPDR® Fund

The Materials Select Sector SPDR® Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the publicly traded equity securities in the Materials Select Sector Index. The Materials Select Sector Index measures the performance of the materials sector of the U.S. equity market. The Materials Select Sector Index includes companies from the following industries: chemicals, construction materials, containers and packaging, metals and mining and paper and forest products. The Materials Select Sector SPDR® Fund is an exchange traded fund that trades on the NYSE Arca under the ticker symbol “XLB.” For information about the Materials Select Sector Index, see “The S&P Select Sector Indices” above. For information concerning the methodology of the Materials Select Sector SPDR® Fund, please refer to “Methodology of The S&P SPDR Funds” below.

Methodology of The S&P SPDR Funds

Replication

Each S&P SPDR ETF pursues the indexing strategy of “replication” in attempting to track the performance of the relevant Select Sector Index. Each S&P SPDR ETF will invest in all of the securities that comprise the relevant Select Sector Index. Each S&P SPDR ETF will normally invest at least 95% of its total assets in common stocks that comprise the relevant Select Sector Index.

Correlation

The Select Sector Indices are theoretical financial calculations, while the S&P SPDR ETFs are actual
investment portfolios. Each S&P SPDR ETF seeks to track the performance of the relevant Select Sector Index as closely as possible (i.e., achieve a high degree of correlation with the relevant Select Sector Index). However, the performance of each Select Sector Index and the relevant S&P SPDR ETF will vary somewhat due to operating expenses, transaction costs, cash flows, regulatory requirements and operational inefficiencies.

The SPDR® Funds

The SPDR® S&P® Homebuilders ETF and SPDR® S&P® Metals & Mining ETF (each, a “SPDR ETF” and together the “SPDR ETFs”) are each an investment portfolio maintained and managed by SSFM. SSFM is the investment advisor to the SPDR ETFs.

SPDR® Series Trust is a registered investment company that consists of numerous separate investment portfolios, including the SPDR ETFs. Information provided to or filed with the SEC by SPDR® Series Trust pursuant to the Securities Act of 1933, as amended, and the Investment Company Act of 1940, as amended, can be located by reference to SEC file number 333-57793 and 811-08839, respectively, through the SEC’s website at http://www.sec.gov. For additional information regarding SPDR® Series Trust, SSFM and the SPDR ETFs, please see the SPDR® Series Trust’s Prospectus, dated October 31, 2011 as supplemented October 31, 2011. In addition, information may be obtained from other sources including, but not limited to, press releases, newspaper articles and other publicly disseminated documents, and we have not participated in the preparation of, or verified, such publicly available information.

The SPDR® S&P® Homebuilders ETF

The SPDR® S&P® Homebuilders ETF seeks to replicate as closely as possible, before fees and expenses, the total return of the S&P Homebuilders Select Industry™ Index, which measures the performance of the homebuilding industry of the U.S. equity market. The companies included in each S&P Homebuilders Select Industry™ Index are selected on the basis of GICS and liquidity and market cap requirements from a universe of companies defined by the S&P TMI, a U.S. total market composite index. The SPDR® S&P® Homebuilders ETF is comprised of the companies in the S&P Homebuilders Select Industry™ Index and includes companies in the following sub-industries: homebuilding, home improvement retail and home furnishings. The SPDR® S&P® Homebuilders ETF is an exchange-traded fund that trades on the NYSE Arca under the ticker symbol “XHB.” The inception date of the SPDR® S&P® Homebuilders ETF is January 31, 2006. Prior to January 8, 2007 the SPDR® S&P® Homebuilders ETF was known as the SPDR® Homebuilders ETF. For information about the S&P Homebuilders Index, see “The S&P Indices” above.

The SPDR® S&P® Metals & Mining ETF

The SPDR® S&P® Metals & Mining ETF seeks to replicate as closely as possible, before fees and expenses, the total return of the S&P Metals & Mining Select Industry™ Index, which measures the performance of the metals and mining segment of the U.S. equity market. The companies included in the S&P Metals & Mining Select Industry™ Index are selected on the basis of GICS and liquidity and market cap requirements from a universe of companies defined by the S&P TMI, a U.S. total market composite index. The SPDR® S&P® Metals & Mining ETF is an exchange-traded fund that trades on the NYSE Arca under the ticker symbol “XME.” The inception date of the SPDR® S&P® Metals and Mining ETF is June 6, 2006. For information about the S&P Metals & Mining Select Industry™ Index, see “The S&P Indices” above.

Methodology of the SPDR® ETFs

Replication

Each SPDR ETF pursues the indexing strategy of “replication” in attempting to track the performance of the relevant Select Industry Index. Each SPDR ETF will invest in all of the securities that comprise the relevant Select Industry Index. Each SPDR ETF will normally invest substantially all, but at least 80% of its total assets in common stocks that comprise the relevant Select Industry Index.

Correlation

The Select Industry Indices are theoretical financial calculations, while the SPDR ETFs are actual investment portfolios. Each SPDR ETF seeks to track the performance of the relevant Select Industry Index as closely as possible (i.e., achieve a high degree of correlation with the relevant Select Sector Index). However, the performance of each
Select Industry Index and the relevant SPDR ETF will vary somewhat due to operating expenses, transaction costs, cash flows, regulatory requirements and operational inefficiencies.

**The SPDR® Gold Trust**

The SPDR® Gold Trust (the “Gold Trust”) is an investment trust, formed on November 12, 2004 that seeks to mirror as closely as possible the price of gold bullion, before fees and expenses. The Gold Trust trades under the ticker symbol “GLD” on the NYSE Arca®. BNY Mellon Asset Servicing, a division of The Bank of New York Mellon, is the trustee of the SPDR® Gold Trust, World Gold Trust Services, LLC is the sponsor of the SPDR® Gold Trust and HSBC Bank USA, N.A. is the custodian of the SPDR® Gold Trust. We make no representations or warranty as to the accuracy or completeness of the information derived from these public sources.

Information provided to or filed with the SEC by SPDR® Gold Trust pursuant to the Securities Act of 1933 and the Securities Exchange Act of 1934 can be located by reference to SEC file numbers 333-153150 and 001-32356, respectively, through the SEC's website at http://www.sec.gov. For additional information regarding the SPDR® Gold Trust, please see the SPDR® Gold Trust’s Prospectus, dated May 27, 2010. In addition, information about the SPDR® Gold Trust may be obtained from other sources including, but not limited to, press releases, newspaper articles and other publicly disseminated documents and the public website of the SPDR® Gold Trust maintained by the sponsor at http://www.spdrgoldshares.com. We make no representation or warranty as to the accuracy or completeness of such information. Information contained in the SPDR® Gold Trust website is not incorporated by reference herein.

**Investment Objective and Strategy**

The investment objective of the Gold Trust is to reflect the performance of the price of gold bullion, less the Gold Trust’s expenses. The Gold Trust seeks to mirror as closely as possible the price of gold bullion, before fees and expenses. The Gold Trust holds gold bars and issues shares in exchange for deposits of gold and distributes gold in connection with the redemption of shares. The shares of the Gold Trust are intended to offer investors an opportunity to participate in the gold market through an investment in securities. The ownership of the shares of the Gold Trust is intended to overcome certain barriers to entry in the gold market, such as the logistics of buying, storing and insuring gold.

The shares of the Gold Trust represent units of fractional undivided beneficial interest in and ownership of the Gold Trust, the primary asset of which is allocated (or unsecured) gold. The Gold Trust is not managed like a corporation or an active investment vehicle. The gold held by the Gold Trust will only be sold: (1) on an as-needed basis to pay the Gold Trust’s expenses, (2) in the event the Gold Trust terminates and liquidates its assets, or (3) as otherwise required by law or regulation.

The Gold Trust’s assets only consist of allocated gold bullion, gold credited to an unallocated gold account, gold receivable when recorded; representing gold covered by contractually binding orders for the creation of shares where the gold has not yet been transferred to the Gold Trust’s account and, from time to time, cash, which will be used to pay expenses.

**Creation and Redemption**

The Gold Trust creates and redeems the shares of the Gold Trust (for purposes of the Gold Trust, the “shares”) from time to time, but only in one or more baskets (for purposes of the Gold Trust, a “basket” equals a block of 100,000 shares). The creation and redemption of baskets requires the delivery to the Gold Trust or the distribution by the Gold Trust of the amount of gold and any cash represented by the baskets being created or redeemed, the amount of which is based on the combined net asset value of the number of shares included in the baskets being created or redeemed. The initial amount of gold required for deposit with the Gold Trust to create shares for the period from the formation of the Gold Trust to the first day of trading of the shares on the NYSE was 10,000 ounces per basket. The number of ounces of gold required to create a basket or to be delivered upon the redemption of a basket gradually decreases over time, due to the accrual of the Gold Trust’s expenses and the sale of the Gold Trust’s gold to pay the Gold Trust’s expenses. Baskets may be created or redeemed only by authorized participants, who pay a transaction fee for each order to create or redeem baskets and may sell the shares included in the baskets they create to other investors.
**Valuation of Gold; Computation of Net Asset Value**

The Net Asset Value (“NAV”) of the Gold Trust is the aggregate value of the Gold Trust’s assets less its liabilities (which include estimated accrued but unpaid fees and expenses). In determining the NAV of the Gold Trust, the trustee values the gold held by the Gold Trust on the basis of the price of an ounce of gold as set by the afternoon session of the twice daily fix of the price of an ounce of gold which starts at 3:00 PM London, England time and is performed by the five members of the London gold fix. Once the value of the gold has been determined, the trustee subtracts all estimated accrued but unpaid fees (other than the fees accruing for the evaluation day which are computed by reference to the ANAV of the Gold Trust or the custody fees accruing for the evaluation day which are based on the value of the gold held by the Gold Trust), expenses and other liabilities of the Gold Trust from the total value of the gold and all other assets of the Gold Trust (other than any amounts credited to the Gold Trust’s reserve account, if established). The resulting figure is the "ANAV" of the Gold Trust. The ANAV of the Gold Trust is used to compute the fees of the sponsor, the trustee and the marketing agent. To determine the Gold Trust’s NAV, the trustee subtracts the amount of estimated accrued but unpaid fees accruing for the evaluation day which are computed by reference to the ANAV of the Gold Trust and to the value of the gold held by the Gold Trust from the ANAV of the Gold Trust. The resulting figure is the NAV of the Gold Trust. The trustee also determines the NAV per Share by dividing the NAV of the Gold Trust by the number of the shares outstanding as of the close of trading on NYSE Arca (which includes the net number of any shares created or redeemed on such evaluation day). The trustee determines the NAV of the Gold Trust on each day the NYSE Arca is open for regular trading, at the earlier of the London PM Fix for the day or 12:00 PM (New York time). If no London PM Fix is made on a particular evaluation day or if the London PM Fix has not been announced by 12:00 PM (New York time) on a particular evaluation day, the next most recent London gold price fix (AM or PM) is used in the determination of the NAV of the Gold Trust, unless the trustee, in consultation with the sponsor, determines that such price is inappropriate to use as the basis for such determination. The trustee also determines the NAV per Share, which equals the NAV of the Gold Trust, divided by the number of outstanding shares. As of May 26, 2010, the NAV per Share of the Gold Trust was $118.58.

**Termination of the SPDR® Gold Trust**

The sponsor may, and it is anticipated that the sponsor will, direct the trustee to terminate and liquidate the Gold Trust at any time after the first anniversary of the Gold Trust’s formation when the NAV of the Gold Trust is less than $350 million (as adjusted for inflation). The sponsor may also direct the trustee to terminate the Gold Trust if the CFTC determines that the Gold Trust is a commodity pool under the Commodity Exchange Act of 1936, as amended. The trustee may also terminate the Gold Trust upon the agreement of shareholders owning at least 66 2/3% of the outstanding shares. The trustee may terminate the Gold Trust upon the agreement of shareholders owning at least 66 2/3% of the outstanding shares of the SPDR® Gold Trust.

The trustee will terminate and liquidate the SPDR® Gold Trust if any of the following events occur:

- Depository Trust Company, the securities depository for the shares, is unwilling or unable to perform its functions under the Gold Trust Indenture and no suitable replacement is available;

- The shares are de-listed from the NYSE Arca and are not listed for trading on another US national securities exchange or through the NASDAQ Stock Market within five business days from the date the shares are de-listed;

- The NAV of the Gold Trust remains less than $50 million for a period of 50 consecutive business days;

- The sponsor resigns or is unable to perform its duties or becomes bankrupt or insolvent and the trustee has not appointed a successor and has not itself agreed to act as sponsor;

- The trustee resigns or is removed and no successor trustee is appointed within 60 days;

- The custodian resigns and no successor custodian is appointed within 60 days;

- The sale of all of the Gold Trust’s assets;

- The Gold Trust fails to qualify for treatment, or ceases to be treated, for U.S. federal income tax purposes, as a grantor trust; or
• The maximum period for which the Gold Trust is allowed to exist under New York law ends.

Upon the termination of the Gold Trust, the trustee will, within a reasonable time after the termination of the Gold Trust, sell the Gold Trust’s gold bars and, after paying or making provision for the Gold Trust’s liabilities, distribute the proceeds to the shareholders.

**Historical Performance of the SPDR® Gold Trust**

We will provide historical price information with respect to the shares of the SPDR® Gold Trust in the relevant terms supplement. You should not take any such historical prices as an indication of future performance.

**Disclaimer**

The shares of the SPDR® Gold Trust are neither interest in nor obligations of the sponsor, the trustee or State Street Global Markets, LLC, as the marketing agent. The notes are not sponsored, endorsed, sold, or promoted by the sponsor, the trustee or the marketing agent. The sponsor, the trustee or the marketing agent makes no representations or warranties to the owners of the notes or any member of the public regarding the advisability of investing in the notes. Neither the sponsor, the trustee nor the marketing agent has any obligation or liability in connection with the operation, marketing, trading or sale of the notes.

**The Market Vectors Gold Miners ETF**

The Market Vectors Gold Miners ETF is an exchange traded fund, calculated, maintained and published by Van Eck Associates Corporation, that seeks to replicate as closely as possible, before fees and expenses, the price and yield performance of the NYSE Arca Gold Miners Index. The NYSE Arca Gold Miners Index is a modified market capitalization weighted index comprised of publicly traded companies involved primarily in mining for gold or silver. The NYSE Arca Gold Miners Index includes common stocks and ADRs of selected companies that are involved in mining for gold and silver and that are listed for trading on the NYSE Euronext, the NYSE Arca or quoted on The NASDAQ Stock Market. The shares of the Market Vectors Gold Miners ETF are listed for trading on the NYSE Arca. Trading prices of the Market Vectors Gold Miners ETF are reported by Bloomberg under the ticker symbol “GDX UP.” Van Eck Associates Corporation is the investment advisor to the Market Vectors Gold Miners ETF. For more information about the NYSE Arca Gold Miners Index, see “The NYSE Arca Gold Miners Index” above.

Information provided to or filed with the SEC by the Market Vectors Gold Miners ETF pursuant to the Securities Act of 1933, as amended, and the Investment Company Act of 1940, as amended, can be located by reference to the SEC file numbers 333-123257 and 811-10325, respectively, through the SEC’s website at http://www.sec.gov. In addition, information may be obtained from other sources including, but not limited to, press releases, newspaper articles and other publicly disseminated documents.

**The Oil Service HOLDRS℠ Trust**

The Oil Service HOLDRS℠ Trust was formed pursuant to a depositary trust agreement, dated as of February 6, 2001, among The Bank of New York (now called The Bank of New York Mellon), as trustee, Merrill Lynch, Pierce, Fenner & Smith Incorporated, as the initial depositor, other depositors and the owners of the Oil Service HOLDRS. The Oil Service HOLDRS℠ Trust is not a registered investment company under the Investment Company Act of 1940.

The Oil Service HOLDRS℠ Trust issued depositary receipts under the depositary trust agreement. The depositary receipts represent an undivided beneficial ownership interest in the securities underlying the Oil Service HOLDRS℠ Trust. The depositary receipts are separate from the securities underlying the Oil Service HOLDRS℠ Trust. Information filed with the SEC pursuant to the Securities Exchange Act of 1934, as amended (the “Exchange Act”) by The Oil Service HOLDRS℠ Trust can be located by reference to the SEC file number 333–52022 on the SEC’s website (http://www.sec.gov). The depositary receipts are listed on the NYSE Arca under the trading symbol “OIH”.

The securities underlying the Oil Trust HOLDRS℠ Trust are the common stocks of a group of specified companies that, at the time of selection, among other things, provided drilling, well-site management and related products and services for the oil service industry and whose common stock is registered under Section 12 of the Exchange Act. The issuers of the underlying securities were, at the time of selection, among the largest capitalized, most liquid companies in the oil service industry as measured by market capitalization and trading volume. There are currently
14 companies included in the Oil Service HOLDRS\textsuperscript{SM} Trust.

**The United States Natural Gas Fund, LP**

The United States Natural Gas Fund, LP, a Delaware limited partnership, is a commodity pool that issues units that may be purchased and sold on the NYSE Arca. The United States Natural Gas Fund, LP was organized as a limited partnership under Delaware law on September 11, 2006. It is managed and controlled by United States Commodity Funds, LLC (the “General Partner”), formerly known as Victoria Bay Asset Management, LLC. The General Partner is a single member limited liability company formed in Delaware on May 10, 2005 that is registered as a commodity pool operator with the Commodity Futures Trading Commission and is a member of the National Futures Association.

Information provided to or filed with the SEC by the United States Natural Gas Fund, LP pursuant to the Securities Exchange Act of 1934 can be located by reference to SEC file number 001-33096 through the SEC’s website at www.sec.gov. The United States Natural Gas Fund, LP is not a mutual fund or any other type of Investment Company within the meaning of the Investment Company Act of 1940, as amended, and is not subject to regulation thereunder. The units of the United States Natural Gas Fund, LP are listed on the NYSE Arca under the trading symbol "UNG."

The United States Natural Gas Fund, LP invests in exchange-traded futures contracts for natural gas, crude oil, heating oil, gasoline and other petroleum-based fuels, with the objective that changes in percentage terms in the net asset value of the units of United States Natural Gas Fund, LP reflect the changes in percentage terms of the spot price of natural gas delivered at the Henry Hub, Louisiana as traded on the New York Mercantile Exchange, less the United States Natural Gas Fund, LP’s expenses.
PRODUCT SUPPLEMENT NO. T-I TO PROSPECTUS SUPPLEMENT
DATED MARCH 23, 2012 TO PROSPECTUS DATED MARCH 23, 2012

Credit Suisse AG

Cert Plus Securities and Digital Securities and Digital Plus Securities
Linked to the Performance of One or More Indices, Exchange-Traded Funds, Equity Securities, Exchange Rates, Commodities, Commodity Futures Contracts or a Basket

The securities offered by this product supplement, which we refer to as the “securities,” may be linked to the performance of one or more indices, each of which we refer to as a “reference index,” one or more exchange-traded funds, each of which we refer to as a “reference fund,” one or more equity securities, each of which we refer to as a “reference share,” or one or more issuers, each of which we refer to as a “reference share issuer,” one or more currencies relative to a base currency, each of which we refer to as a “reference exchange rate,” one or more commodities, each of which we refer to as a “reference commodity,” and/or one or more commodity futures contracts, each of which we refer to as a “reference commodity futures contract,” or to a weighted basket of any of the foregoing, which we refer to as a “basket.” We refer generally to each reference index, reference fund, reference share, reference exchange rate, reference commodity and reference commodity futures contract as an “underlying,” and to each underlying included in a basket as a “basket component.” If any underlying is replaced by a successor underlying as set forth herein (the “successor underlying”), such successor underlying will be substituted for such underlying for all purposes of the securities, as determined by the calculation agent in its sole discretion. As used in this product supplement, the term “reference shares” includes securities issued through depositary arrangements such as American depositary shares or American depositary receipts in respect of foreign underlying securities (together, “ADSs”). For reference shares that are ADSs, the term “reference share issuer” refers to the issuer of the equity securities underlying the ADSs. If the securities are linked to the performance of any other reference asset, the terms applicable to such reference asset will be set forth in the applicable pricing supplement or other supplement.

This product supplement describes terms that will apply generally to the securities and supplements the terms described in the accompanying prospectus supplement and prospectus. A separate pricing supplement will describe terms that apply specifically to the securities, including any changes to the terms specified in this product supplement. If the terms described in the applicable pricing supplement are inconsistent with those described herein or in the accompanying prospectus supplement or prospectus, the terms described in the applicable pricing supplement will control.

The securities are senior unsecured obligations of Credit Suisse AG, acting through its Nassau Branch. Any payment on the notes is subject to our ability to pay our obligations as they become due. The securities will not be listed on any securities exchange unless otherwise specified in the applicable pricing supplement.

The one or more underlyings or the basket to which the securities will be linked will be specified in the applicable pricing supplement. The maturity date of the securities will be specified in the applicable pricing supplement, subject to postponement if the scheduled maturity date is not a business day or if the final valuation date is postponed, or to acceleration in the event of a commodity hedging disruption event, if applicable, in each case as described herein, unless otherwise specified in the applicable pricing supplement.

The securities may be subject to an automatic early redemption and/or may be redeemable at our option, in each case in whole, but not in part, at 100% of the principal amount of the securities or at such other percentage as may be specified in the applicable pricing supplement, together with any accrued but unpaid interest. We refer to such automatic early redemption and redemption at our option as “early redemption.” The applicable pricing supplement will set forth the terms specific to any early redemption applicable to the securities.

The applicable pricing supplement will specify whether coupon payments will be paid on the securities, and if coupon payments are to be paid on the securities, the rate per annum applicable to such coupon payments as well as any other terms relating to such coupon payments.

Unless otherwise specified in the applicable pricing supplement, and unless previously accelerated, redeemed, or purchased by us and cancelled, the securities will be redeemed on the maturity date for an amount calculated as set forth in the applicable pricing supplement.

Please refer to “Risk Factors” beginning on page PS-3 of this product supplement for risks related to an investment in the securities. Neither the Securities and Exchange Commission (“SEC”) nor any state securities commission has approved or disapproved of these securities or determined if this product supplement or the prospectus supplement or prospectus to which it relates is truthful or complete. Any representation to the contrary is a criminal offense.

The securities are not deposit liabilities and are not insured or guaranteed by the Federal Deposit Insurance Corporation (“FDIC”) or any other governmental agency of the United States, Switzerland or any other jurisdiction.

Credit Suisse

The date of this product supplement is March 23, 2012.
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We are responsible for the information contained and incorporated by reference in this product supplement and the accompanying prospectus supplement and prospectus. As of the date of this product supplement, we have not authorized anyone to provide you with different information, and we take no responsibility for any other information others may give you. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information in this document or the accompanying prospectus supplement and prospectus is accurate as of any date other than the date on the front of this document.

The securities described in the applicable pricing supplement and this product supplement are not appropriate for all investors, and involve important legal and tax consequences and investment risks, which you should discuss with your professional advisors. You should be aware that the regulations of the Financial Industry Regulatory Authority (“FINRA”) and the laws of certain jurisdictions (including regulations and laws that require brokers to ensure that investments are suitable for their customers) may limit the availability of the securities.

We are offering the securities for sale in those jurisdictions in the United States where it is lawful to make such offers. The distribution of the relevant pricing supplement, the underlying supplement, if applicable, this product supplement or the accompanying prospectus supplement or prospectus (collectively, the “offering documents”) and the offering of the securities in some jurisdictions may be restricted by law. If you possess the offering documents, you should find out about and observe these restrictions. The offering documents are not an offer to sell these securities and we are not soliciting an offer to buy these securities in any jurisdiction where such offer or sale is not permitted or where the person making the offer or sale is not qualified to do so or to any person to whom such offer or sale is not permitted. We refer you to the “Underwriting (Conflicts of Interest)” section of this product supplement.

In the offering documents, unless otherwise specified or the context otherwise requires, references to “we,” “us” and “our” are to Credit Suisse AG (“Credit Suisse”) and its consolidated subsidiaries, and references to “dollars” and “$” are to U.S. dollars.
SUMMARY

The following is a summary of the terms of the securities and factors that you should consider before deciding to invest in the securities. You should read the relevant offering documents, including this product supplement, carefully to understand fully the terms of the securities and other considerations that are important in making a decision about investing in the securities. You should, in particular, review the “Risk Factors” section of this product supplement, which sets forth a number of risks related to the securities. All of the information set forth below is qualified in its entirety by the detailed explanations set forth elsewhere in this product supplement and the accompanying prospectus supplement and prospectus. The pricing supplement for each offering of securities will contain certain specific information and terms of that offering and may also add, update or change the information contained in the other offering documents. If any information in the applicable pricing supplement is inconsistent with the other offering documents, you should rely on the information in that pricing supplement. It is important for you to consider the information contained in all the offering documents in making your investment decision.

What are the Cert Plus Securities and Digital Securities and Digital Plus Securities and how is the redemption amount calculated?

The Cert Plus Securities and Digital Securities and Digital Plus Securities, or the securities, are medium-term notes issued by us, the return on which is linked to the performance of one or more underlyings or a basket, as specified in the applicable pricing supplement. Subject to early redemption, if applicable, at maturity you will be entitled to receive a redemption amount, if any, that will depend on (a) the individual performance of the lowest performing underlying, (b) the performance of any other relevant underlying or (c) the performance of the basket, and on whether a knock-in event has occurred. Any payment due on the securities will be subject to our ability to pay our obligations as they become due.

Specific terms relating to the calculation of any amount due on the securities will be set forth in the applicable pricing supplement.

Do the securities guarantee the return of my investment?

The payment of any amount due on the securities will be determined pursuant to the terms described in the applicable pricing supplement. The applicable pricing supplement will specify the circumstances in which you could lose some or all of your investment, as applicable. In addition, any payment on the securities is subject to our ability to pay our obligations as they come due.

Will I receive coupon payments on the securities?

The applicable pricing supplement will specify whether coupon payments will be paid on the securities, and if coupon payments are to be paid on the securities, the rate per annum applicable to such coupon payments as well as any conditions relating such coupon payments.

Specific terms relating to the calculation of any amount due on the securities will be set forth in the applicable pricing supplement.

Are there risks involved in investing in the securities?

An investment in the securities involves risks. Please see the “Risk Factors” section beginning on page PS-3.

What will I receive if you redeem the securities?

If specified in the applicable pricing supplement, we may redeem the securities prior to maturity under circumstances set forth in the applicable pricing supplement, in whole, but not in part, on any relevant coupon payment date, upon such terms as may be specified in the applicable pricing supplement. If the securities are
redeemed prior to the maturity date, you will be entitled to receive only the principal amount of the securities or such other amount as specified in the applicable pricing supplement, and any accrued but unpaid interest to and including the early redemption date. In this case, you will lose the opportunity to continue to accrue and be paid interest, or participate in any appreciation in any underlying or the basket, if applicable, from the early redemption date to the originally scheduled maturity date. The applicable pricing supplement will set forth the terms specific to any early redemption applicable to the securities. For additional information, please refer to “Description of the Securities—Early redemption; defeasance” herein.

**Will there be an active trading market in the securities?**

Unless otherwise specified in the applicable pricing supplement, the securities will not be listed on any securities exchange. Accordingly, there is no assurance that a liquid trading market will develop for the securities. Credit Suisse Securities (USA) LLC ("CSSU") currently intends to make a market in the securities, although it is not required to do so and may stop making a market at any time. If you have to sell your securities prior to maturity, you may not be able to do so or you may have to sell them at a substantial loss.

**Will the securities be distributed by affiliates of the Issuer?**

CSSU is one of our wholly owned subsidiaries. Any offering in which CSSU participates will be conducted in compliance with the requirements of FINRA Rule 5121 regarding a FINRA member firm’s distribution of the securities of an affiliate and related conflicts of interest. In accordance with FINRA Rule 5121, CSSU may not sell the securities to any of its discretionary accounts without the prior written approval of the customer. Please see the section entitled “Underwriting (Conflicts of Interest)” herein.

**What are the United States federal income tax consequences of investing in the securities?**

Please refer to “Material United States Federal Income Tax Considerations” herein for a discussion of certain United States federal income tax considerations for making an investment in the securities.
RISK FACTORS

A purchase of the securities involves risks. This section describes significant risks relating to the securities. You should read the following information about these risks, together with the other information contained or incorporated by reference in the other offering documents before investing in the securities.

General Risks Relating to the Securities

The securities are subject to the credit risk of Credit Suisse

Although the return on the securities will be based on the performance of one or more underlyings or the basket, as applicable, the payment of any amount due on the securities, including any applicable coupon payments, early redemption payment or redemption amount, is subject to the credit risk of Credit Suisse. Investors are dependent on Credit Suisse’s ability to pay all amounts due on the securities, and therefore, investors are subject to our credit risk. In addition, any decline in our credit ratings, any adverse changes in the market’s view of our creditworthiness or any increase in our credit spreads are likely to adversely affect the value of your securities prior to maturity.

The securities differ from conventional debt securities and do not guarantee the return of your investment

The payment of any amount due on the securities will be determined pursuant to the terms described in the applicable pricing supplement, and you may receive less at maturity than you originally invested in the securities, or you may receive nothing. The applicable pricing supplement will specify the circumstances in which you could lose some or all of your investment. Furthermore, if the total amount payable on the securities is less than the amount originally invested in the securities, the return on the securities (the effective yield to maturity) could be negative. Even if it is positive, the return payable on each security may not be enough to compensate you for any loss in value due to inflation and other factors relating to the value of money over time. Any payment on the securities is subject to our ability to pay our obligations as they become due.

The securities may not pay coupon payments, and if we pay coupon payments on the securities, the yield on the securities may be lower than the return on an ordinary debt security with similar maturity

The applicable pricing supplement will specify whether coupon payments will be paid on the securities, and if coupon payments are to be paid on the securities, the rate per annum applicable to such coupon payments as well as any conditions relating to such coupon payments. Regardless of whether the securities pay coupon payments, you may receive less than you could have earned on ordinary interest-bearing debt securities with similar maturities, including other of our debt securities.

If specified in the applicable pricing supplement, we will pay coupon payments on the securities at the rate specified in the applicable pricing supplement. This coupon payment rate may be lower than the rate you could receive on ordinary interest-bearing debt securities with similar maturities, including other of our debt securities. The return payable on each security may not be enough to compensate you for any loss in value due to inflation and other factors relating to the value of money over time.

The securities may not pay more than the principal amount, plus accrued and unpaid interest, if applicable, at maturity or upon early redemption, or may be subject to an underlying return cap or fixed payment percentage

The applicable pricing supplement will specify whether the securities may pay more than the principal amount of your securities, plus accrued and unpaid interest, if applicable, at maturity or upon early redemption. If the applicable pricing supplement specifies that the securities will not pay more than the principal amount of your securities, plus accrued and unpaid interest, if applicable, at maturity or upon early redemption, regardless of any appreciation in the relevant underlying or the basket, you will not participate in any such appreciation of such underlying or the basket, as applicable.
If the applicable pricing supplement specifies that the securities are subject to an underlying return cap or fixed payment percentage, the redemption amount will be limited to such underlying return cap or such fixed payment percentage, even if the appreciation of the relevant underlying or the basket, as applicable, is greater than such underlying return cap or fixed payment percentage.

**The securities may be subject to automatic early redemption or redemption at our option, which may limit your ability to accrue interest over the full term of the securities**

We may specify in the applicable pricing supplement that the securities are subject to an early redemption (as defined under “Description of the Securities—Early redemption; defeasance”) the occurrence of an event that will be described in the applicable pricing supplement at our option. If the securities are redeemed prior to the maturity date, you will be entitled to receive only the amount set forth in the applicable pricing supplement. In this case, if the applicable pricing supplement specifies that coupon payments will be paid on the securities, you could lose the opportunity to continue to accrue interest, or you could lose the opportunity to participate in the appreciation of the underlying or the basket, if any. If the securities are redeemed prior to the maturity date, you may be unable to invest in other securities with a similar level of risk that yield as much interest as the securities. The applicable pricing supplement will set forth the terms specific to any early redemption applicable to the securities.

**An investment in the securities is not the same as a direct investment in any underlying or in the components included in or composing any underlying**

Your return on the securities, whether positive or negative, will not reflect the return you would realize if you made a direct investment in any underlying or the components included in or composing any underlying and received payments made with respect to the underlying or such components. As an investor in the securities, you will not have rights to receive dividends or other distributions or any other rights, including voting rights, with respect to any underlying or any components included in or composing an underlying, as applicable. If any underlying is comprised of equity components, the payment of dividends on the equity securities which compose such underlying generally has no effect on the calculation of the level of such underlying. The calculation agent will calculate the amount payable to you at maturity by reference to the level of the underlyings on the relevant valuation date, and will not include the amount of any such payments. Therefore, the return on your investment, which will be determined as set forth in the applicable pricing supplement, is not the same as the total return based on the purchase of any underlying or any component included in or composing such underlying or the basket, as applicable.

For securities linked to reference shares and reference funds, adjustments made for dividend payments on the reference shares will be limited to those adjustments described below under “Description of the Securities—Adjustments—For equity securities of a reference share issuer” and adjustments made for dividend payments on the reference funds will be limited to those adjustments described below under “Description of the Securities—Adjustments—For a reference fund,” respectively.

**The initial level of the relevant underlying or the basket, as applicable, may be determined on a date later than the trade date**

If so specified in the applicable pricing supplement, the initial level of the underlying or the basket, as applicable, may be determined on a date or dates after the trade date. For example, the applicable pricing supplement may specify that the initial level of an underlying will be determined based on the lowest level or the average level for such underlying during the period from the trade date to a specified lookback date. As a result, if the applicable pricing supplement so specifies, you will not know the initial level of the underlying until a date later than the trade date.

**There may be little or no secondary market for the securities**

The securities will not be listed on any securities exchange. There may be little or no secondary market for the securities. Even if there is a secondary market, it may not provide enough liquidity to allow you to trade or sell the securities easily or at a price advantageous to you. CSSU currently intends to make a market in the securities, although it is not required to do so and may stop making a market at any time. If you have to sell your securities
prior to maturity, you may not be able to do so or you may have to sell them at a substantial loss. You should be willing and able to hold your securities to maturity.

The securities are not designed to be short-term trading instruments

The price at which you will be able to sell your securities prior to maturity (including to us or our affiliates), if at all, may be at a substantial discount from their principal amount, even in cases where the underlying or the basket has appreciated during the term of the securities. The potential returns described in the applicable pricing supplement assume that your securities, which are not designed to be short-term trading instruments, are held to maturity. You should be willing and able to hold your securities to maturity.

If the level of any underlying changes, the market value of your securities may not change in the same manner

Owning the securities is not the same as owning any underlying or any component included in or composing any underlying. Accordingly, changes in the level of an underlying may not result in a comparable change in the value of the securities. If the level of any underlying on any day has increased, the value of the securities may not increase comparably, if at all, or their value may even decline.

If the redemption amount consists of the physical delivery amount, the value of such redemption amount could be less on the maturity date than on the valuation date

If the redemption amount consists of the physical delivery amount, the value of the physical delivery amount on the valuation date will be less than the principal amount of your securities and could fluctuate, possibly decreasing, in the period between the valuation date and the maturity date. We will make no adjustments to the physical delivery amount to account for any such fluctuation, and you will bear the risk of any decrease in the value of the physical delivery amount between the valuation date and the maturity date.

The value of the securities may be influenced by many factors that are unpredictable

In addition to the level(s) of the underlying(s) or basket, the value of the securities will be affected by a number of economic and market factors that may either offset or magnify each other, including:

- interest and yield rates in the market;
- if applicable, whether a knock-out event has occurred or is expected to occur;
- dividends or other distributions on any underlying or equity securities included in or composing any underlying (while not paid to the holders of the securities, dividend payments on an underlying or its components may influence the market prices of such underlying or its components and the market value of options on such underlying or its components, and therefore affect the value of the securities);
- the expected and actual volatility of any underlying or basket; as applicable;
- changes and adjustments made to any underlying, including any changes to an index tracked by a reference fund (a “tracked index”);
- investors’ expectations with respect to the rate of inflation;
- geopolitical conditions and a variety of economic, financial, political and regulatory or judicial events that affect the components included in or composing any underlying or basket, as applicable, or markets generally and which may affect the level of any underlying or basket;
- for securities linked to two or more underlyings or a basket, the existence of, and changes to, the degree of correlation (the extent to which the value of the underlyings increase or decrease to the same degree at the same time) between the underlyings;
• the exchange rate and the volatility of the exchange rate between the U.S. dollar and foreign
currencies, to the extent that any of the equity securities and the ADSs included in or composing
any underlying are denominated in a currency other than the currency in which such underlying is
denominated;

• the time remaining to the maturity of the securities; and

• our creditworthiness, including actual or anticipated downgrades to our credit ratings.

Some or all of these factors may influence the price that you will receive if you choose to sell your
securities prior to maturity. The impact of any of the factors set forth above may enhance or offset some or all of any
change resulting from any other factor or factors.

In the case of securities linked to a basket, the basket components may not be equally weighted

If the securities are linked to a basket, the basket components may have a different weight used in
determining the level of the basket, depending on the component weightings specified in the applicable pricing
supplement. For example, for a basket composed of four basket components, the applicable pricing supplement may
specify that the weighting of the four components will be as follows: 18%, 20%, 33% and 29%. One consequence of
such an unequal weighting of the basket components is that if a higher weighted basket component performs poorly
and a lower weighted basket component performs well, the level of the basket will reflect the poor performance of
the higher weighted basket component more than it reflects the strong performance of the lower weighted basket
component, which may have an adverse effect on the value of the securities.

If the securities are linked to a basket, changes in the value of one or more of the basket components composing
a basket may offset each other

If the securities are linked to a basket comprised of two or more underlyings, price movements in the basket
components may not correlate with each other. At a time when the level of one or more of the basket components
increases, the level of one or more of the other basket components may not increase as much or may decline.

Therefore, in calculating a basket level as of any date, increases in the level of one or more of the basket
components may be moderated, or wholly offset, by declines in the level of one or more of the other basket
components.

If the securities are linked to two or more underlyings or a basket, movements in the values of the underlyings
may be correlated or uncorrelated

High correlation of movements in the value of the underlyings during periods of negative returns among the
underlyings could have an adverse effect on your return on the securities. However, the movements in the value of
the underlyings may become uncorrelated in the future. Accordingly, at a time when the return of one or more of the
underlyings increases, the return of the other underlyings may not increase as much or may even decline. See “—If
the securities are linked to a basket, changes in the value of one or more of the basket components composing a
basket may offset each other” above.

In addition, if the securities are linked to the lowest performing of two or more underlyings, to the extent
that the underlyings are uncorrelated, the risk of a knock-in event or a decline in the value of at least one underlying
will increase. For example, if the level of one underlying increases, the level of the other underlying may decrease,
or vice versa. In this case, a lack of correlation could affect the value of the securities and the amount of any
payment due on the securities.

For securities linked to the individual performance of more than one underlying, you may be fully exposed to the
risk of fluctuations in the levels of each underlying

If the applicable pricing supplement specifies that the securities are linked to the performance of more than
one underlying, the securities may be linked to the individual performance of each underlying. In such case, because
the securities are not linked to a basket, in which case the risk is mitigated and diversified among all of the basket components, you will be exposed to the risk of fluctuations in the levels of the underlyings to the same degree for each underlying. For example, the applicable pricing supplement could specify that the securities are linked to a basket composed of two or more basket components, in which case the return would depend on the weighted aggregate performance of the basket components as reflected by any other basket return. Thus, the depreciation of any basket component could be mitigated by the appreciation of any other basket component, to the extent of the weightings of such components in a basket. In contrast, where the securities are linked to the lowest performing of two or more underlyings, the individual performances of each of the underlyings would not be combined to calculate your return, and the depreciation of any such underlying would not be mitigated by the appreciation of any other underlying. Instead, your return would depend on the lowest performing of the underlyings to which the securities are linked.

If the applicable pricing supplement specifies that the securities will be linked to the performance of more than one underlying, your return will be negative if a knock-in event occurs with respect to any underlying and the final level of any underlying is less than its initial level

Your return will be negative and you will be entitled to receive less than the principal amount of your securities at maturity if a knock-in event occurs with respect to any underlying and the final level of any underlying, not necessarily the same underlying that caused the knock-in event, is less than its initial level. A knock-in event will occur if, (i) in the case of closing level monitoring during an observation period, the closing level of any underlying reaches or falls below its knock-in level on any trading day during the observation period, (ii) in the case of continuous monitoring during the observation period, the level of any underlying reaches or falls below its knock-in level at any time on any trading day during the observation period, (iii) in the case of closing level monitoring on the valuation date, the closing level of any underlying reaches or falls below its knock-in level on the valuation date, or, (iv) in the case of continuous monitoring during the valuation date, the level of any underlying reaches or falls below its knock-in level at any time on the valuation date. The applicable pricing supplement may specify that a knock-in event will occur with respect to any relevant underlying or the basket, as applicable, if the level of such underlying or the basket only falls below its knock-in level, rather than reaches or falls below its knock-in level.

If the applicable pricing supplement specifies that any underlying or the basket, as applicable, is subject to continuous monitoring, it is possible that a knock-in event could occur under circumstances that would not result in the occurrence of a knock-in event if such underlying or the basket, as applicable, were instead subject to closing level monitoring

Each underlying or the basket, as applicable, will be subject to continuous monitoring or closing level monitoring, or, if so specified in the applicable pricing supplement, another method for monitoring such underlying or the basket. If any underlying or the basket, as applicable, is subject to continuous monitoring, a knock-in event will occur if the level of such underlying or the basket, as applicable, at any time on any trading day during the observation period or on the valuation date, as applicable, is less than or equal to the knock-in level, even if the level of such underlying or the basket, as applicable, closes above the knock-in level on that trading day. However, if such underlying or the basket, as applicable, were instead subject to closing level monitoring, a knock-in event would not occur if the level of such underlying or the basket, as applicable, on any trading day during the observation period or on the valuation date, as applicable, was less than or equal to the knock-in level, but closed above the knock-in level on every trading day during the observation period or on the valuation date, as applicable.

The applicable pricing supplement may specify a different type of monitoring for any underlying or the basket, as applicable. In addition, the pricing supplement may specify that a knock-in event will occur with respect to any underlying or the basket, as applicable, if the level of such underlying or the basket, as applicable, only falls below its knock-in level, rather than reaches or falls below its knock-in level.

Our hedging activity may affect the market value of any underlying or the components included in or composing any underlying, and therefore the value of the securities

We expect to hedge our obligations under the securities through one or more of our affiliates. This hedging activity will likely involve trading in one or more of the underlyings or the components included in or composing
any such underlying, as applicable, or in other instruments, such as options, swaps or futures, based upon the underlying or the components included in or composing such underlying. This hedging activity could affect the value of any underlying, and therefore the value of the securities. Moreover, this hedging activity may result in us or our affiliates receiving a profit, even if the value of the securities declines. Assuming no change in market conditions or any other relevant factors, the price, if any, at which CSSU is willing to purchase the securities in secondary market transactions will likely be lower than the original issue price, since the original issue price included, and secondary market prices are likely to exclude, commissions paid with respect to the securities, as well as the projected profit included in the cost of hedging our obligations under the securities. In addition, any such prices may differ from values determined by pricing models used by CSSU, as a result of dealer discounts, mark-ups or other transaction costs.

The inclusion in the original issue price of each agent’s commission and the estimated cost of hedging our obligations under the securities through one or more of our affiliates is likely to adversely affect the value of the securities prior to maturity

While the payment at maturity will be based on the full principal amount of your securities as described in the applicable pricing supplement, the original issue price of the securities includes each agent’s commission and the estimated cost of hedging our obligations under the securities through one or more of our affiliates. Such original issue price includes the profit our affiliates expect to realize in consideration for assuming the risks inherent in providing such hedge. As a result, assuming no change in market conditions or any other relevant factors, the price, if any, at which CSSU will be willing to purchase the securities from you in secondary market transactions, if at all, will likely be lower than the original issue price. In addition, any such prices may differ from values determined by pricing models used by CSSU, a result of such compensation or other transaction costs.

There may be potential conflicts of interest

We, CSSU and/or any other affiliate may from time to time buy or sell futures contracts related to any component included in or composing any underlying or derivative instruments related to any underlying for our or their own accounts in connection with our or their normal business practices. These transactions could affect the price of such components or the value of any underlying, and thus affect the value of the securities.

In addition, because Credit Suisse International, which is initially acting as the calculation agent for the securities, is an affiliate of ours, potential conflicts of interest may exist between the calculation agent and you, including with respect to certain determinations and judgments that the calculation agent must make in determining amounts due to you.

We and our affiliates may, now or in the future, engage in business with any reference share issuer or with the issuers of any equity securities included in or composing an underlying, including providing advisory services. These services could include investment banking and mergers and acquisitions advisory services. These activities could present a conflict of interest between us or our affiliates and you. In the course of our business, we or our affiliates may acquire material nonpublic information about one or more of the underlyings, and we will not disclose such information to you. In addition, we or our affiliates may have also published and may in the future publish research reports regarding an underlying or some or all of the components included in or composing an underlying. This research is modified periodically without notice and may express opinions or provide recommendations that may affect the market price of the components included in such underlying and/or the level of such underlying and, consequently, the price of the securities and the amount of any payment on the securities. Any research, opinions or recommendations expressed by us, our affiliates or agents may not be consistent with each other and may be modified from time to time without notice. You, as an investor in the securities, should make your own investigation into underlyings.

Furthermore, we or one of our affiliates may serve as issuer, agent or underwriter for additional issuances of securities with returns linked to (or related to spreads between) any underlying. By introducing competing products into the marketplace in this manner, we or one or more of our affiliates could adversely affect the value of the securities.
The offering of any securities does not constitute an expression of our view about, or a recommendation of, any underlying or basket

The offering of any securities is not an expression of our views about how any underlying will perform in the future or as a recommendation to invest (directly or indirectly, by taking a long or short position) in any underlying or basket. As a global financial institution, we and our affiliates may, and often do, have positions (long, short or both) in one or more of the underlyings that conflict with an investment in the securities. See “—There may be potential conflicts of interest” for some examples of potential conflicting positions we may have. You should undertake an independent determination of whether an investment in the securities is suitable for you in light of your particular situation, including your specific investment objectives, risk tolerance and financial resources.

We, our affiliates or agents may publish research, express opinions or provide recommendations that are inconsistent with investing in or holding the securities and any such research, opinions or recommendations could affect the level of any underlying or basket to which the securities are linked or the value of the securities

We, our affiliates or agents may publish research from time to time on financial markets and other matters that may influence the value of the securities, and we may express opinions or provide recommendations that are inconsistent with purchasing or holding the securities. Any research, opinions or recommendations expressed by us, our affiliates or agents may not be consistent with each other and may be modified from time to time without notice. Any such research opinions or recommendations could affect the level of the applicable underlying or basket in the market and therefore the value of the securities.

Holdings and future sales of the securities by our affiliates may affect the value of the securities

Certain of our affiliates may purchase some of the securities for investment. As a result, upon completion of an offering, our affiliates may own up to approximately 15% of the securities offered in that offering. Circumstances may occur in which our interests or those of our affiliates could be in conflict with your interests. In addition, if a substantial portion of the securities held by our affiliates were to be offered for sale in the secondary market, if any, following such an offering, the value of the securities may fall. The negative effect of such sales on the prices of the securities could be pronounced because secondary trading in the securities is likely to be limited and illiquid.

The United States federal income tax consequences of the securities are uncertain

No ruling is being requested from the Internal Revenue Service, or the IRS, with respect to the securities and we cannot assure you that the IRS or any court will agree with the tax treatment described under “Material United States Federal Income Tax Considerations” in this product supplement.

General Risks Relating to the Underlyings

Historical performance of any underlying or the basket, as applicable, is not indicative of future performance

The future performance of any underlying or the basket, as applicable, cannot be predicted based on its historical performance. We cannot guarantee that the level or final level of any underlying or the basket will be at a level that would result in a positive return on your overall investment in the securities.

The final level for any underlying or the basket may be less than its closing level on the valuation date or at other times during the term of the securities

If specified in the applicable pricing supplement, the calculation agent will calculate the redemption amount by comparing only the initial level and final level of any underlying or the basket, as applicable, on the valuation date or dates specified in the applicable pricing supplement. Because the final level for any underlying or the basket, as applicable, is calculated based on the closing level of such underlying or the basket, as applicable, on the valuation date or dates, the closing level of such underlying or the basket, as applicable, on the valuation date or
dates or at other times during the term of the securities, including dates near the valuation date or dates, could be higher than the final level for such underlying or the basket, as applicable. This difference could be substantial if there is a significant increase or decrease in the closing level of any underlying or the basket, as applicable, after the final valuation date, around the time of a valuation date or if there is significant volatility in the closing level of such underlying or the basket, as applicable, during the term of the securities (especially on dates near the valuation date or dates). For example, when the valuation date is near the end of the term of the securities, if the closing level for such underlying or the basket, as applicable, increases or remains relatively constant early during the term of the securities and then decreases below the initial level, the final level may be significantly less than if it were calculated on a date earlier than the valuation date. In this case, you may receive a lower payment at maturity than you would have received if you had invested directly in the underlying or in the components composing any underlying.

We cannot assure you that the public information provided on the underlying is accurate or complete

All disclosure contained in the applicable pricing supplement and/or any accompanying underlying supplement will be derived from publicly available documents and other publicly available information. Unless otherwise specified in the applicable pricing supplement, we have not participated, and will not participate, in the preparation of such documents or made any due diligence inquiry with respect to any underlying in connection with the offering of the securities. We do not make any representation that such publicly available documents or any other publicly available information regarding any underlying is accurate or complete, and are not responsible for public disclosure of information by any underlying (or its issuer or sponsor), whether contained in filings with the SEC or otherwise. Furthermore, we cannot give any assurance that all events occurring prior to the date of the applicable pricing supplement, including events that would affect the accuracy or completeness of public information or filings of any such underlying, will have been publicly disclosed. Subsequent disclosure of any of those events or the disclosure of or failure to disclose material future events concerning an underlying could affect the amount of any payment due on the securities. Any prospective purchaser of the securities should undertake an independent investigation of the one or more underlyings to which the securities are linked as in its judgment is appropriate to make an informed decision with respect to an investment in the securities.

You have no rights against any sponsor, relevant exchange, reference share issuer or, if any underlying includes or is composed of equity-based components, any issuers of the equity securities that compose such underlying

You will have no rights against any index creator, index calculation agent or sponsor, as applicable, of any reference index (an “index sponsor”) or the investment advisor or manager of any reference fund (a “fund sponsor,” and together with the “index sponsor,” a “sponsor”), any relevant exchange, any reference share issuer or, if any underlying is comprised of equity components, the issuers of any equity securities that compose such underlying. The securities are not sponsored, endorsed, sold or promoted by any such sponsor, relevant exchange or issuer. No such sponsor, relevant exchange or issuer has passed on the legality or suitability of, or the accuracy or adequacy of descriptions and disclosures relating to, the securities. No such sponsor, relevant exchange or issuer makes any representation or warranty, express or implied, to you or any member of the public regarding the advisability of investing in securities generally or the securities in particular, or the ability of any underlying to track general market performance.

Unless otherwise provided in the applicable pricing supplement, any such sponsor’s only relationship to us is in the licensing of trademarks or service marks and certain trade names and the use of such underlying, which is determined, composed and calculated by such sponsor without regard to us or the securities. No such sponsor, relevant exchange or issuer is responsible for, and none of them has participated in the determination of, the timing, prices or quantities of the securities to be issued or in the determination or calculation of the equation by which any amount due on the securities is to be determined. No such sponsor, relevant exchange or issuer has any liability in connection with the administration, marketing or trading of the securities. No such sponsor, relevant exchange or issuer has any obligation to take our interests or yours into consideration for any reason.
We cannot control the actions of any reference share issuer or of the issuers whose equity securities are included in or held by any underlying

We cannot control the actions of any reference share issuer or of the issuers of the equity securities included in or held by any underlying. Actions by such issuers may have an adverse effect on the value of an underlying and, consequently, on the value of the securities.

We and our affiliates generally do not have any affiliation with any relevant exchange, reference fund, reference index, reference share issuer or sponsor and are not responsible for its public disclosure of information

Unless otherwise specified in the applicable pricing supplement, we and our affiliates generally are not affiliated with any relevant exchange, reference fund, reference index, reference share issuer or sponsor in any way (except for licensing arrangements) and have no ability to control or predict its actions, including any errors in or discontinuance of disclosure regarding its methods or policies.

Neither we nor any of our affiliates assumes any responsibility for the adequacy or accuracy of the information about a reference fund, reference index, reference share issuer or sponsor contained in any public disclosure of information. You, as an investor in the securities, should make your own investigation into the reference fund, reference index, reference share issuer or sponsor.

Changes to an underlying could adversely affect the securities

The sponsor of an underlying can add, delete or substitute the components included in or composing any underlying, make other methodological changes that could change the value of any underlying at any time, or discontinue or suspend calculation or dissemination of any underlying.

If one or more of these events occurs, the calculation of the redemption amount payable at maturity will be adjusted to reflect such event or events. Please refer to “Description of the Securities—Changes to the calculation of a reference index” and to “Description of the Securities—Changes to the calculation of a reference fund.” Any of these actions could adversely affect the amount payable in respect of the securities and/or the value of the securities.

Market disruptions may adversely affect your return

The calculation agent may, in its discretion, determine that markets have been affected in a manner that prevents it from properly valuing any underlying on any day during the term of the securities or from calculating the amount of any payment due on the securities. These events may include disruptions or suspensions of trading in the markets as a whole. If the calculation agent, in its discretion, determines that a market disruption event has occurred, it is possible that one or more of the valuation dates and the maturity date, or, with respect to commodity-based (as defined under “Description of the Securities—Certain definitions”) underlyings, the trade date, will be postponed, and your return could be adversely affected. No coupon payments or other payment will be payable as a result of such postponement. For additional information, see “Description of the Securities—Market Disruption Events”.

There is no assurance that an active trading market will continue for any underlying or any component included in or composing such underlying, or that there will be liquidity in the trading market

Although the underlying to which your securities may be linked may trade on various exchanges and a number of similar securities or products may have been traded on other exchanges for varying periods of time, there is no assurance that an active trading market will continue for such underlying or any component underlying included in or composing such underlying or that there will be liquidity in the trading market. Even if there is an active trading market, there may not be enough liquidity to allow such underlying or any component underlying included in or composing such underlying to trade easily at which point the value of the securities may be adversely affected.
In some circumstances, the payment you receive on the securities may be based on equity securities or currencies that are not the equity securities of the original reference funds or the reference share issuer or the original reference currencies

In some circumstances, for securities linked to the performance of reference funds or reference shares, the payment you receive on the securities may be based on the shares of an exchange-traded fund or the equity securities (or ADSs, as applicable) of one or more companies that are not the original reference fund or reference share issuer. Following certain corporate events relating to the reference fund or the reference shares where the reference fund or the reference share issuer is not the surviving entity, a portion of the amount you receive at maturity may be based on the equity securities of a successor to the original reference fund or the original reference share issuer, or on cash or any other assets distributed to holders of the original shares of the reference fund or reference shares as a result of such corporate event. The occurrence of corporate events and the consequent adjustments may materially and adversely affect the value of the securities. We describe the specific corporate events that can lead to these adjustments and the procedures for selecting exchange property (as described below) in the sections of this product supplement called “Description of the Securities—Adjustments—Reorganization events” and “Description of the Securities—Changes to the calculation of a reference fund.”

If a “succession event” (as defined under “Description of the Securities—Succession events”) occurs, the reference currency or the base currency may be replaced with a “successor currency” (as defined under “Description of the Securities—Succession events”). If such an event occurs, you could become subject to the performance of the successor currency relative to the base currency or the performance of the reference currencies relative to the successor currency, as applicable. In addition, for securities linked to a basket, if a reference currency is replaced with a successor currency that is the same as another reference currency, the weight of that reference currency in the basket will be effectively increased.

In addition, if, as a result of a succession event, (1) in the case of a former currency that is a reference currency, the successor currency is the same as the base currency, or (2) in the case of a former currency that is the base currency, a reference currency is the same as the successor currency, the spot rate for the affected reference currency on each underlying business day occurring on and after the effective date of such succession event will be deemed to be equal to the spot rate for such reference currency on the underlying business day immediately preceding such effective date. In this case, the spot rate for the remainder of the duration of the securities will be fixed, even if such spot rate would result in a lower Redemption Amount, coupon payments or any other applicable payments on your securities, and you will also lose the opportunity to participate in the appreciation of the reference currency relative to the base currency, if any. You should read “Description of the Securities — Succession Events” in order to understand these and other adjustments that may be made to your securities. The occurrence of a succession event and the consequent adjustments may materially and adversely affect the value of the securities.

We have no control over exchange rates

Foreign exchange rates can either float or be fixed by sovereign governments. Exchange rates of the currencies used by most economically developed nations are permitted to fluctuate in value relative to the U.S. dollar and to each other. However, from time to time, governments and, in the case of countries using the euro, the European Central Bank, may use a variety of techniques, such as intervention by a central bank, the imposition of regulatory controls or taxes or changes in interest rates to influence the exchange rates of their currencies. Governments may also issue a new currency to replace an existing currency or alter the exchange rate or relative exchange characteristics by a devaluation or revaluation of a currency. These governmental actions could change or interfere with currency valuations and currency fluctuations that would otherwise occur in response to economic forces, as well as in response to the movement of currencies across borders. As a consequence, these governmental actions could adversely affect an investment in a security that is linked, in whole or in part, to any underlying that is, or any underlying with components that are, a reference exchange rate, denominated in a foreign currency, or to any ADSs, which are quoted and traded in U.S. dollars and each represent an underlying foreign equity security that is quoted and traded in a foreign currency. Unless otherwise specified in the applicable pricing supplement, we will not make any adjustment or change in the terms of the securities in the event that exchange rates should become fixed, or in the event of any devaluation or revaluation or imposition of exchange or other regulatory controls or taxes, or
in the event of other developments affecting the U.S. dollar or any relevant foreign currency. You will bear those risks.

The securities may be subject to foreign currency risks if any underlying includes foreign equity securities or other components denominated in a foreign currency or if any underlying is an ADS

If any underlying is composed of foreign equity securities or other components denominated in a foreign currency, or if any underlying is an ADS, the securities may be subject to foreign currency risk. When the prices of the components composing such underlying are converted into the currency in which such underlying is quoted in (the “base currency”) for the purpose of calculating the value of such underlying, your investment will be exposed to currency exchange risk with respect to each of the equity securities or the components included in or composing such underlying that do not trade in the base currency of the underlying. Your net exposure to such risk will depend on the extent to which such other currencies strengthen or weaken relative to the base currency. If the base currency strengthens relative to any of the currencies in which the components included in or composing such underlying are denominated, the value of such underlying may be adversely affected, and the redemption amount payable on the securities at maturity may be reduced.

There are significant risks related to an investment in a security that is linked, in whole or in part, to ADSs, which are quoted and traded in U.S. dollars, and each of which represents underlying equity securities that are quoted and traded in a foreign currency. The ADSs may trade differently from the underlying foreign equity securities. Changes in the exchange rate between the U.S. dollar and the relevant foreign currencies may affect the U.S. dollar equivalent of the price of the underlying foreign equity securities on foreign securities markets and, as a result, may affect the market price of such ADSs, which may consequently affect the value of the securities.

Foreign currency risks include, but are not limited to, convertibility risk, market volatility and potential interference by foreign governments through regulation of local markets, foreign investment or particular transactions in foreign currency. Of particular importance to potential currency exchange risks are existing and expected rates of inflation, existing and expected interest rate levels, the balance of payments between relevant countries, and the extent of governmental surpluses or deficits in the countries represented by any underlying. All of these factors are in turn sensitive to the monetary, fiscal and trade policies pursued by the governments of those countries as well as other countries important to international trade and finance. Foreign currency risks depend on economic and political events over which we have no control. Fluctuations in any particular exchange rate that have occurred in the past are not necessarily indicative of fluctuations that may occur during the term of the securities.

If the securities are linked to the value of underlyings that are traded on non-U.S. exchanges or to underlyings with components that are traded on non-U.S. exchanges or are ADSs, an investment in the securities involves risks associated with foreign securities markets

If the securities are linked, in whole or in part, to the value of underlyings that are traded on non-U.S. exchanges or to underlyings with components that are traded on non-U.S. exchanges or to the value of the ADSs representing interests in foreign equity securities, an investment in the securities involves risks associated with the securities markets in those countries where the relevant underlyings or components are traded, including risks of market volatility, governmental intervention in those markets and cross shareholdings in companies in certain countries. Also, foreign companies are generally subject to accounting, auditing and financial reporting standards and requirements, and securities trading rules, different from those applicable to U.S. reporting companies.

The prices of such underlyings and components may be affected by political, economic, financial and social factors in such markets, including changes in a country’s government, economic and fiscal policies, currency exchange laws or other laws or restrictions. Moreover, the economies of such countries may differ favorably or unfavorably from the economy of the United States in such respects as growth of gross national product, rate of inflation, capital reinvestment, resources and self sufficiency. Such countries may be subjected to different and, in some cases, more adverse economic environments.

The economies of emerging market countries in particular face several concerns, including relatively unstable governments, which may present the risks of nationalization of businesses, restrictions on foreign
ownership and prohibitions on the repatriation of assets, and which may have less protection of property rights than more developed countries. These economies may also be based on only a few industries, may be highly vulnerable to changes in local and global trade conditions and may suffer from extreme and volatile debt burdens or inflation rates. In addition, local securities markets may trade a small number of securities and may be unable to respond effectively to increases in trading volume, potentially making prompt liquidation of holdings difficult or impossible. The risks of the economies of emerging market countries are relevant for securities linked to an underlying comprised of equity securities traded in one or more emerging market countries or a basket of such underlyings.

**General Risks Relating to Reference Indices and Reference Funds**

*Unless otherwise specified in the applicable pricing supplement, we are not currently affiliated with any company included in any underlying with the exception of the MSCI EAFE® Index*

Unless otherwise specified in the applicable pricing supplement, we are not currently affiliated with any of the companies whose equity securities comprise any of the underlyings, with the exception of the MSCI EAFE® Index. We are currently one of the companies that make up the MSCI EAFE® Index, but we are not affiliated with any of the other companies whose stock is included in the MSCI EAFE® Index. In the case of securities linked to the MSCI EAFE® Index, we will have no ability to control the actions of the other companies that constitute such index, including actions that could affect the value of the equity securities underlying the MSCI EAFE® Index. None of the money you pay us will go to the sponsor of the MSCI EAFE® Index or any of the other companies included in the MSCI EAFE® Index and none of those companies will be involved in the offering of the securities in any way.

**The securities may be linked to a price return index or an excess return index, and not a total return index**

The securities may be linked to a price return index or an excess return index and not a total return index. A price return index is designed to reflect the prices of the components included in such index. An excess return index reflects the returns that are potentially available through an investment in the contracts composing such index. By contrast, a total return index reflects, in addition to the returns reflected by the excess return version of such index, the interest that could be earned on funds committed to the trading of the underlying futures contracts. Therefore, any payment due to you could be less than such payment would have been if the securities were linked to a total return index. The relevant pricing supplement will specify, if applicable, whether the securities are linked to a price return index, an excess return index or a total return index.

**Even if the components included in a reference index, held by a reference fund or included in a reference fund's tracked index are all part of the same industry or asset class, such components are not necessarily representative of that industry or asset class**

Even if an underlying purports to be representative of a particular industry or asset class, the performance of such underlying may not correlate with the performance of the entire industry. An underlying may decline in value even if the industry or asset class as a whole rises in value. Furthermore, one or more of the issuers of any equity securities included in an underlying may engage in new lines of business unrelated to the particular industry or cease to be involved in lines of business in the particular industry. The equity securities included in an underlying may not vary even if one or more of the issuers of such equity securities are no longer involved in the particular industry.

**The securities may be subject to concentration risk**

If an underlying or its components are concentrated in a single or a limited number of industry sectors, asset classes or geographical regions, you will not benefit, with respect to such underlying, from the advantages of a diversified investment. You will bear the risks of a concentrated investment, including the risk of greater volatility than may be experienced in connection with a diversified investment, and the value of the securities may be more adversely affected by a single economic, political, regulatory or other occurrence affecting an industry sector, asset class or geographic region. You should be aware that other investments may be more diversified than the securities in terms of the number and variety of industry sectors, asset classes or geographical regions.
The correlation between the performance of a reference fund and the performance of the tracked index for such reference fund may be imperfect

The performance of a reference fund is linked principally to the performance of the tracked index for such reference fund. However, the performance of a reference fund is also generally linked in part to shares of other funds because funds generally invest a specified percentage, e.g., 10%, of their assets in the shares of other funds. In addition, a reference fund generally does not hold all or substantially all of the stocks included in its tracked index but instead invests in a representative sample of the stocks included in tracked index for such fund. Finally, the performance of a fund and of its tracked index will generally vary due to transaction costs, certain corporate actions and timing variances.

Imperfect correlation between the stocks held by a reference fund and the stocks included in such reference fund’s tracked index; the performance of the shares of other funds, if applicable; rounding of prices; changes to a reference fund’s tracked index; and changes to regulatory policies, may cause the performance of a reference fund to differ from the performance of the tracked index for such reference fund. In addition, because shares of funds are traded on exchanges and are subject to market supply and investor demand, the market value of one share of a fund may differ from its net asset value per share and the shares of a fund may trade at, above or below their net asset value per share.

Because of the potential discrepancies identified above, the return on a reference fund may correlate imperfectly with the return on such reference fund’s tracked index.

Our right to use a reference index may be suspended or terminated

If the securities are linked to a reference index, we have been granted, or will be granted, a non-exclusive right to use such reference index and related trademarks in connection with the offering of the securities. If we breach our obligations under any license, the sponsor of the relevant reference index may have the right to terminate such license. If an index sponsor chooses to terminate a license agreement with us, we may no longer have the right under the terms of the license agreement to use the relevant reference index and related trademarks in connection with the securities until their maturity. If our right to use any reference index is suspended or terminated for any reason, it may become difficult for us to determine the level of such reference index and consequently the coupon payment, payment at maturity or any other amounts payable on your securities. The calculation agent in this case will determine the relevant level of such reference index or the fair value of the securities in its sole discretion.

If the securities are linked to a reference fund, the policies of the fund sponsor and changes that affect such reference fund or any index tracked by such reference fund could adversely affect the amount payable on your securities and their value

The policies of the fund sponsor concerning the calculation of a reference fund’s net asset value, additions, deletions or substitutions of components held by such reference fund and the manner in which changes affecting any relevant tracked index are reflected in such reference fund could affect the market price of the shares of such reference fund and, therefore, the amount payable on your securities and the value of your securities before that date. The amount payable on your securities and their value could also be affected if the fund sponsor changes these policies, for example, by changing the manner in which it calculates such reference fund’s net asset value, or if it discontinues or suspends calculation or publication of such reference fund’s net asset value, in which case it may become difficult to determine the value of the securities. If events such as these occur, or if the closing level of such reference fund is not available on the relevant valuation date because of a market disruption event or for any other reason, the calculation agent may determine the price of the shares of such reference fund on the relevant valuation date and thus the amount payable on the maturity date in a manner it considers appropriate in its sole discretion. Please refer to “Description of the Securities—Changes to the calculation of a reference fund.”
For securities linked in whole or in part to a reference fund that is designed to track an index, the performance of the reference fund may not correlate with the performance of its tracked index

For any reference fund that is designed to track an index, a representative sampling strategy or a replication or indexing strategy may be used to attempt to track the performance of its tracked index. Pursuant to a representative sampling strategy, a reference fund invests in a representative sample of securities that collectively has an investment profile similar to its tracked index; however, a reference fund may not hold all or substantially all of the securities, commodities, futures contracts or other assets or financial measures included in its tracked index. Therefore, while the performance of a reference fund is linked principally to the performance of its tracked index, its performance is also generally linked in part to assets other than the securities, commodities, futures contracts or other assets or financial measures included in its tracked index because its investment adviser generally may invest a portion of a reference fund’s assets in securities not included in the tracked index and in other assets, including potentially shares of money market funds affiliated with or advised by the investment adviser.

In addition, the performance of a reference fund will reflect additional transaction costs and fees that are not included in the calculation of its tracked index. Also, the component securities, commodities, futures contracts or other assets or financial measures of a reference fund may be unavailable in the secondary market due to other extraordinary circumstances. Corporate actions with respect to any securities (such as mergers and spin-offs) also may impact the variance between a reference fund and its tracked index. Finally, because the shares of a reference fund may be traded on a national securities exchange and may be subject to market supply and investor demand, the market value of one share of a reference fund may differ from the net asset value per share of the reference fund.

For all of the foregoing reasons, the performance of a reference fund that is designed to track an index may not correlate with the performance of its tracked index. Consequently, the return on the securities will not be the same as investing directly in any reference fund or any relevant tracked index or in the securities, commodities, futures contracts or other assets or financial measures held by any reference fund or included in any relevant tracked index, and will not be the same as investing in a debt security with a payment at maturity linked to the performance of any relevant tracked index.

General Risks Relating to the Reference Funds and Reference Shares

Anti-dilution protection is limited

For securities linked to the performance of a reference fund or reference shares, the calculation agent will make adjustments to the share adjustment factor, as defined below, applicable to such reference fund or reference shares for certain events affecting such reference fund or reference shares. The calculation agent is not required, however, to make such adjustments in response to all events that may affect such reference fund or reference shares. If such an event occurs and the calculation agent is not required to make an adjustment, or if an adjustment is made but such adjustment does not fully reflect the economics of such event, the value of the securities may be materially and adversely affected. See “Description of the Securities—Adjustments” for further information.

General Risks Relating to the Reference Shares

There are important differences between the rights of holders of ADSs and the rights of holders of the equity securities of a foreign company

If the securities are linked, in whole or in part, to the performance of the ADSs relating to the equity securities of one or more foreign issuers, you should be aware that your securities are linked, in whole or in part, to the prices of the ADSs and not to the prices of the corresponding underlying foreign securities, and that there important differences exist between the rights of holders of ADSs and holders of the foreign securities underlying such ADSs. Each ADS is generally a security evidenced by an American Depositary Receipt that represents a specified number of shares of the equity securities of a foreign issuer. Generally, the ADSs are issued under a deposit agreement which sets forth the rights and responsibilities of the depositary, the foreign issuer and the holders of the ADSs. Any such differences between the rights of holders of the ADSs and holders of the applicable underlying equity security may be significant and may materially and adversely affect the value of the securities. For
example, the foreign issuer may make distributions in respect of its foreign equity securities that are not passed on to the holders of its ADSs.

In addition, for securities linked to the performance of one or more ADSs, if an ADS is no longer listed or admitted to trading on a U.S. securities exchange registered under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or included in the OTC Bulletin Board, or if the ADS facility between the issuer of the applicable underlying foreign security and the ADS depositary is terminated for any reason, then the calculation agent will have the option to either (a) replace such ADS with the ADS of another company or (b) deem the applicable underlying foreign equity security to replace such ADS, in each case as described below under “Description of the Securities—Delisting of ADSs or termination of ADS facility.” Replacing the original ADS with another security may materially and adversely affect the value of the securities.

**General Risks Relating to Reference Exchange Rates**

**Even though currencies are traded around-the-clock, if a secondary market for the securities develops, the securities may trade only during regular hours in the United States**

The interbank market for currencies is a global, around-the-clock market and currency values are quoted 24 hours a day. Therefore, the hours of trading for the securities, if any, may not conform to the hours during which any relevant currency is traded. To the extent that U.S. markets are closed while the markets for currencies remain open, significant price and rate movements may take place in the underlying foreign exchange markets, and thus in the level of the reference exchange rate, that will not be reflected immediately in the market price, if any, of the securities.

**The absence of last-sale and other information about the reference currencies may affect the price of the securities**

There is no systematic reporting of last-sale information for foreign currencies. Reasonably current bid and offer information is available in certain brokers’ offices, in bank foreign currency trading offices and to others who wish to subscribe for this information, but this information will not necessarily be reflected in the value of the exchange rates used to calculate the payment at maturity on the securities, if any. There is no regulatory requirement that those quotations be firm or revised on a timely basis. The absence of last-sale information and the limited availability of quotations to individual investors may make it difficult for many investors to obtain timely, accurate data about the state of the underlying foreign exchange markets.

In addition, certain relevant information relating to the originating countries of the reference currencies or the base currency may not be as well known or as rapidly or thoroughly reported in the United States as comparable United States developments. Prospective purchasers of the securities should be aware of the possible lack of availability of important information that can affect the value of the reference currencies and the base currency and must be prepared to make special efforts to obtain that information on a timely basis.

**General Risks Relating to Commodity-Based Underlyings**

**Prices for the reference commodities may change unpredictably and affect the value of the securities in unanticipated ways**

Fluctuations in the prices of any commodity-based underlying or any components included in or composing a commodity-based underlying may have a material adverse effect on the value of the securities and your return on an investment in the securities. The prices of such underlyings or components are affected by numerous factors, including: changes in supply and demand relationships, governmental programs and policies, national and international political and economic events, expectations of and changes in interest, inflation and exchange rates, speculation and trading activities in reference commodities and related contracts, general weather conditions, and trade, fiscal, monetary and exchange control policies. The demand for many commodities is also highly cyclical. These factors, some of which are specific to the market for each such commodity, as discussed below, may cause the
value of any commodity-based underlying to move in inconsistent directions at inconsistent rates. This, in turn, will affect the value of the securities. It is not possible to predict the aggregate effect of all or any combination of these factors.

**The securities are not regulated by the Commodity Futures Trading Commission**

The proceeds to be received by us from the sale of the securities will not be used to purchase or sell any commodities futures contracts or options on futures contracts for your benefit. An investment in the securities thus does not constitute an investment in futures contracts, in options on futures contracts or in a collective investment vehicle that trades in these futures contracts (i.e., the securities will not constitute a direct or indirect investment by you in futures contracts), and you will not benefit from the regulatory protections of the Commodity Futures Trading Commission, commonly referred to as the “CFTC.” We are not registered with the CFTC as a futures commission merchant, and you will not benefit from the CFTC’s or any other non-U.S. regulatory authority’s regulatory protections afforded to persons who trade in futures contracts on a regulated futures exchange through a registered futures commission merchant. Unlike an investment in the securities, an investment in a collective investment vehicle that invests in futures contracts on behalf of its participants may be subject to regulation as a commodity pool and its operator may be required to be registered with and regulated by the CFTC as a commodity pool operator, or qualify for an exemption from the registration requirement. Because the securities will not be interests in a commodity pool, the securities will not be regulated by the CFTC as a commodity pool, Credit Suisse AG will not be registered with the CFTC as a commodity pool operator, and you will not benefit from the CFTC’s or any non-U.S. regulatory authority’s regulatory protections afforded to persons who invest in regulated commodity pools.

**The effects of any future regulatory change on the value of the securities is impossible to predict, but could be substantial and adverse to the interests of holders of the securities**

For securities linked to the performance of commodity-based underlyings, futures contracts and options on futures contracts, including on those related to any commodity-based underlyings, are subject to extensive statutes, regulations, and margin requirements. The CFTC, and the exchanges on which such futures contracts trade, are authorized to take extraordinary actions in the event of a market emergency, including for example the retroactive implementation of speculative position limits or higher margin requirements, the establishment of daily limits and the suspension of trading. Furthermore, certain exchanges have regulations that limit the amount of fluctuations in futures contract prices that may occur during a single five-minute trading period. These limits could adversely affect the market prices of relevant futures contracts and forward contracts. The regulation of commodity transactions is subject to ongoing modification by government and judicial action. In addition, various national governments have expressed concern regarding the disruptive effects of speculative trading in the commodity markets and the need to regulate the derivative markets in general. The effect on the value of the securities of any future regulatory change is impossible to predict, but could be substantial and adverse to the interests of the holders of the securities.

For example, the Dodd-Frank Act, which was enacted on July 21, 2010, requires the CFTC, with respect to physical commodities other than excluded commodities as defined by the CFTC, to establish limits on the amount of positions, other than bona fide hedge positions, that may be held by any person in futures contracts, options on futures contracts or on commodities traded on or subject to the rules of a designated contract market, or any swaps that are economically equivalent to such contracts or options. The Dodd-Frank Act also requires the CFTC to establish limits for each month, including related hedge exemption positions, on the aggregate number or amount of positions in contracts based upon the same underlying commodity, as defined by the CFTC, that may be held by any person, including any group or class of traders. In addition, designated contract markets and swap execution facilities, as defined in the Dodd-Frank Act, are required to establish and enforce position limits or position accountability requirements on their own markets or facilities, which must be at least as stringent as the CFTC’s where CFTC rule limits also apply.

Pursuant to the Dodd-Frank requirements, on October 18, 2011 the CFTC adopted final rules to establish position limits that will apply to any one of 28 futures and options contracts that are traded on U.S. futures exchanges and to futures, options and swaps that are economically equivalent to those contracts, as described in the rules. The limits cover a number of possible commodity-based underlyings (as defined below), such as Chicago
Board of Trade corn, oats, soybeans, soybean meal, soybean oil, wheat and rough rice futures; Chicago Mercantile Exchange class III milk, feeder cattle, lean hog and live cattle futures; Commodity Exchange, Inc. copper, gold and silver futures; ICE Futures U.S. cotton no. 2, cocoa, coffee, frozen concentrated orange juice, sugar no. 11 and sugar no. 16 futures; Kansas City Board of Trade hard winter wheat futures; Minneapolis Grain Exchange hard red spring wheat futures; and New York Mercantile Exchange Henry Hub natural gas, light sweet crude oil, New York Harbor gasoline blendstock, New York Harbor heating oil, palladium and platinum futures. The limits will apply to a person’s combined position across those related products. The rules also narrow the existing exemption for hedge positions. The rules may interfere with our ability to enter into or maintain hedge positions to hedge our obligations under the securities.

Upon the occurrence of legal or regulatory changes that the calculation agent determines have interfered with our or our affiliates’ ability to hedge our obligations under the securities, or if for any other reason we or our affiliates are unable to enter into or maintain hedge positions the calculation agent deems necessary to hedge our obligations under securities linked in whole or in part to commodity-based underlyings, we may, in our sole and absolute discretion, accelerate the payment on your securities and pay you an amount determined in good faith and in a commercially reasonable manner by the calculation agent. If the payment on your securities is accelerated, your investment may result in a loss and you may not be able to reinvest your money in a comparable investment. See “Description of the Securities—Commodity Hedging Disruption Events.”

Suspension or disruptions of market trading in the commodity and related futures markets may adversely affect the value of the securities

Commodity markets are subject to temporary distortions or other disruptions due to various factors, including the lack of liquidity in the markets, the participation of speculators and government regulation and intervention. In addition, U.S. futures exchanges and some foreign exchanges have regulations that limit the amount of fluctuation in futures contract prices that may occur during a single business day. These limits are generally referred to as “daily price fluctuation limits” and the maximum or minimum price of a contract on any given day as a result of these limits is referred to as a “limit price.” Once the limit price has been reached in a particular contract, no trades may be made at a different price on such day. Limit prices may have the effect of precluding trading in a particular contract or forcing the liquidation of contracts at disadvantageous times or prices. For securities linked in whole or in part to the performance of commodity-based underlyings, these circumstances could adversely affect the price of any commodity-based underlying and, therefore, the value of your securities.

An increase in the margin requirements for any reference commodity-based underlying or any components included in or composing such underlying may adversely affect the value of the securities

Futures exchanges require market participants to post collateral in order to open and keep open positions in futures contracts. If an exchange increases the amount of collateral required to be posted to hold positions in a futures contract relating to any underlying or any components included in or composing such underlying, market participants who are unwilling or unable to post additional collateral may liquidate their positions, which may cause the level of that futures contract to decline significantly. As a result, the value of the securities may be adversely affected.

A commodity-based reference index, commodity-based reference fund or reference commodity futures contract may be subject to pronounced risks of pricing volatility

As a general matter, the risk of low liquidity or volatile pricing around the maturity date of a commodity futures contract is greater than in the case of other futures contracts because (among other factors) a number of market participants take physical delivery of the underlying commodities. Many commodities, like those in energy and industrial metals sectors, have liquid futures contracts that expire every month. Therefore, these contracts are rolled forward every month. Contracts based on certain other commodities, most notably agricultural and livestock products, tend to have only a few contract months each year that trade with substantial liquidity. Thus, these commodities, with related futures contracts that expire infrequently, roll forward less frequently than every month, and can have further pronounced pricing volatility during extended periods of low liquidity. The risk of aberrational
liquidity or pricing around the maturity date of a commodity futures contract is greater than in the case of other futures contracts because (among other factors) a number of market participants take delivery of the underlying commodities. In respect of a commodity-based reference index, commodity-based reference fund or reference commodity futures contract that represents energy, it should be noted that due to the significant level of continuous consumption, limited reserved and oil cartel controls, energy commodities are subject to rapid price increases in the event of perceived or actual shortages. These factors (when combined or in isolation) may affect the price of the futures contracts and, as a consequence, the level of a commodity-based reference index or the price of a commodity-based reference fund or reference commodity futures contracts and your payment at maturity or, if applicable, upon an automatic early redemption.

For securities linked to the performance of one or more reference commodity futures contracts, an investment in the securities may not offer direct exposure to physical commodities

If the securities are linked to one or more commodity-based reference indices, commodity-based reference funds or reference commodity futures contracts, the securities will reflect the return on such underlying, not the return on the physical commodities included in or composing such underlying. The price of a futures contract reflects the expected value of the commodity upon delivery in the future, whereas the spot price of a commodity reflects the immediate delivery value of the commodity. A variety of factors can lead to a disparity between the expected future price of a commodity and the spot price at a given point in time, such as the cost of storing the commodity for the term of the futures contract, interest charges incurred to finance the purchase of the commodity and expectations concerning supply and demand for the commodity. The price movement of a futures contract is typically correlated with the movements of the spot price of the commodity, but the correlation is generally imperfect and price moves in the spot market may not be reflected in the futures market (and vice versa). Accordingly, the securities may underperform a similar investment that reflects the return on physical reference commodities.

A reference commodity futures contract may be replaced if such reference commodity futures contract is terminated or replaced on the exchange where it is traded

The price of the reference commodity futures contracts is derived by reference to futures contracts on physical commodities. If any such futures contracts were to be terminated or replaced by an exchange, a comparable futures contract, if available, could be selected by the calculation agent to replace such futures contract underlying such reference commodity. The termination or replacement of any futures contract underlying a reference commodity futures contract may have an adverse impact on the price of the reference commodity and, therefore, the value of your securities. See “Discontinuation of Trading of a Reference Commodity” in this product supplement.

A commodity hedging disruption event may result in acceleration of the securities

If a commodity hedging disruption event (as defined under “Description of the Securities—Commodity Hedging Disruption Events”) occurs, we will have the right, but not the obligation, to accelerate the payment on the securities. The amount due and payable per $1,000 principal amount of securities upon such early acceleration will be determined by the calculation agent in good faith in a commercially reasonable manner on the date on which we deliver notice of such acceleration and will be payable on the fifth business day following the day on which the calculation agent delivers notice of such acceleration. If a commodity hedging disruption event occurs and we decide to exercise our right to accelerate the payment on your securities, your investment may result in a loss and you may not be able to reinvest the proceeds in a comparable investment.

The relevant exchange has no obligation to consider your interests

The relevant exchange (as defined under “Description of the Securities—Certain definitions”) is responsible for calculating the official settlement price or fixing level, as applicable, for the reference commodities. The relevant exchange may alter, discontinue or suspend calculation or dissemination of the official settlement price or fixing level, as applicable, for the reference commodities and the reference commodity futures contracts. Any of these actions could adversely affect the value of the securities. The relevant exchange has no obligation to consider...
your interests in calculating or revising the official settlement price or fixing level, as applicable, for the reference commodities and the reference commodity futures contracts.

For securities linked in whole or in part to commodity-based underlyings that are or included futures contracts, higher future prices of the relevant commodities relative to their current prices may lead to a decrease in any amount payable in respect of the securities

As futures contracts come to expiration, they are replaced by contracts that have a later expiration. For example, a contract purchased and held in August may specify an October expiration. As time passes, the contract expiring in October is replaced by a contract for delivery in November. This process is referred to as “rolling.” Excluding other considerations, if the market for these contracts is in “backwardation,” where the prices are lower in the distant delivery months than in the nearer delivery months, the sale of the October contract would take place at a price that is higher than the price of the November contract, thereby creating a “roll yield.” While certain futures contracts may have historically exhibited consistent periods of backwardation, backwardation will most likely not exist at all times. Moreover, certain of the commodities futures contracts, such as futures contracts on gold, have historically traded in “contango” markets. Contango markets are those in which the prices of futures contracts are higher in the distant delivery months than in the nearer delivery months. Roll yields may be considered in the calculation of the level of a reference commodity futures contract and commodity index. The absence of backwardation in the commodity markets could result in negative “roll yields,” which could adversely affect the value of a relevant futures contract and commodity index and, accordingly, any amount payable of the securities.

For securities linked in whole or in part to commodity indices, such indices may include contracts that are not traded on regulated futures exchanges

For securities linked in whole or in part to commodity indices, such indices may include over-the-counter contracts (such as swaps and forward contracts) traded on trading facilities that are subject to lesser degrees of regulation than futures contracts traded on regulated futures exchanges (referred to in the United States as “designated contract markets”) or, in some cases, no substantive regulation. As a result, trading in such contracts, and the manner in which prices and volumes are reported by the relevant trading facilities, may not be subject to the same provisions of, and the protections afforded by, the Commodity Exchange Act, as amended, or other applicable statutes and related regulations that govern trading on regulated futures exchanges. In addition, many electronic trading facilities have only recently initiated trading and do not have significant trading histories. As a result, the trading of contracts on such facilities and the inclusion of such contracts in such indices may expose you to certain risks not presented by most exchange-traded futures contracts, including risks related to the liquidity and price histories of the relevant contracts.
Credit Suisse AG ("Credit Suisse"), a corporation established under the laws of, and licensed as a bank in, Switzerland, is a wholly owned subsidiary of Credit Suisse Group AG. Credit Suisse’s registered head office is in Zurich, and it has additional executive offices and principal branches located in London, New York, Hong Kong, Singapore and Tokyo. Credit Suisse’s registered head office is located at Paradeplatz 8, CH-8001 Zurich, Switzerland, and its telephone number is 41-44-333-1111.

Credit Suisse may act through any of its branches in connection with the securities as described in this product supplement and the accompanying prospectus supplement and prospectus.

Credit Suisse, Guernsey branch, was established in 1997 in Guernsey, Channel Islands, and is, among other things, a vehicle for various funding activities of Credit Suisse. The Guernsey branch exists as part of Credit Suisse and not as a separate legal entity, although it has independent status for certain tax and Guernsey regulatory purposes. The Guernsey branch is located at Helvetia Court, South Esplanade, St. Peter Port, Guernsey, Channel Islands, GY1 3WF, and its telephone number is 44-1481-724-605.

Credit Suisse, Nassau branch, was established in Nassau, Bahamas in 1971 and is, among other things, a vehicle for various funding activities of Credit Suisse. The Nassau branch exists as part of Credit Suisse and is not a separate legal entity, although it has independent status for certain tax and regulatory purposes. The Nassau branch is located at Shirley & Charlotte Streets, Bahamas Financial Centre, 4th Floor, P.O. Box N-4928, Nassau, Bahamas, and its telephone number is 242-356-8125.

For further information about our company, we refer you to the accompanying prospectus supplement and prospectus and the documents referred to under “Incorporation by Reference” on page S-13 of the prospectus supplement and “Where You Can Find More Information” on page 3 of the accompanying prospectus.

SUPPLEMENTAL USE OF PROCEEDS AND HEDGING

Unless otherwise specified in the applicable pricing supplement, we intend to use the proceeds from each offering (as indicated in the applicable pricing supplement) for our general corporate purposes, which may include the refinancing of our existing indebtedness outside Switzerland. We may also use some or all of the proceeds from any offering to hedge our obligations under the securities. In addition, we may also invest the proceeds temporarily in short-term securities. The net proceeds will be applied exclusively outside Switzerland unless Swiss fiscal laws allow such usage in Switzerland without triggering Swiss withholding taxes on interest payments on debt instruments.

One or more of our affiliates before and following the issuance of any securities may acquire or dispose of positions relating to any underlying or listed or over-the-counter options contracts in, or other derivatives or synthetic instruments related to, such underlying or any components included in or comprising such underlying, to hedge our obligations under the securities. In the course of pursuing such a hedging strategy, the price at which such positions may be acquired or disposed of may be a factor in determining the level of any underlying. Although we and our affiliates have no reason to believe that our or their hedging activities will have a material impact on the level of any underlying or the value of the securities, we cannot assure you that these activities will not have such an effect.

From time to time after issuance and prior to the maturity of the securities, depending on market conditions (including the level of any underlying), in connection with hedging certain of the risks associated with the securities, we expect that one or more of our affiliates will increase or decrease their initial hedging positions using dynamic hedging techniques and may take long or short positions in listed or over-the-counter options contracts in, or other derivative or synthetic instruments related to, any underlying or any components included in or comprising any underlying. In addition, we or one or more of our affiliates may take positions in other types of appropriate financial
instruments that may become available in the future. To the extent that we or one or more of our affiliates have a
hedge position in any underlying or the components included in or comprising any underlying, we or one or more of
our affiliates may liquidate a portion of those holdings at or about the time of the maturity of any securities.
Depending, among other things, on future market conditions, the aggregate amount and the composition of such
positions are likely to vary over time. Our or our affiliates’ hedging activities will not be limited to any particular
exchange or market.

The original issue price of the securities will include the commissions paid to CSSU with respect to the
securities and the cost of hedging our obligations under the securities. The cost of hedging includes the projected
profit that our subsidiaries expect to realize in consideration for assuming the risks inherent in managing the hedging
transactions. Since hedging our obligations entails risk and may be influenced by market forces beyond our or our
subsidiaries’ control, such hedging may result in a profit that is more or less than initially projected, or could result
in a loss.
DESCRIPTION OF THE SECURITIES

This description of the terms of the securities adds information to the description of the general terms and provisions of debt securities in the accompanying prospectus supplement and prospectus. If this description differs in any way from the description in the prospectus supplement and prospectus, you should rely on this description. If the terms described in the applicable pricing supplement are inconsistent with those described in the other offering documents, the terms described in that pricing supplement will control.

General

The securities are medium-term notes as described in the accompanying prospectus supplement and are linked to the performance of one or more underlyings or a weighted basket of underlyings. The securities will be issued by Credit Suisse under an indenture dated March 29, 2007, as may be amended or supplemented from time to time, between us and The Bank of New York Mellon, as trustee.

The securities are not deposit liabilities and are not insured or guaranteed by the FDIC or any other governmental agency of the United States, Switzerland or any other jurisdiction. Any payment on the securities is subject to our ability to pay our obligations as they come due.

The securities are our unsecured and unsubordinated obligations and will rank pari passu with all of our other unsecured and unsubordinated obligations.

The applicable pricing supplement will specify one or more underlyings or the basket to which the securities are linked, and will contain certain specific information and terms of that offering. The pricing supplement may also add, update or change the information contained in this product supplement or the other offering documents. If any information in the applicable pricing supplement is inconsistent with the other offering documents, you should rely on the information in that pricing supplement.

The securities will not be listed on any securities exchange.

Interest

The applicable pricing supplement will specify whether coupon payments will be paid on the securities, and if coupon payments are to be paid on the securities, the rate per annum applicable to such coupon payments as well as any conditions relating to such coupon payments.

Early redemption; defeasance

If specified in the applicable pricing supplement, the securities may be subject to an automatic early redemption and/or may be redeemable prior to maturity at our option (the automatic early redemption and redemption at our option together, “early redemption”), in each case in whole, but not in part, on any relevant coupon payment date or on such other date or dates as specified in the applicable pricing supplement, upon three business days’ notice, or upon notice on such other date as may be specified in the applicable pricing supplement (such date, the “early redemption notice date”). If the securities are redeemed prior to the maturity date, you will be entitled to receive only the principal amount of the securities or such other amount as specified in the applicable pricing supplement, and any accrued but unpaid interest to and including the early redemption date. In this case, you will lose the opportunity to continue to accrue and be paid interest, or participate in any appreciation in any underlying or the basket, if applicable, from the early redemption date to the originally scheduled maturity date. The applicable pricing supplement will set forth the terms specific to any early redemption applicable to the securities.

Unless otherwise specified in the applicable pricing supplement, the securities are not subject to redemption at the option of any security holder prior to maturity and are not subject to the defeasance provisions described in the accompanying prospectus under “Description of Debt Securities—Defeasance.”
Maturity date

The maturity date of the securities will be the date specified in the applicable pricing supplement, or the next succeeding business day if the scheduled maturity date is not a business day, subject to the market disruption provisions described in “—Market disruption events” herein. Unless otherwise specified in the applicable pricing supplement, no coupon payment or other payment will be payable because of any postponement of the maturity date.

If the securities are linked to the performance of one or more reference commodities, reference commodity futures contracts and/or commodity indices, the maturity date of the securities may be accelerated upon the occurrence of a commodity hedging disruption event, as described below in “—Commodity hedging disruption events.”

Redemption at maturity

Unless otherwise specified in the applicable pricing supplement, and unless previously accelerated, redeemed, or purchased by us and cancelled, the securities will be redeemed on the maturity date for an amount calculated as set forth in the applicable pricing supplement.

Certain definitions

Unless otherwise specified in the applicable pricing supplement, the following terms used in this product supplement have the following definitions:

“Commodity-based” means, with respect to any underlying, that the underlying is a reference commodity, reference commodity futures contract or a reference commodity index (as defined below).

A “reference commodity index” is a reference index that is an index of commodities, commodity futures contracts, and/or other indices the components of which are commodities and/or commodity futures contracts.

“Equity-based” means, with respect to any underlying, that the underlying is an equity security or tracks or is comprised of equity securities, as determined by the calculation agent in its sole discretion.

The “lowest performing underlying” is the underlying with the lowest underlying return.

The “initial level,” “final level,” “downside participation rate,” “upside participation rate,” “fixed payment percentage,” “call return,” “underlying return,” “underlying return cap,” “contingent minimum return,” “buffer amount,” “strike date,” “observation date(s),” “observation period,” “knock-in level,” “knock-in event” and “physical delivery amount,” in each case, if applicable, will be specified in the applicable pricing supplement.

- If your securities are linked to the performance of one or more reference shares or reference funds, we may refer to the initial level and the final level as the “initial share price” and the “final share price,” respectively, in the applicable pricing supplement.

- If your securities are linked to the performance of one or more reference exchange rates, we may refer to the underlying return and underlying return cap as the “currency return” and the “currency return cap,” respectively, and the initial level and final level as the “initial spot rate” and the “final spot rate,” respectively, in the applicable pricing supplement.

- If your securities are linked to the performance of one or more reference commodities, we may refer to the initial level and final level as the “initial spot price” and “final spot price,” respectively, in the applicable pricing supplement.

- If your securities are linked to the performance of a basket, we may refer to the underlying return and underlying return cap as the “basket return” and the “basket return cap,” respectively, and the initial level and final level as the “initial basket level” and the “final basket level,” respectively.
If the closing level, closing price, spot rate or other relevant level for any underlying is not available on the date
on which the initial level for such underlying is to be determined for the securities, the initial level for such
underlying will be determined by the calculation agent on the immediately following trading day (or, with respect to
a reference currency, the immediately following underlying business day) on which a closing level, closing price,
spot rate or other relevant level is available, as applicable. The initial level for each underlying for which a closing
level, closing price, spot rate or other relevant level, as applicable, is available on the originally scheduled date on
which the initial level is scheduled to be determined, will be determined on such originally scheduled date.

The “valuation date” will be the date or dates specified in the applicable pricing supplement, or, for each
underlying, the next succeeding underlying business day for such underlying if the scheduled valuation date is not
an underlying business day for such underlying, subject to the market disruption provisions described under “—
Market disruption events” herein.

The “trade date” will be the date set forth in the applicable pricing supplement.

The “basket component weightings” will be specified in the applicable pricing supplement and will be a
percentage of a basket applicable to each basket component. If your securities are linked to the performance of a
basket including one or more reference exchange rates, we may refer to the basket component weightings as
“currency weightings.”

For securities that pay coupon payments, an “interest period” is the period beginning on and including the issue
date of the securities to but excluding the first coupon payment date, and each successive period beginning on and
including a coupon payment date to but excluding the next succeeding coupon payment date, except the final
coupon period, which will be from and including the preceding coupon payment date to and including the earlier of
the maturity date or early redemption date, as the case may be, or as specified in the applicable pricing supplement.
The applicable pricing supplement will specify whether coupon payments will be paid on the securities, and if
coupon payments are to be paid on the securities, the rate per annum applicable to such coupon payments as well as
any conditions relating to such coupon payments.

• The “level” of any reference index at any time during the term of the securities will be the level of such
reference index published at such time by the index sponsor of such reference index, as determined by the
calculation agent in its sole discretion and subject to the provisions described under “—Market disruption
events—For an equity-based reference index,” “—Market disruption events—For a reference commodity
index” and “—Changes to the calculation of a reference index” herein.

• The “level” of any reference share or reference fund at any time during the term of the securities will be the
price of one such reference share or one share of such reference fund, respectively, displayed on the relevant
exchange for such reference share or reference fund at such time, or if unavailable on that relevant exchange,
any other exchange displaying that price, as specified in the applicable pricing supplement, multiplied by the
share adjustment factor (as defined below) applicable to such reference share or reference fund at such time, in
all cases as determined by the calculation agent in its sole discretion and, in the case of a reference share,
subject to the provisions described under “—Market disruption events—For a reference share,” “—
Adjustments—For equity securities of a reference share issuer” and “—Delisting of ADSs or termination of
ADS facility” and, in the case of a reference fund, subject to the provisions described under “Market disruption
events—For a reference fund,” “—Changes to the calculation of a reference fund” and “—Adjustments—For a
reference fund” herein.

• The “level” of any reference commodity or reference commodity futures contract at any time during the term of
the securities will be the price of the reference commodity or reference commodity futures contract,
respectively, displayed on the relevant exchange for such reference commodity or reference commodity futures
contract at such time, as determined by the calculation agent in its sole discretion and subject to the provisions
described under “—Market disruption events—For a reference commodity or a reference commodity futures
contract” and “—Changes to the trading or calculation of a reference commodity or a reference commodity
futures contract” herein.
For a basket, the “level” at any time during the term of the securities will be the level of such basket at such time, calculated in accordance with the formula set forth in the applicable pricing supplement, as determined by the calculation agent in its sole discretion and subject to the provisions described under “—Changes to the calculation of a reference index,” “—Changes to the calculation of a reference fund,” “—Changes to the trading or calculation of a reference commodity or a reference commodity futures contract” and “Succession events” herein, as applicable.

For a reference index, the “closing level” on any underlying business day or trading day for such reference index will be the level of such reference index determined by the calculation agent at the valuation time, which is the time at which the index sponsor of such reference index calculates the closing level to be published of such reference index on such underlying business day or trading day, subject to the provisions described under “—Changes to the calculation of a reference index” herein.

For a reference fund, the “closing level” on any underlying business day or trading day for such reference fund will be the last reported sale price for one share of such reference fund, regular way, of the principal trading session on such day on the New York Stock Exchange (or such other national securities exchange on which such reference fund is listed or admitted to trading) multiplied by the share adjustment factor for such reference fund, as determined by the calculation agent in its sole discretion, subject to the provisions described under “—Changes to the calculation of a reference fund” herein.

For one unit of any reference share (or one unit of any other security except a reference fund for which a closing level must be determined), the “closing price” on any underlying business day or trading day for such reference share (or such other security), means:

- if such reference share (or such other security) is listed or admitted to trading on a national securities exchange, the last reported sale price, regular way (or, in the case of The NASDAQ Stock Market, the official closing price), of the principal trading session on such day on the principal United States securities exchange registered under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), on which such reference share (or such other security) is listed or admitted to trading;

- if such reference share (or such other security) is not listed or admitted to trading on any national securities exchange but is included in the OTC Bulletin Board Service (or any successor service) operated by FINRA (the “OTC Bulletin Board”), the last reported sale price of the principal trading session on the OTC Bulletin Board on such day;

- with respect to any such other security, if such security is issued by a foreign issuer and its closing level cannot be determined as set forth in the two bullet points above, and such security is listed or admitted to trading on a foreign securities exchange or market, the last reported sale price, regular way, of the principal trading session on such day on the primary foreign securities exchange or market on which such security is listed or admitted to trading; or

- otherwise, if none of the above circumstances is applicable, the mean of the bid prices for such reference share (or such other security) obtained from as many dealers in such security, but not exceeding three, as will make such bid prices available to the calculation agent, in each case, multiplied by the share adjustment factor for such reference share (or such other security), as determined by the calculation agent in its sole discretion.

For a reference exchange rate, the “spot rate” on any underlying business day will be the official fixing from the relevant fixing source at the relevant valuation time, expressed as number of units of the base currency per one unit of the reference currency, as reported by Reuters Group PLC (“Reuters”) or by Bloomberg (“Bloomberg”) or any successor source or page on the relevant page, as specified in the applicable pricing supplement, as determined by the calculation agent in its sole discretion and subject to the provisions described under “—Succession events.” The applicable pricing supplement will specify whether the Reuters or Bloomberg page will be used, the specific Reuters or Bloomberg page to be used, and the approximate time of the day at which the relevant page will be consulted by the calculation agent to determine the spot rate. If the spot rate for any reference exchange rate on any underlying business day is not published on such Reuters or Bloomberg page, then the calculation agent will
determine the spot rate for such reference exchange rate on such underlying business day in good faith and in a commercially reasonable manner, taking into account the latest available quotation for such spot rate and any other information that it deems relevant, as of such underlying business day.

The “reference currency” and the “base currency” will be specified in the applicable pricing supplement.

For a reference commodity or a reference commodity futures contract, the “closing level” on any underlying business day or trading day will be the official settlement price or fixing level, as applicable, for such reference commodity or reference commodity futures contract will be determined as set forth in the relevant underlying supplement or pricing supplement, as applicable, by the calculation agent in its sole discretion.

For a basket, the “closing level” on any underlying business day or trading day will be the closing level of such basket, calculated in accordance with the formula set forth in the applicable pricing supplement as determined by the calculation agent in its sole discretion.

“Underlying business day” means:

- with respect to any reference index, reference fund or reference share, any day that is (or, but for the occurrence of a market disruption event in respect of such reference index, reference fund or reference share, would have been) a day on which trading is generally conducted on the relevant exchange or relevant exchanges, as applicable, or related exchanges for such underlying (each as defined herein), other than a day on which one or more of such relevant exchanges and related exchanges is scheduled to close prior to their regular weekday closing time.

- with respect to a reference currency, any day on which (a) The City of New York and the principal financial center for the reference currency as specified in the applicable pricing supplement are open for dealings in foreign exchange, (b) banking institutions in The City of New York and such principal financial center for the reference currency are not otherwise authorized or required by law, regulation or executive order to close and, (c) if specified in the applicable pricing supplement, the Trans-European Automated Real-time Gross Settlement Express Transfer System (“TARGET2”) is open;

- with respect to a reference commodity, (i) if the commodity is gold, silver, palladium or platinum (each a “precious metal”), any day on which the relevant exchange is open to effectuate delivery of such reference commodity and (ii) if the reference commodity is not a precious metal, any day on which trading is generally conducted on the relevant exchange with respect to the applicable commodity; and

- with respect to a reference commodity futures contract, any day on which trading is generally conducted on the relevant exchange with respect to the applicable reference commodity futures contract;

in each case, as determined by the calculation agent in its sole discretion.

“Relevant exchange” means:

- with respect to any reference index other than a reference commodity index, each principal exchange on which the components included in such reference index are traded;

- with respect to any reference fund, the principal exchange on which such reference fund is traded;

- with respect to any reference share, the principal exchange on which such reference share is traded;

- with respect to any reference commodity index, any organized exchange or market of trading for any component of such reference commodity index (or any combination thereof);

- with respect to any reference commodity, the London Metal Exchange (the “LME”), the London Bullion Market Association (the “LBMA”) or the London Platinum and Paladium Market (“LPPM”), as applicable, or any primary exchange or market of trading related to such reference commodity, or any futures or options contracts relating to the relevant reference commodity; and
in each case, as determined by the calculation agent in its sole discretion.

“Related exchange” means:

• with respect to any reference index, any exchange on which futures or options contracts relating to such reference index are traded;

• with respect to any reference fund, any exchange on which futures or options contracts relating to such reference fund are traded; and

• with respect to any reference share, any exchange on which futures or options contracts relating to such reference share are traded; and

• with respect to any reference commodity index, any exchange on which futures or options contracts relating to an index component included in such reference commodity index are traded;

in each case, as determined by the calculation agent in its sole discretion.

A “trading day” for any underlying is any day, as determined by the calculation agent in its sole discretion, on which trading is generally conducted on the relevant exchanges and related exchanges, as applicable, for such underlying.

A “business day” is any day, other than a Saturday, Sunday or a day on which banking institutions in The City of New York, New York are generally authorized or obligated by law or executive order to close.

For a reference fund or a reference share, the “share adjustment factor” will initially be set equal to 1.0 on the date the securities are priced for initial sale to the public and will be subject to adjustment as described under “—Adjustments” herein.

Market disruption events

For an equity-based reference index

The calculation agent will be solely responsible for the determination and calculation of any adjustments to any equity-based reference index and of any related determinations and calculations with respect to any event described below and its determinations and calculations will be conclusive absent manifest error.

In respect of an equity-based reference index, a “market disruption event” is:

(a) the occurrence or existence of a suspension, absence or material limitation of trading of equity securities then constituting 20% or more of the level of such reference index on the relevant exchange for those securities for more than two hours of trading, or during the one-half hour period preceding the close of the principal trading session on such relevant exchange;

(b) a breakdown or failure in the price and trade reporting systems of the relevant exchange for such reference index as a result of which the reported trading prices for equity securities then constituting 20% or more of the level of such reference index during the one-half hour preceding the close of the principal trading session on such relevant exchange are materially inaccurate;

(c) the occurrence or existence of a suspension, absence or material limitation of trading on the primary related exchange or market for trading in futures or options contracts related to such reference index, if
available, during the one-half hour period preceding the close of the principal trading session for such related exchange or market; or

(d) a decision to permanently discontinue trading in those related futures or options contracts.

in each case, as determined by the calculation agent in its sole discretion; and in each case a determination by the calculation agent in its sole discretion that any event described above materially interfered with our ability or the ability of any of our affiliates to effect transactions in the components of the reference index or any instrument related to the components of the reference index or to adjust or unwind all or a material portion of any hedge position in the reference index with respect to the securities.

For the purpose of determining whether a market disruption event with respect to a reference index exists at any time, if trading in a security included in that reference index is materially suspended or materially limited at that time, then the relevant percentage contribution of that security to the level of that reference index will be based on a comparison of (1) the portion of the level of that reference index attributable to that security relative to (2) the overall level of that reference index, in each case immediately before that suspension or limitation.

For the purpose of determining whether a market disruption event in respect of a reference index has occurred:

(a) a limitation on the hours or number of days of trading will not constitute a market disruption event if it results from an announced change in the regular business hours of the relevant exchange or the primary exchange or market for trading in futures or options contracts related to such reference index;

(b) limitations pursuant to NYSE Rule 80B (or any applicable rule or regulation enacted or promulgated by the NYSE, any other U.S. self-regulatory organization, the SEC or any other relevant authority of scope similar to NYSE Rule 80B) on trading during significant market fluctuations will constitute a suspension, absence or material limitation of trading; and

(c) a suspension of trading in futures or options contracts related to such reference index by the primary exchange or market for trading in such contracts, if available, by reason of:

- a price change exceeding limits set by such exchange or market;
- an imbalance of orders relating to such contracts; or

a disparity in bid and ask quotes relating to such contracts;

will, in each such case, constitute a suspension, absence or material limitation of trading in futures or options contracts related to such reference index; and

(d) a “suspension, absence or material limitation of trading” on the primary related exchange or market on which futures or options contracts related to such reference index are traded will not include any time when such exchange or market is itself closed for trading under ordinary circumstances;

in each case, as determined by the calculation agent in its sole discretion.

If the calculation agent determines that a market disruption event exists in respect of a reference index on a valuation date, then that valuation date will be postponed in respect of such reference fund to the first succeeding underlying business day for such reference index on which the calculation agent determines that no market disruption event exists in respect of such reference index, unless the calculation agent determines that a market disruption event exists in respect of such reference index on each of the five underlying business days for such reference index immediately following the scheduled valuation date. In that case, (a) the fifth succeeding underlying business day for such reference index following the scheduled valuation date will be deemed to be such valuation date for such reference index, notwithstanding the market disruption event in respect of such reference index, and (b) the calculation agent will determine the closing level for such reference index on that deemed valuation date in accordance with the formula for and method of calculating such reference index last in effect prior to the commencement of the market disruption event in respect of such reference index using exchange-traded prices on the relevant exchanges (as determined by the calculation agent in its sole discretion) or, if trading in any component comprising the reference index has been materially suspended or materially limited, the calculation agent’s good
faith estimate of the prices that would have prevailed on the relevant exchanges (as determined by the calculation agent in its sole discretion) but for the suspension or limitation, as of the valuation time on that deemed valuation date, of each component comprising such reference index (subject to the provisions described under “—Changes to the calculation of a reference index” herein).

If two or more valuation dates are specified in the applicable pricing supplement and a market disruption event exists in respect of a reference index on one of such valuation dates (the “disrupted valuation date”), all of the valuation dates that are scheduled to occur on consecutive underlying business days following such disrupted valuation date, if any, will be postponed by the corresponding number of days by which such disrupted valuation date is postponed as a result of such market disruption event.

The valuation date for any underlying not affected by a market disruption event will be the scheduled valuation date for such underlying.

If the final valuation date is postponed as a result of a market disruption event or because such final valuation date is not an underlying business day for any underlying as described above, then the maturity date will be postponed to the fifth business day following the final valuation date as postponed.

For a reference fund

The calculation agent will be solely responsible for the determination and calculation of any adjustments to any reference fund and of any related determinations and calculations with respect to any event described below and its determinations and calculations will be conclusive absent manifest error.

In respect of a reference fund, a “market disruption event” is:

(a) the occurrence or existence of a suspension, absence or material limitation of trading of the shares of such reference fund on the relevant exchange for such reference fund for more than two hours of trading or during the one-half hour period preceding the close of the principal trading session on such relevant exchange;

(b) a breakdown or failure in the price and trade reporting systems of the relevant exchange for such reference fund, as a result of which the reported trading prices for the shares of such reference fund during the last one-half hour preceding the close of the principal trading session on such relevant exchange are materially inaccurate;

(c) the occurrence or existence of a suspension, absence or material limitation of trading on the primary related exchange or market for trading in futures or options contracts related to such reference fund or the applicable index tracked by such reference fund (the “tracked index”), if any, for more than two hours of trading during, or during the one-half hour period preceding the close of the principal trading session for such related exchange or market; or

(d) a decision to permanently discontinue trading in those related futures or options contracts.

in each case, as determined by the calculation agent in its sole discretion; and in each case a determination by the calculation agent in its sole discretion that any event described above materially interfered with our ability or the ability of any of our affiliates to effect transactions in the shares of the reference fund or any instrument related to the shares of the reference fund or to adjust or unwind all or a material portion of any hedge position in the reference fund with respect to the securities.

For the purpose of determining whether a market disruption event in respect of a reference fund has occurred:

(a) a limitation on the hours or number of days of trading will not constitute a market disruption event if it results from an announced change in the regular business hours of the relevant exchange for such reference fund or the primary related exchange or market for trading in futures or options contracts related to such reference fund;

(b) limitations pursuant to NYSE Rule 80B (or any applicable rule or regulation enacted or promulgated by the NYSE, any other U.S. self-regulatory organization, the SEC or any other relevant authority of scope
similar to NYSE Rule 80B) on trading during significant market fluctuations will constitute a suspension, absence or material limitation of trading; and

(c) a suspension of trading in futures or options contracts related to such reference fund or the applicable tracked index, if any, by the primary related exchange or market for trading in such contracts, if available, by reason of:

- a price change exceeding limits set by such exchange or market;
- an imbalance of orders relating to such contracts; or
- a disparity in bid and ask quotes relating to such contracts;

will, in each such case, constitute a suspension, absence or material limitation of trading in futures or options contracts related to such reference fund or the applicable tracked index; and

(d) a “suspension, absence or material limitation of trading” on the primary related exchange or market on which futures or options contracts related to such reference fund or the applicable tracked index are traded will not include any time when such exchange or market is itself closed for trading under ordinary circumstances; in each case, as determined by the calculation agent in its sole discretion.

If the calculation agent determines that a market disruption event exists in respect of a reference fund on a valuation date, then that valuation date will be postponed in respect of such reference fund to the first succeeding underlying business day for such reference fund on which the calculation agent determines that no market disruption event exists in respect of such reference fund, unless the calculation agent determines that a market disruption event in respect of such reference fund exists on each of the five underlying business days for such reference fund immediately following the scheduled valuation date. In that case, (a) the fifth succeeding underlying business day for such reference fund following the scheduled valuation date will be deemed to be such valuation date for such reference fund, notwithstanding the market disruption event in respect of such reference fund, and (b) the calculation agent will determine the closing level for such reference fund on that deemed valuation date using its good faith estimate of the settlement price of such reference fund that would have prevailed on the relevant exchange for such reference fund but for the occurrence of a market disruption event (subject to the provisions described under “— Changes to the calculation of a reference fund” herein).

If two or more valuation dates are specified in the applicable pricing supplement and a market disruption event exists in respect of a reference fund on a disrupted valuation date, all of the valuation dates that are scheduled to occur on consecutive underlying business days following such disrupted valuation date, if any, will be postponed by the corresponding number of days by which such disrupted valuation date is postponed as a result of such market disruption event.

The valuation date for any underlying not affected by a market disruption event will be the scheduled valuation date for such underlying.

If the final valuation date is postponed as a result of a market disruption event or because such final valuation date is not an underlying business day for any underlying as described above, then the maturity date will be postponed to the fifth business day following the final valuation date as postponed.

**For a reference share**

The calculation agent will be solely responsible for the determination and calculation of any adjustments to any reference share and of any related determinations and calculations with respect to any event described below and its determinations and calculations will be conclusive absent manifest error.

In respect of a reference share, a “market disruption event” is:
(a) the occurrence or existence of a suspension, absence or material limitation of trading of such reference share on the relevant exchange, for such reference share for more than two hours of trading or during the one-half hour period preceding the close of the principal trading session on such relevant exchange;

(b) a breakdown or failure in the price and trade reporting systems of the relevant exchange for such reference share as a result of which the reported trading prices for such reference share during the last one-half hour preceding the close of the principal trading session on such relevant exchange are materially inaccurate;

(c) the occurrence or existence of a suspension, absence or material limitation of trading on the primary related exchange or market for trading in futures or options contracts related to such reference share, if available, during the one-half hour period preceding the close of the principal trading session of such related exchange or market; or

(d) a decision to permanently discontinue trading in such futures or options contracts relating to such reference share;

in each case, as determined by the calculation agent in its sole discretion, and in each case a determination by the calculation agent in its sole discretion that any event described above materially interfered with our ability or the ability of any of our affiliates to effect transactions in such reference share or any instrument related to such reference share or to adjust or unwind all or a material portion of any hedge position in such reference share with respect to the securities.

For the purpose of determining whether a market disruption event in respect of a reference share has occurred:

(a) a limitation on the hours or number of days of trading will not constitute a market disruption event if it results from an announced change in the regular business hours of the relevant exchange for such reference share or the primary related exchange or market for trading in futures or options contracts related to such reference share;

(b) limitations pursuant to NYSE Rule 80B (or any applicable rule or regulation enacted or promulgated by the NYSE, any other U.S. self-regulatory organization, the SEC or any other relevant authority of scope similar to NYSE Rule 80B) on trading during significant market fluctuations will constitute a suspension, absence or material limitation of trading; and

(c) a suspension of trading in futures or options contracts related to such reference share by the primary related exchange or market for trading in such contracts, if available, by reason of:
   • a price change exceeding limits set by such exchange or market;
   • an imbalance of orders relating to such contracts; or
   • a disparity in bid and ask quotes relating to such contracts;

will, in each such case, constitute a suspension, absence or material limitation of trading in futures or options contracts related to such reference share; and

(d) a “suspension, absence or material limitation of trading” on the primary related exchange or market on which futures or options contracts related to such reference share are traded will not include any time when such exchange or market is itself closed for trading under ordinary circumstances;

in each case, as determined by the calculation agent in its sole discretion.

If the calculation agent determines that a market disruption event exists in respect of any reference share on a valuation date, then that valuation date will be postponed in respect of such reference share to the first succeeding underlying business day for such reference share on which the calculation agent determines that no market disruption event exists in respect of such reference share, unless the calculation agent determines that a market disruption event in respect of such reference share exists on each of the five underlying business days for such reference share immediately following the valuation date. In that case, (a) the fifth succeeding underlying business day for such reference share following the scheduled valuation date will be deemed to be such valuation date for such reference share, notwithstanding the market disruption event in respect of such reference share, and (b) the
calculation agent will determine the closing price for such reference share on that deemed valuation date using its
good faith estimate of the settlement price of such reference share that would have prevailed on the relevant
exchange for such reference share but for the occurrence of a market disruption event.

If two or more valuation dates are specified in the applicable pricing supplement and a market disruption event
exists in respect of a reference share on a disrupted valuation date, all of the valuation dates which are scheduled to
occur on consecutive underlying business days following such disrupted valuation date, if any, will be postponed by
the corresponding number of days by which such disrupted valuation date is postponed as a result of such market
disruption event.

The valuation date for any underlying not affected by a market disruption event will be the scheduled valuation
date for such underlying. If the final valuation date is postponed as a result of a market disruption event or because
such final valuation date is not an underlying business day for any underlying as described above, then the maturity
date will be postponed to the fifth business day following the final valuation date as postponed.

For a reference commodity index

The calculation agent will be solely responsible for the determination and calculation of any adjustments to any
reference commodity index and of any related determinations and calculations with respect to any event described
below and its determinations and calculations will be conclusive absent manifest error.

In respect of a reference commodity index, a “market disruption event” is:

(a) a temporary or permanent failure by the relevant exchange or sponsor of such reference commodity index,
as applicable, to announce or publish (i) the official daily closing level of such reference commodity index or (ii)
either (a) the fixing price of any applicable commodity or (b) the settlement price for any futures contract included
in, or option contract related to, the reference commodity index, or any such futures contract included in, or option
contract related to, any component of the reference commodity index (each such futures contract or option contract,
a “relevant contract”);

(b) the suspension of or material limitation on trading in any relevant contract, on the relevant exchange for
that relevant contract, including a situation where the settlement price for any relevant contract is a “limit price,”
which means that the settlement price or fixing price, as applicable, for such relevant contract for a day has
increased or decreased from the previous day’s settlement price or fixing price, as applicable, by the maximum
amount permitted under the applicable exchange rules;

(c) either (i) the failure of trading to commence, or the permanent discontinuance of trading, in any relevant
contract on the relevant exchange, or (ii) the disappearance of, or of trading in, any relevant contract;

(d) the occurrence of a material change in the content, composition or constitution of the reference index; or

(e) the occurrence of a material change in the formula for or the method of calculating the closing level of the
reference commodity index;

in each case, as determined by the calculation agent in its sole discretion.

If the calculation agent determines that a market disruption event exists with respect to a commodity, exchange-
traded futures contracts, commodity index or other components included in such reference index (an “index
component”) on any valuation date, then the calculation agent will determine the final level of the relevant reference
index in the following manner: the official settlement price for the affected index component will be the official
settlement price for the first subsequent underlying business day upon which no market disruption event with respect
to such index component occurs, and for any index component that does not experience a market disruption event on
that valuation date, the official settlement price for such index component as published by the relevant exchange on
such valuation date. If the calculation agent determines that a market disruption event exists with respect to such
index component on each of the five underlying business days immediately following a valuation date, (a) the fifth
succeeding underlying business day after the original valuation date will be deemed to be such valuation date,
notwithstanding the market disruption event, and (b) the calculation agent will determine the settlement price for such index component on that deemed valuation date using the calculation agent’s good faith estimate of the settlement price for such index component that would have prevailed on the applicable exchange but for the suspension or limitation, as of the valuation time on the deemed valuation date.

If the calculation agent determines that a market disruption event exists in respect to the reference index (but not in respect of any index component) on a valuation date, then the calculation agent will determine the level of the reference index using the official settlement prices on such valuation date on the relevant exchanges of each index component included in the reference index as of the valuation time on such valuation date.

The trade date or valuation date, as applicable, for any underlying not affected by a market disruption event will be the scheduled trade date or valuation date, as applicable, for such underlying. If the final valuation date is postponed as a result of a market disruption event or because such final valuation date is not an underlying business day for any underlying as described above, then the maturity date will be postponed to the fifth business day following the final valuation date as postponed.

For a reference commodity or a reference commodity futures contract

The calculation agent will be solely responsible for the determination and calculation of any adjustments to any reference commodity or reference commodity futures contract and of any related determinations and calculations with respect to any event described below and its determinations and calculations will be conclusive absent manifest error.

In respect of a reference commodity or a reference commodity futures contract, a “market disruption event” is:

(1) a temporary suspension, absence or material limitation of trading in (i) the reference commodity or the reference commodity futures contract on its relevant exchange, or (ii) futures or options contracts, if applicable, relating to such reference commodity or reference commodity futures contract on the relevant exchange for those contracts in each case; or

(2) any event that materially disrupts or impairs the ability of market participants to (i) effect transactions in, or obtain market values for, the reference commodity or the reference commodity futures contract on its relevant exchange or (ii) effect transactions in, or obtain market values for, futures or options contracts, if applicable, relating to the reference commodity or the reference commodity futures contract on its relevant exchange (including, but not limited to, limitations, suspensions or disruptions of trading of one or more futures contracts on such reference commodity by reason of movements succeeding “limit up” or “limit down” levels permitted by the relevant exchange); or

(3) the closure on any day of the relevant exchange on a scheduled trading day prior to the scheduled weekday closing time of the relevant exchange (without regard to after hours or any other trading outside of the regular trading session hours) unless such earlier closing time is announced by the relevant exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on the relevant exchange on such scheduled trading day for the relevant exchange and (ii) the submission deadline for orders to be entered into the relevant exchange system for execution at the close of trading on such scheduled trading day for the relevant exchange; or

(4) any scheduled trading day on which (i) the relevant exchange for the reference commodity or the reference commodity futures contract or (ii) the relevant exchanges or quotation systems, if any, on which futures or options contracts, on the reference commodity or the reference commodity futures contract are traded, fails to open for trading during its regular trading session; or

(5) the settlement price of fixing level is not published for the reference commodity or the reference commodity futures contract; or

(6) the occurrence of a material change in the formula for or the method of calculating the relevant settlement price or fixing level, as applicable, of the reference commodity or the reference commodity futures contract; or
the occurrence or existence of a commodity hedging disruption event;

in each case as determined by the calculation agent in its sole discretion; and in the case of an event described in clause (1), (2), (3), (4), (5), (6) or (7) above, a determination by the calculation agent in its sole discretion that the applicable event described above materially interfered with our ability or the ability of any of our affiliates to establish, adjust or unwind all or a material portion of any hedge with respect to the securities.

For purposes of determining whether a market disruption event with respect to the reference commodity or the reference commodity futures contract has occurred, the following events will not be market disruption events:

- a limitation on the hours or numbers of days of trading, but only if the limitation results from an announced change in the regular business hours of the relevant exchange; or
- a decision to permanently discontinue trading in the futures or options contracts, if applicable, reference commodity.

For this purpose, an “absence of trading” on the relevant exchange on which futures or options contracts related to the reference commodity or the reference commodity futures contract are traded will not include any time when such relevant exchange is itself closed for trading under ordinary circumstances.

In contrast, a suspension or limitation of trading in the reference commodity or the reference commodity futures contract, or futures or options contracts, if applicable, related to the reference commodity or the reference commodity futures contract, on their relevant exchanges, by reason of any of:

- a price change exceeding limits set by such relevant exchange;
- an imbalance of orders; or
- a disparity in bid and ask quotes;

will constitute a market disruption event.

If the calculation agent determines that a market disruption event exists with respect to a reference commodity or a reference commodity futures contract on the trade date (or strike date, if applicable), then the calculation agent will determine a special initial price for such reference commodity or reference commodity futures contract and use this special initial price when calculating the initial price for such reference commodity or reference commodity futures contract. The “special initial price” will be the closing price for such reference commodity or reference commodity futures contract for the first subsequent trading day upon which no market disruption event occurs for such reference commodity or reference commodity futures contract. If the calculation agent determines that a market disruption event exists with respect to such reference commodity or reference commodity futures contract on each of the five trading days immediately following the trade date (or strike date, if applicable), (a) the fifth succeeding trading day after the scheduled trade date (or strike date, if applicable) will be deemed to be the trade date (or strike date, if applicable) for such reference commodity or reference commodity futures contract, notwithstanding the market disruption event, and (b) the calculation agent will determine the initial price for such reference commodity or reference commodity futures contract on that deemed trade date (or strike date, if applicable) using its good faith estimate of the price for such reference commodity or reference commodity futures contract that would have prevailed on the relevant exchange but for the market disruption event, as of the valuation time on the deemed trade date (or strike date, if applicable).

If the calculation agent determines that a market disruption event exists with respect to a reference commodity or reference commodity futures contract on a valuation date, then the calculation agent will determine a special ending price for the relevant reference commodity or reference commodity futures contract and use this special ending price when calculating the final price for such reference commodity or reference commodity futures contract. The “special ending price” will be the closing price for such reference commodity or reference commodity futures contract for the first subsequent trading day upon which no market disruption event occurs for such reference.
commodity or reference commodity futures contract. If the calculation agent determines that a market disruption event exists with respect to such reference commodity or reference commodity futures contract on each of the five trading days immediately following the scheduled valuation date, (a) the fifth succeeding trading day after the scheduled valuation date will be deemed to be the valuation date, notwithstanding the market disruption event, and (b) the calculation agent will determine the price for such reference commodity or reference commodity futures contract on that deemed valuation date using its good faith estimate of the price for such reference commodity or reference commodity futures contract that would have prevailed on the relevant exchange but for the market disruption event, as of the valuation time on the deemed valuation date.

The trade date (or strike date, if applicable) or valuation date, as applicable, for any underlying not affected by a market disruption event will be the scheduled trade date (or strike date, if applicable) or valuation date, as applicable, for such underlying. If the final valuation date is postponed as a result of a market disruption event or because such final valuation date is not an underlying business day for any underlying as described above, then the maturity date will be postponed to the fifth business day following the final valuation date as postponed.

Changes to the calculation of a reference index

The calculation agent will be solely responsible for the determination and calculation of any adjustments to any reference index and of any related determinations and calculations with respect to any event described below and its determinations and calculations will be conclusive absent manifest error.

If a reference index is (a) not calculated and announced by the sponsor or index calculation agent, as applicable (the “index sponsor”), but is calculated and announced by a successor acceptable to the calculation agent or (b) replaced by a successor index using, in the determination of the calculation agent, the same or a substantially similar formula for and method of calculation as used in such reference index, then such reference index will be deemed to be such reference index as so calculated and announced by such successor sponsor, or that successor index, as applicable (such index, a “successor reference index”).

Upon any selection by the calculation agent of a successor reference index, such successor reference index will be substituted for such reference index for all purposes of the securities, and we will, or will cause the calculation agent to, furnish notice thereof to us and the trustee.

If (x) on or prior to a valuation date or other relevant date an index sponsor, index calculation agent or index creator, makes, in the determination of the calculation agent, a material change in the formula for or the method of calculating the reference index or in any other way materially modifies the reference index (other than a modification prescribed in that formula or method to maintain such reference index in the event of changes in constituent stocks and capitalization and other routine events) or (y) on any valuation date or other relevant date the index sponsor fails to calculate and announce the reference index, then the calculation agent will calculate the redemption amount using, in lieu of a published level for such reference index, the level for such reference index as at the valuation time on the valuation date as determined by the calculation agent in its sole discretion in accordance with the formula for and method of calculating such reference index last in effect prior to that change or failure, but using only those components that comprised such reference index immediately prior to that change or failure. Notice of adjustment of such reference index will be provided to the trustee in the manner set forth below.

Changes to the calculation of a reference fund

The calculation agent will be solely responsible for the determination and calculation of any adjustments to any reference fund and of any related determinations and calculations with respect to any event described below and its determinations and calculations will be conclusive absent manifest error.

If a reference fund is de-listed from its relevant exchange, liquidated or otherwise terminated, the calculation agent will substitute such reference fund with an exchange-traded fund that the calculation agent determines, in its sole discretion, is comparable to the discontinued reference fund (such exchange-traded fund, a “successor reference fund”). If a reference fund is de-listed, liquidated or otherwise terminated and the calculation agent determines that no successor reference fund is available, then the calculation agent will, in its sole discretion, calculate the
appropriate closing level of one share of the reference fund by a computation methodology that the calculation agent
determines will as closely as reasonably possible replicate the reference fund. If a successor reference fund is
selected or the calculation agent calculates the closing level by a computation methodology that the calculation
agent determines will as closely as reasonably possible replicate a reference fund, that successor reference fund or
closing level will be substituted for the reference fund for all purposes of the securities.

If at any time:

- the tracked index is changed in a material respect; or

- a reference fund in any other way is modified so that it does not, in the opinion of the calculation agent,
  fairly represent the closing level of one share of such reference fund had those changes or modifications not
  been made;

then, from and after that time, the calculation agent will make those calculations and adjustments as, in the good
faith judgment of the calculation agent, may be necessary in order to arrive at a closing level as if those changes or
modifications had not been made, and calculate the closing level with reference to such reference fund, as adjusted.

The calculation agent also may determine that no adjustment is required by the modification of the method of
calculation.

The calculation agent will be solely responsible for the method of calculating the closing level of one share of a
reference fund and of any related determinations and calculations, and its determinations and calculations with
respect thereto will be conclusive in the absence of manifest error.

Commodity hedging disruption events

The calculation agent will be solely responsible for the determination and calculation of any adjustments to
any reference commodity, reference commodity futures contract or reference commodity index and of any
related determinations and calculations with respect to any event described below and its determinations and
calculations will be conclusive absent manifest error.

Unless otherwise specified in the applicable pricing supplement, the following provisions will relate to
securities linked to the performance of one or more reference commodities, reference commodity futures
contracts and/or reference indices comprised in part or in whole of commodities or commodities futures
contracts.

If a commodity hedging disruption event (as defined below) occurs, we will have the right, but not the
obligation, to accelerate the payment on the securities by providing, or causing the calculation agent to provide,
written notice of our election to exercise such right to the trustee at its New York office, on which notice the
trustee may conclusively rely, as promptly as possible and in no event later than the business day immediately
following the day on which such commodity hedging disruption event occurred. The amount due and payable
per $1,000 principal amount of securities upon such acceleration will be determined by the calculation agent in
good faith in a commercially reasonable manner on the date on which we deliver notice of such acceleration
and will be payable on the fifth business day following the day on which the calculation agent delivers notice
of such acceleration. We will, or will cause the calculation agent to, provide written notice to the trustee at its
New York office, on which notice the trustee may conclusively rely, and to the Depository Trust Company
(“DTC”) of the cash amount due with respect to the securities as promptly as possible and in no event later than
two business days prior to the date on which such payment is due. For the avoidance of doubt, the
determination set forth above is only applicable to the amount due with respect to acceleration of the securities
as a result of a commodity hedging disruption event.

A “commodity hedging disruption event” means that:
(a) due to (i) the adoption of, or any change in, any applicable law, regulation or rule or (ii) the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law, rule, regulation or order (including, without limitation, as implemented by the CFTC or any exchange or trading facility), in each case occurring on or after the trade date of the securities, the calculation agent determines in good faith that it is contrary to such law, rule, regulation or order to purchase, sell, enter into, maintain, hold, acquire or dispose of our or our affiliates’ (A) positions or contracts in securities, options, futures, derivatives or foreign exchange or (B) other instruments or arrangements, in each case, in order to hedge individually or in the aggregate on a portfolio basis our obligations under the securities (“hedge positions”), including, without limitation, if such hedge positions are (or, but for the consequent disposal thereof, would otherwise be) in excess of any allowable position limit(s) in relation to any commodity traded on any exchange(s) or other trading facility (it being within the sole and absolute discretion of the calculation agent to determine which of the hedge positions are counted towards such limit); or

(b) for any reason, we or our affiliates are unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the calculation agent deems necessary to hedge the risk of entering into and performing our commodity-related obligations with respect to the securities, or (ii) realize, recover or remit the proceeds of any such transaction(s) or asset(s).

Changes to the trading or calculation of a reference commodity or a reference commodity futures contract

The calculation agent will be solely responsible for the determination and calculation of any adjustments to any reference commodity or reference commodity futures contract and of any related determinations and calculations with respect to any event described below and its determinations and calculations will be conclusive absent manifest error.

If the relevant exchange discontinues trading in a reference commodity or reference commodity futures contract, the calculation agent may, in its sole discretion, replace the reference commodity or reference commodity futures contract with another commodity or contract, as applicable, the settlement price or fixing level, as applicable, of which is quoted on such relevant exchange or any other exchange, that the calculation agent, in its sole discretion, determines to be comparable to the discontinued reference commodity or reference commodity futures contract (such replacement reference commodity or reference commodity futures contract, a “successor underlying”), in which case the settlement price or fixing level, as applicable, for such discontinued reference commodity or reference commodity futures contract on any relevant date on which the settlement price or fixing level, as applicable, is to be determined will be determined by reference to the successor underlying at the close of trading on such relevant exchange for such successor underlying on such day.

Upon any selection by the calculation agent of a successor underlying, the calculation agent will cause written notice thereof to be promptly furnished to the trustee, to us and to the holders of the securities.

If the relevant exchange discontinues trading in a reference commodity or reference commodity futures contract or the physical delivery of the related reference commodity or reference commodity futures contract on any date on which the closing price of the reference commodity or reference commodity futures contract is to be determined, and the calculation agent determines, in its sole discretion, that no successor underlying is available at such time, then the calculation agent will determine the settlement price or fixing level, as applicable, for such reference commodity or reference commodity futures contract for such date; provided that, if the calculation agent determines that no successor underlying exists for the discontinued reference commodity or reference commodity futures contract, the settlement price or fixing level, as applicable, for such reference commodity or reference commodity futures contract will be the settlement price or fixing level, as applicable, that the calculation agent, in its discretion, determines to be fair and commercially reasonable under the circumstances at approximately 10:00 a.m., New York City time, on the trading day immediately following the date of such determination.

Notwithstanding these alternative arrangements, discontinuation of trading on the relevant exchange in the reference commodity or reference commodity futures contract may adversely affect the value of the securities.
If at any time the method of calculating the settlement price or fixing level of any reference commodity or reference commodity futures contract is changed in a material respect by the relevant exchange or any other relevant exchange or market for the reference commodity or reference commodity futures contract, or if the reporting thereof is in any other way modified so that such closing price does not, in the opinion of the calculation agent, fairly represent the value of such reference commodity or reference commodity futures contract, the calculation agent will, at the close of business in New York City on each day on which the settlement price or fixing level, as applicable, for such reference commodity or reference commodity futures contract is to be determined, make such calculations and adjustments as, in the good faith judgment of the calculation agent, may be necessary in order to arrive at a value for such reference commodity or reference commodity futures contract. We will, or will cause the calculation agent to, provide written notice of such calculations and adjustments to be furnished to the holders of the securities.

Adjustments

For a reference fund

The share adjustment factor for a reference fund will initially be set to 1.0 and will be adjusted as specified below. No adjustments to a share adjustment factor will be required other than those specified below. The calculation agent will not be required to make any adjustments to any share adjustment factor after the close of business on the final valuation date. The required adjustments specified below do not cover all events that could affect the price or level of any underlying.

No adjustment to the share adjustment factor for a reference fund will be required unless such adjustment would require an increase or decrease of at least 1% of such share adjustment factor, but any adjustment that would otherwise be required to be made will be carried forward and taken into account in any subsequent adjustment of such share adjustment factor.

The calculation agent will be solely responsible for the determination and calculation of any adjustments to the share adjustment factor for any reference fund and of any related determinations and calculations with respect to any event described below and its determinations and calculations will be conclusive absent manifest error.

Share splits and reverse share splits

If the shares of a reference fund are subject to a share split or reverse share split, then once such split has become effective, the share adjustment factor for such reference fund will be adjusted so that the new share adjustment factor for such reference fund equals the product of:

• the prior share adjustment factor for such reference fund, and
• the number of shares that a holder of one share of such reference fund before the effective date of the share split or reverse share split would have owned or been entitled to receive immediately following the applicable effective date.

Share dividends or distributions

If a reference fund is subject to a (i) share dividend, i.e., an issuance of additional shares of such reference fund that is given ratably to all or substantially all holders of shares of such reference fund or (ii) distribution of shares of the reference fund as a result of the triggering of any provision of the corporate charter of such reference fund, then, once the dividend or distribution has become effective and the shares of such reference fund are trading ex-dividend, the share adjustment factor for such reference fund will be adjusted so that the new share adjustment factor for such reference fund equals the prior share adjustment factor for such reference fund plus the product of:

• the prior share adjustment factor for such reference fund, and
• the number of additional shares issued in the share dividend or distribution with respect to one share of such reference fund.
Non-cash distributions

If a reference fund distributes shares of capital stock, evidences of indebtedness or other assets or property of such reference fund to all or substantially all holders of shares of such reference fund (other than (i) share dividends or distributions referred to under “—Share dividends or distributions” above and (ii) cash dividends referred to under “—Extraordinary cash dividends or distributions” below), then, once the distribution has become effective and the shares of such reference fund are trading ex-dividend, the share adjustment factor for such reference fund will be adjusted so that the new share adjustment factor for such reference fund equals the product of:

- the prior share adjustment factor for such reference fund, and
- a fraction, the numerator of which is the “current market price” of one share of such reference fund and the denominator of which is the amount by which such “current market price” exceeds the “fair market value” of such distribution.

With respect to a reference fund, the “current market price” means the closing level of one share of the reference fund on the underlying business day for such reference fund immediately preceding the ex-dividend date of the distribution requiring an adjustment to the share adjustment factor for such reference fund.

With respect to a reference fund, the “ex-dividend date” with respect to a dividend or other distribution on the reference shares means the first trading day for a reference fund on which transactions in the shares of such reference fund trade on the relevant exchange for such reference fund without the right to receive that dividend or other distribution.

With respect to a reference fund, the “fair market value” of a distribution on the shares of such reference fund means the value of the property distributed in respect of one share of such reference fund in such distribution on the ex-dividend date for such distribution, as determined by the calculation agent in its sole discretion. If such distribution consists of property traded on the ex-dividend date on a U.S. national securities exchange, the fair market value of such distribution of property per share of such reference fund will equal the closing price of one share or other unit of such distributed property on such ex-dividend date as determined by the calculation agent in its sole discretion.

Extraordinary cash dividends and distributions

A dividend or other distribution consisting exclusively of cash to all or substantially all holders of shares of a reference fund will be deemed to be an extraordinary cash dividend if its per share value exceeds that of the immediately preceding non-extraordinary cash dividend, if any, for such reference fund by an amount equal to at least 10% of the closing level of such reference fund on the first trading day for such reference fund immediately preceding the ex-dividend date, unless otherwise specified in the applicable pricing supplement.

If an extraordinary cash dividend occurs, the share adjustment factor for the affected reference fund will be adjusted so that the new share adjustment factor for such reference fund equals the prior share adjustment factor for such reference fund plus the product of:

- the prior share adjustment factor for such reference fund, and
- a fraction, the numerator of which is the amount of the extraordinary cash dividend per share of the reference fund and the denominator of which is the closing level of such reference fund on the trading day for such reference fund before the ex-dividend date for such reference fund.

For equity securities of a reference share issuer

The share adjustment factor for a reference share will initially be set to 1.0 and will be adjusted as specified below. No adjustments to a share adjustment factor will be required other than those specified below. The calculation agent will not be required to make any adjustments to any share adjustment factor after the close of
business on the final valuation date. The required adjustments specified below do not cover all events that could affect the price or level of any underlying.

No adjustment to the share adjustment factor for a reference share will be required unless such adjustment would require an increase or decrease of at least 1% of such share adjustment factor, but any adjustment that would otherwise be required to be made will be carried forward and taken into account in any subsequent adjustment of such share adjustment factor.

The calculation agent will be solely responsible for the determination and calculation of any adjustments to the share adjustment factor for any reference share and of any related determinations and calculations with respect to any event described below and its determinations and calculations will be conclusive absent manifest error.

For purposes of these adjustments, except as noted below, if ADSs are serving as reference shares, all adjustments to the share adjustment factor for reference shares will be made based on the occurrence of the corporate events specified below with respect to the applicable underlying foreign equity securities. Therefore, for example, if the applicable underlying foreign equity securities are subject to a two-for-one stock split, and assuming the then-prevailing share adjustment factor for such reference shares is equal to 1.0, the share adjustment factor for such reference shares would be adjusted to be equal to 2.0. If the relevant reference shares are ADSs, the term “dividend” used in this section, with respect to such reference shares, will mean, unless otherwise specified in the applicable pricing supplement, the dividend paid to holders of the ADSs, net of any applicable foreign withholding or similar taxes that would be due on dividends paid to a U.S. person that claims and is entitled to a reduction in such taxes under an applicable income tax treaty, if available.

If ADSs are serving as the relevant reference shares, no adjustment to the applicable price or closing price of the ADSs or the applicable share adjustment factor, including those described below, will be made if (1) holders of such ADSs are not affected by any of the corporate events described below or (2) (and to the extent that) the calculation agent determines in its sole discretion that the issuer or the depositary for such ADSs has already adjusted the number of shares of the applicable underlying foreign equity securities represented by such ADSs to reflect the corporate event in question, as determined by the calculation agent in its sole discretion. However, to the extent that the number of shares of the applicable underlying foreign equity securities represented by such ADSs is changed for any other reason, appropriate adjustments to the adjustments described herein (which may include ignoring such provision, if appropriate) will be made to reflect such change.

Stock splits and reverse stock splits

If the reference shares are subject to a stock split or reverse stock split, then once such split has become effective, the share adjustment factor for such reference shares will be adjusted so that the new share adjustment factor for such reference shares equals the product of:

• the prior share adjustment factor for such reference shares, and

• the number of shares that a holder of one share of such reference shares before the effective date of that stock split or reverse stock split would have owned or been entitled to receive immediately following the applicable effective date.

Stock dividends or distributions

If the reference shares are subject to a (i) stock dividend, i.e., an issuance of additional shares of such reference shares that is given ratably to all or substantially all holders of such reference shares or (ii) distribution of shares of such reference shares as a result of the triggering of any provision of the corporate charter of the reference share issuer of such reference shares or otherwise, then, once such reference shares are trading ex-dividend, the share adjustment factor for such reference shares will be adjusted so that the new share adjustment factor for such reference shares equals the prior share adjustment factor for such reference shares plus the product of:

• the prior share adjustment factor for such reference shares, and
• the number of additional shares of such reference shares issued in the stock dividend or distribution with respect to one share of such reference shares.

Non-cash dividends or distributions

If the reference share issuer distributes shares of capital stock, evidences of indebtedness or other assets or property of such reference share issuer to all or substantially all holders of such reference shares (other than dividends, distributions or issuances referred to under “—Stock splits and reverse stock splits” or “—Stock dividends or distributions” above or “—Extraordinary cash dividends or distributions” or “—Issuance of transferable rights or warrants” below), then, once such reference shares are trading ex-dividend, the share adjustment factor for such reference shares will be adjusted so that the new share adjustment factor for such reference shares equals the product of:

• the prior share adjustment factor for such reference shares, and

• a fraction, the numerator of which is the current market price of such reference shares and the denominator of which is the amount by which such current market price exceeds the fair market value of such distribution.

With respect to a reference share, the “current market price” means the closing price of one share of such reference share on the underlying business day for such reference share immediately preceding the ex-dividend date of the dividend or distribution requiring an adjustment to the share adjustment factor for such reference share.

The “ex-dividend date,” with respect to a dividend or other distribution on the reference shares, means the first trading day for such reference shares on which such reference shares trade on the relevant exchange for such reference shares without the right to receive that dividend or other distribution.

The “fair market value” of a distribution on the reference shares means the value of the property distributed in respect of one share of such reference shares in such distribution on the ex-dividend date for such distribution, as determined by the calculation agent in its sole discretion. If such distribution consists of property traded on the ex-dividend date on a U.S. national securities exchange, the fair market value per share or other unit of such distributed property will equal the closing price of one share or other unit of such distributed property on such ex-dividend date, as determined by the calculation agent in its sole discretion.

Notwithstanding the foregoing, a distribution on the reference shares described in clause (a), (d) or (e) of the section entitled “—Reorganization events” or “—Issuance of transferable rights or warrants” below that also would require an adjustment under this section will not cause an adjustment to the share adjustment factor under this “Non-cash dividends or distributions” section and will only be treated as a reorganization event (as defined below) pursuant to clause (a), (d) or (e) under the section entitled “—Reorganization events” or will only cause an adjustment pursuant to the section entitled “—Issuance of transferable rights or warrants,” as applicable.

Extraordinary cash dividends or distributions

A dividend or other distribution consisting exclusively of cash to all or substantially all holders of a reference share will be deemed to be an extraordinary cash dividend if its per share value exceeds that of the immediately preceding non-extraordinary cash dividend, if any, for such reference share by an amount equal to at least 10% of the closing level of such reference share on the first trading day for such reference share immediately preceding the ex-dividend date, unless otherwise specified in the applicable pricing supplement.

If an extraordinary cash dividend occurs, the share adjustment factor for the affected reference share will be adjusted so that the new share adjustment factor for such reference share equals the prior share adjustment factor for such reference share plus the product of:

• the prior share adjustment factor for such reference share, and
• a fraction, the numerator of which is the amount of the extraordinary cash dividend per share of such reference share and the denominator of which is the closing level of such reference share on the trading day for such reference share before the ex-dividend date for such reference share.

Issuance of transferable rights or warrants

If a reference share issuer issues transferable rights or warrants to all holders of its reference shares to subscribe for or purchase shares of such reference shares, including new or existing rights to purchase shares of such reference shares, at an exercise price that is less than the closing price of one share of such reference shares on both (i) the date the exercise price of such rights or warrants is determined and (ii) the expiration date of such rights and warrants, pursuant to a shareholder’s rights plan or arrangement or otherwise, and if the expiration date of such rights or warrants precedes the maturity date, then the share adjustment factor for such reference shares will be adjusted so that the new share adjustment factor for such reference shares equals the prior share adjustment factor for such reference shares plus the product of:

• the prior share adjustment factor for such reference shares, and
• the number of such reference shares that could be purchased in the market with the cash value of such rights or warrants distributed on one share of such reference shares.

The number of shares of such reference shares that could be purchased in the market will be based on the closing price of such reference shares on the date the new share adjustment factor for such reference shares is determined. The cash value of such rights or warrants, if the rights or warrants are traded on a U.S. national securities exchange or a foreign securities exchange or market, will equal the closing price of such rights or warrants, or, if the rights or warrants are not traded on a U.S. national securities exchange or a foreign securities exchange or market, will be determined by the calculation agent and will equal the average (mean) of the bid prices obtained from three dealers at 3:00 p.m., New York City time, on the date the new share adjustment factor is determined, provided that if only two such bid prices are available, then the cash value of such rights or warrants will equal the average (mean) of such bids and if only one such bid is available, then the cash value of such rights or warrants will equal such bid.

Reorganization events

If, prior to the maturity date:

(a) there occurs any reclassification or change of the reference shares, including, without limitation, as a result of the issuance of tracking stock by the reference share issuer;

(b) a reference share issuer, or any surviving entity or subsequent surviving entity of such reference share issuer (a “successor entity”), has been subject to a merger, combination or consolidation and is not the surviving entity, or is the surviving entity but all outstanding shares of the reference shares are exchanged for or converted into other property;

(c) any statutory exchange of the shares of a reference share issuer or any successor entity with another corporation or other entity occurs, other than pursuant to clause (b) above;

(d) a reference share issuer is liquidated or is subject to a proceeding under any applicable bankruptcy, insolvency or other similar law;

(e) a reference share issuer issues to all of its shareholders equity securities of an issuer other than such reference share issuer, other than in a transaction described in clauses (b), (c) or (d) above (a “spin-off event”); or

(f) a tender or exchange offer or going private transaction is commenced for all the outstanding shares of a reference share issuer and is consummated and completed for all or substantially all of such shares, as determined by the calculation agent in its sole discretion (an event in clauses (a) through (f), a “reorganization event”),
then the price on any day for such reference shares or, in the case of a spin-off event, the share adjustment factor for such reference shares will be adjusted as set forth below.

If a reorganization event other than those described above occurs with respect to a reference share, the calculation agent may calculate the corresponding adjustment or series of adjustments to the initial level, the closing level or the level of the reference shares, as applicable, as the calculation agent determines in good faith to be appropriate to account for that reorganization event. You will not be entitled to any compensation from us or the calculation agent for any loss suffered as a result of any such adjustment or the calculation agent’s decision not to make any such adjustment.

If a reorganization event with respect to the reference shares occurs, the calculation agent will be solely responsible for the determination of any exchange property (as defined below), the value of any exchange property and the effect of the reorganization event on the initial level, the closing level or the level of the reference shares, as applicable, and its determinations and calculations will be conclusive absent manifest error.

If a reorganization event with respect to the reference shares, other than a spin-off event, occurs as a result of which the holders of such reference shares receive exchange property, then the price on any day for such reference shares will be determined by reference to the value of the exchange property in respect of each reference share following the effective date for such reorganization event. The value of the exchange property will be calculated as the sum of the values of the components of the exchange property as described below:

- If the exchange property consists of securities (including, without limitation, securities of the reference share issuer or securities of foreign issuers represented by ADSs) traded on a U.S. national securities exchange (“exchange-traded securities”), the value of such exchange property will equal the closing price on the relevant exchange or market for such exchange-traded securities as determined by the calculation agent in its sole discretion.

- If the exchange property consists of cash, property other than exchange-traded securities or a combination thereof, the calculation agent will value such exchange property as if such exchange property was liquidated on the date holders of such reference shares received such non-cash exchange property upon terms that it deems commercially reasonable, and the value of such exchange property will equal the aggregate cash amount, including both the exchange property consisting of cash and the amount resulting from such valuation of such non-cash exchange property.

“Exchange property,” with respect to any reference shares that are subject to a reorganization event other than a spin-off event, will consist of any shares of such reference shares that continue to be held by the holders of such reference shares, and any securities, cash or any other property distributed to the holders of the reference shares in or as a result of such reorganization event. In the event of any reorganization event in which a holder of the reference shares may elect to receive cash or other property, exchange property will be deemed to include the kind and amount of cash and other property received by offerees who elect to receive the maximum amount of cash, as determined by the calculation agent in its sole discretion. No interest will accrue on any exchange property.

In the event exchange property consists of securities, those securities will, in turn, be subject to the adjustments and market disruption events contained herein.

In the event of a tender or exchange offer or going private transaction for all the outstanding reference shares that is consummated and completed for all or substantially all of such reference shares and that involves exchange property of a particular type, exchange property will be deemed to include the amount of cash or other property paid by the offeror in the tender or exchange offer or going private transaction with respect to such exchange property (in an amount determined on the basis of the rate of exchange in such tender or exchange offer or going private transaction).

The calculation agent will be solely responsible for the determination and calculation of the exchange property if a reorganization event occurs, the value thereof and its effect on the final share price of the reference shares.
If a spin-off event with respect to the reference shares occurs, then, on and after the ex-dividend date for such reference shares for the distribution of equity securities subject to such spin-off event, the share adjustment factor for such reference shares will be adjusted so that the new share adjustment factor for such reference shares equals the product of:

- the prior share adjustment factor for such reference shares, and
- a fraction, the numerator of which is the closing price of such reference shares on the trading day immediately preceding the ex-dividend date for such reference shares with respect to the spin-off event (the “prior price”) and the denominator of which is the amount by which the prior price exceeds the amount of cash equal to the value per share of such reference shares of the distribution made subject to such spin-off event.

As a result, following a spin-off event, holders of the securities will not participate in any way in the returns or market performance of the equity securities issued to holders of such reference shares in such spin-off event.

The calculation agent will be solely responsible for the determination and calculation of the value of the distribution of equity securities subject to a spin-off event, and, in all circumstances, will make its determinations in good faith to be appropriate to account for such spin-off event.

Succession events

The calculation agent will be solely responsible for the determination and calculation of any adjustments to the reference currency and base currency and of any related determinations and calculations with respect to any event described below and its determinations and calculations will be conclusive absent manifest error.

A “succession event” means the occurrence of either of the following events:

(i) a reference currency or the base currency is lawfully eliminated and replaced with, converted into, redenominated as, or exchanged for, another currency; or

(ii) any relevant reference currency country or base currency country (each as defined below) divides into two or more countries or economic regions, as applicable, each with a different lawful currency immediately after such event.

We refer to such applicable reference currency or such base currency, as applicable, with respect to which a succession event has occurred as the “former currency.”

On and after the effective date of a succession event, the former currency will be deemed to be replaced with:

(i) in the case of clause (a) above, the currency that lawfully replaces the former currency, into which the former currency is converted or redenominated, or for which the former currency is exchanged, as applicable, or

(ii) in the case of clause (b) above, a currency selected by the calculation agent from among the lawful currencies resulting from such division that the calculation agent determines in good faith and in a commercially reasonable manner is most comparable to the former currency, taking into account the latest available quotation for the spot rate of the former currency relative to the base currency or the applicable reference currency relative to the base currency, as applicable, and any other information that it deems relevant.

We refer to the replacement currency determined as described in clause (i) or (ii) above as a “successor currency.”

Upon the occurrence of a succession event:
(x) if the former currency is a reference currency, the initial spot rate for the successor currency will be equal to (A) the product of the initial spot rate for the former currency and the official conversion rate for the former currency per one unit of successor currency (as publicly announced by the reference currency country) used by the country or economic region the lawful currency of which is such reference currency (a “reference currency country”) to set its official exchange rate for the base currency per one unit of successor currency on the effective date of such succession event or (B) if the official conversion rate referred to in clause (A) immediately above is not publicly announced by the reference currency country, the product of the spot rate for the successor currency on the effective date of such succession event and a fraction, the numerator of which is the initial spot rate for the former currency and the denominator of which is the spot rate for the former currency on the underlying business day immediately preceding the effective date of such succession event; or

(y) if the former currency is the base currency, the initial spot rate for each reference currency will be adjusted to be equal to (A) the product of the initial spot rate for such reference currency immediately prior to such adjustment and the official conversion rate for the successor currency per one unit of former currency (as publicly announced by the base currency country) used by the country or economic region the lawful currency of which is the base currency (the “base currency country”) to set its official exchange rate for such reference currency per one unit of successor currency on the effective date of such succession event or (B) if the official conversion rate referred to in clause (A) immediately above is not publicly announced by the base currency country, the product of the spot rate for such reference currency (determined by reference to the spot rate of such reference currency relative to the successor currency) on the effective date of such succession event and a fraction, the numerator of which is the initial spot rate for such reference currency immediately prior to such adjustment and the denominator of which is the spot rate for such reference currency (determined by reference to the spot rate of such reference currency relative to the former currency) on the underlying business day immediately preceding the effective date of such succession event.

Upon the occurrence of a succession event, the calculation agent will select in good faith and in a commercially reasonable manner substitute a Reuters or Bloomberg page for purposes of determining the spot rates of the affected reference currencies.

Notwithstanding the foregoing, if, as a result of a succession event, (1) in the case of a former currency that is a reference currency, the successor currency is the same as the base currency, or (2) in the case of a former currency that is the base currency, a reference currency is the same as the successor currency, in lieu of the adjustments described in the preceding paragraphs (x) and (y), the spot rate for the affected reference currency on each underlying business day occurring on and after the effective date of such succession event will be deemed to be equal to the spot rate for such reference currency on the underlying business day immediately preceding such effective date.

**Delisting of ADSs or termination of ADS facility**

The calculation agent will be solely responsible for the determination and calculation of any adjustments to the reference shares and of any related determinations and calculations with respect to any event described below and its determinations and calculations will be conclusive absent manifest error.

If ADSs serving as reference shares (the “original reference shares”) are no longer listed or admitted to trading on a U.S. securities exchange registered under the Exchange Act, or included in the OTC Bulletin Board, or if the ADS facility between the issuer of the applicable underlying foreign equity securities and the ADS depositary is terminated for any reason, then, on and after the date such ADSs are no longer so listed or admitted to trading or the date of such termination, as applicable (the “change date”), the calculation agent, in its sole discretion, will either (A) determine the successor reference shares (as defined below) to such ADSs after the close of the principal trading session on the trading day immediately prior to the change date in accordance with the following paragraph (each successor stock as so determined, the “successor reference shares” and such successor foreign equity security issuer,
a “successor foreign reference share issuer”) or (B) select the applicable underlying foreign equity securities to replace such original reference shares.

The “successor reference shares” with respect to an ADS will be the ADS of a company selected by the calculation agent organized in, or with its principal executive office located in, the country in which the reference share issuer of such original reference shares is organized or has its principal executive office, and that are then registered to trade on the NYSE or The NASDAQ Stock Market with the same primary Standard Industrial Classification Code (“SIC Code”) as the original reference shares in respect of the successor reference shares that, in the sole discretion of the calculation agent, are the most comparable to such original reference shares, taking into account such factors as the calculation agent deems relevant, including, without limitation, market capitalization, dividend history and stock price volatility; provided, however, that the successor reference shares will not be any ADS that is (or the underlying foreign equity security for which is) subject to a trading restriction under the trading restriction policies of Credit Suisse or any of its affiliates that would materially limit the ability of Credit Suisse or any of its affiliates to hedge the securities with respect to such ADS (a “hedging restriction”); provided further, that if the successor reference shares cannot be identified as set forth above for which a hedging restriction does not exist, such successor reference shares will be selected by the calculation agent and will be the ADS of a company that (i) is organized in, or with its principal executive office located in, the country in which the issuer of such original reference shares is organized or has its principal executive office, (ii) is then registered to trade on the NYSE or The NASDAQ Stock Market, (iii) in the sole discretion of the calculation agent is the most comparable to such original reference shares, taking into account such factors as the calculation agent deems relevant, including, without limitation, market capitalization, dividend history and stock price volatility, (iv) is within the same Division and Major Group classification (as defined by the Office of Management and Budget) as the primary SIC Code for such original reference shares and (v) is not subject to a hedging restriction. Notwithstanding the foregoing, if the successor reference shares cannot be identified in the country in which the issuer of such original reference shares is organized or has its principal executive office, as set forth above, such successor reference shares will be selected by the calculation agent and will be the equity security of a company that is then registered to trade on the NYSE or The NASDAQ Stock Market with the same primary SIC Code as such original reference shares that in the sole discretion of the calculation agent, is the most comparable to such original reference shares, taking into account such factors as the calculation agent deems relevant including, without limitation, market capitalization, dividend history and stock price volatility and that is not subject to a hedging restriction.

Upon the determination by the calculation agent of any successor reference shares pursuant to clause (A) of the first paragraph under “—Delisting of ADS or termination of ADS facility,” on and after the change date, references in this product supplement and the applicable pricing supplement to such “reference shares” will no longer be deemed to refer to the original reference shares and will be deemed instead to refer to any such successor reference shares for all purposes, and references in this product supplement and the applicable pricing supplement to “reference share issuer” of the original reference shares will be deemed to be to any such successor reference share issuer. Upon the selection of any successor reference shares by the calculation agent pursuant to clause (A) of the first paragraph under “—Delisting of ADS or termination of ADS facility,” on and after the change date, (i) the initial share price for such successor reference shares will be equal to the initial share price of the original reference shares, (ii) (1) for securities linked to a single reference share, the final share price for such successor reference shares will be the closing price of one share of such successor reference shares on the valuation date or the arithmetic average of the closing prices of one share of such successor reference shares on the valuation dates, as applicable, in each case times the share adjustment factor on such date, provided that, for securities with valuation dates, if an adjustment to the share adjustment factor for such successor reference shares would have become effective in accordance with “—Adjustments” above after the first valuation date but on or prior to the final valuation date, the share adjustment factor for such successor reference shares will be so adjusted for the event giving rise to such adjustment effective date only on the valuation dates occurring on or after such adjustment effective date, or (2) for securities linked to a basket, the closing price for such successor reference shares on any trading day will be the closing price of one share of such successor reference shares on such trading day times the share adjustment factor for such successor reference shares on such trading day, and (iii) the share adjustment factor for such successor reference shares will be an amount as determined by the calculation agent in its sole discretion in good faith as of the change date, taking into account, among other things, the closing price of the original reference
shares on the trading day immediately preceding the change date, subject to adjustment for certain corporate events related to such successor reference shares in accordance with “—Adjustments.”

Following the selection of the successor reference shares, the share adjustment factor of the successor reference shares will be subject to adjustment as described above under “—Adjustments.”

If the successor reference shares are selected, we will, or will cause the calculation agent to, provide written notice to the trustee, to us and to DTC within thirty business days immediately following the change date, of the successor reference share issuer, the successor reference shares and the initial share price for such successor reference shares, as well as the original reference shares so replaced. We expect that such notice will be passed on to you, as a beneficial owner of the securities, in accordance with the standard rules and procedures of DTC and its direct and indirect participants.

If the calculation agent selects the applicable underlying foreign equity security to replace the reference shares pursuant to clause (B) of the first paragraph under “—De listing of ADSs or termination of ADS facility” above, the share adjustment factor for such reference shares will thereafter equal the last value of the share adjustment factor for the ADS multiplied by the number of the applicable underlying foreign equity securities represented by a single ADS, subject to further adjustments as described under “—Adjustments.” The final share price for such reference shares will be expressed in U.S. dollars, converting the closing price of the applicable underlying stock on the final valuation date into U.S. dollars using the applicable reference exchange rate as described below.

On any date of determination, the applicable reference exchange rate will be the spot rate of the local currency of the applicable underlying equity security relative to the U.S. dollar as reported by Reuters (or any successor service) on the relevant page for such rate at approximately the closing time of the relevant exchange for the applicable underlying equity security on such day. However, (1) if such rate is not displayed on the relevant Reuters page on such date of determination, the applicable reference exchange rate on such day will equal an average (mean) of the bid quotations in The City of New York received by the calculation agent at approximately 11:00 a.m., New York City time, on the business day immediately following the date of determination, from three recognized foreign exchange dealers (provided that each such dealer commits to execute a contract at its applicable bid quotation) or (2) if the calculation agent is unable to obtain three such bid quotations, the average of such bid quotations obtained from two recognized foreign exchange dealers or (3) if the calculation agent is able to obtain such bid quotation from only one recognized foreign exchange dealer, such bid quotation, in each case for the purchase of the applicable foreign currency for U.S. dollars in the aggregate principal amount of the securities for settlement on the third business day following the date of determination. If the calculation agent is unable to obtain at least one such bid quotation, the calculation agent will determine the applicable reference exchange rate in its sole discretion.

**Events of default and acceleration**

In case an event of default (as defined in the accompanying prospectus) with respect to any securities shall have occurred and be continuing, the amount declared due and payable upon any acceleration of the securities (in accordance with the acceleration provisions set forth in the accompanying prospectus) will be determined by the calculation agent and will equal, for each security, the arithmetic average, as determined by the calculation agent, of the fair value of the securities as determined by at least three but not more than five broker dealers (which may include CSSU or any of our other subsidiaries or affiliates) as will make such fair value determinations available to the calculation agent.

**Purchases**

We may at any time purchase any securities, which may, in our sole discretion, be held, sold or cancelled.

**Cancellation**

Upon the purchase and surrender for cancellation of any securities by us or the redemption of any securities, such securities will be cancelled by the trustee.
**Book-entry, delivery and form**

We will issue the securities in the form of one or more fully registered global securities, or the global notes, in denominations of $1,000 or integral multiples of $1,000 greater than $1,000 or such other denominations specified in the applicable pricing supplement. We will deposit the notes with, or on behalf of, The Depository Trust Company, New York, New York, or DTC, as the depositary, and will register the notes in the name of Cede & Co., DTC’s nominee. Your beneficial interests in the global notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Except as set forth below, the global notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee.

As long as the securities are represented by the global notes, we will pay the redemption amount on the securities, if any, to or as directed by DTC as the registered holder of the global notes. Payments to DTC will be in immediately available funds by wire transfer. DTC will credit the relevant accounts of their participants on the applicable date.

For a further description of procedures regarding global securities representing book-entry securities, we refer you to “Description of Certain Provisions Relating to Debt Securities and Contingent Convertible Securities—Book-Entry System” in the accompanying prospectus and “Description of Notes—Book-Entry, Delivery and Form” in the accompanying prospectus supplement.

**Calculation agent**

Unless otherwise specified in the applicable pricing supplement, the calculation agent is Credit Suisse International, an affiliate of ours. All determinations made by the calculation agent will be at the sole discretion of the calculation agent and will be conclusive for all purposes and binding upon all parties, including us and the beneficial owners of the securities, absent manifest error. The calculation agent will have no responsibility for good faith errors or omissions in its calculations and determinations, whether caused by negligence or otherwise. The calculation agent will not act as your agent. Because the calculation agent is an affiliate of ours, potential conflicts of interest may exist between you and the calculation agent. Please refer to “Risk Factors—There may be potential conflicts of interest.”

**Further issues**

We may from time to time, without notice to or the consent of the registered holders of the securities, create and issue further securities ranking pari passu with the securities being offered hereby in all respects. Such further securities will be consolidated and form a single series with the securities being offered hereby and will have the same terms as to status, redemption or otherwise as the securities being offered hereby.

**Notices**

Notices to holders of the securities will be made by first-class mail, postage prepaid, to the registered holders.
THE UNDERLYINGS OR BASKET

The one or more underlyings or basket to which the securities are linked will be specified in the applicable pricing supplement. If any underlying is replaced by a successor underlying as set forth herein, such successor underlying will be substituted for that underlying for all purposes of the securities, as determined by the calculation agent in its sole discretion.

Reference shares

If the applicable pricing supplement specifies that the securities will be linked to the performance of one or more reference shares, we will provide summary information regarding the business of any reference share issuer based on its publicly available documents in the applicable pricing supplement. We take no responsibility for the accuracy or completeness of such information.

Companies with securities registered under the Exchange Act are required to file periodically certain financial and other information specified by the SEC. Information provided to or filed with the SEC can be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, NE, Washington, DC 20549, and copies of such materials can be obtained from the Public Reference Section of the SEC at prescribed rates. In addition, information provided to or filed with the SEC electronically can be accessed through a website maintained by the SEC. The address of the SEC’s website is http://www.sec.gov. Information regarding the issuer of each reference share may also be obtained from other sources including, but not limited to, press releases, newspaper articles and other publicly disseminated documents.

This product supplement and the relevant pricing supplement relate only to the securities offered thereby and do not relate to any reference shares or other securities of the reference share issuers. We have derived any and all disclosures contained in the relevant pricing supplement regarding the reference share issuers from the publicly available documents described above. In connection with the offering of the securities, we have not participated in the preparation of such documents or made any due diligence inquiry with respect to any reference share issuers. We do not make any representation that such publicly available documents are, or any other publicly available information regarding the reference share issuers is, accurate or complete. Furthermore, we cannot give any assurance that all events occurring prior to the date hereof (including events that would affect the accuracy or completeness of the publicly available documents described in the preceding paragraph) that would affect the trading prices of any reference shares (and therefore the final share prices) have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning the reference share issuers could affect the payment at maturity with respect to the securities and therefore the trading prices of the securities.

Neither we nor any of our affiliates makes any representation to you as to the performance of any underlying.

We and/or our affiliates may currently or from time to time engage in business with reference share issuers, including extending loans to, or making equity investments in, such issuers or providing advisory services to such issuers, including merger and acquisition advisory services. In the course of such business, we and/or our affiliates may acquire non-public information with respect to the reference shares or reference share issuers, and neither we nor any of our affiliates undertake to disclose any such information to you. In addition, one or more of our affiliates may publish research reports with respect to any reference shares or reference share issuers, and these reports may or may not recommend that investors buy or hold such reference shares. As a prospective purchaser of a security, you should undertake an independent investigation of any reference shares and reference share issuers as in your judgment is appropriate to make an informed decision with respect to an investment in the securities.
Reference indices, reference funds, reference shares, reference exchange rates, reference commodities and reference commodity futures contracts

Additional information relating to any applicable reference indices, reference funds, reference shares, reference exchange rates, reference commodities or reference commodity futures contracts will be set forth in an underlying supplement or the applicable pricing supplement.

Historical performance of the underlying

We will provide historical price or level information on any underlying in the relevant pricing supplement. You should not take any of those historical prices or levels as an indication of future performance. Neither we nor any of our affiliates makes any representation to you as to the performance of any underlying.
MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following discussion summarizes material U.S. federal income tax consequences of owning and disposing of the securities that may be relevant to holders of the securities that acquire their securities from us as part of the original issuance of the securities. This discussion applies only to holders that hold their securities as capital assets within the meaning of the Internal Revenue Code of 1986, as amended (the “Code”). Further, this discussion does not address all of the U.S. federal income tax consequences that may be relevant to you in light of your individual circumstances or if you are subject to special rules, such as if you are:

• a financial institution,
• a mutual fund,
• a tax-exempt organization,
• a grantor trust,
• certain U.S. expatriates,
• an insurance company,
• a dealer or trader in securities or foreign currencies,
• a person (including traders in securities) using a mark-to-market method of accounting,
• a person who holds a security as a hedge or as part of a straddle with another position, constructive sale, conversion transaction or other integrated transaction, or
• an entity that is treated as a partnership for U.S. federal income tax purposes.

The discussion is based upon the Code, law, regulations, rulings and decisions, in each case, as available and in effect as of the date of this product supplement, all of which are subject to change, possibly with retroactive effect. Tax consequences under state, local and foreign laws are not addressed herein. No ruling from the U.S. Internal Revenue Service (the “IRS”) has been or will be sought as to the U.S. federal income tax consequences of the ownership and disposition of the securities, and the following discussion is not binding on the IRS.

You should consult your tax advisor as to the specific tax consequences to you of owning and disposing of the securities, including the application of federal, state, local and foreign income and other tax laws based on your particular facts and circumstances.

IRS CIRCULAR 230 REQUIRES THAT WE INFORM YOU THAT ANY TAX STATEMENT HEREIN REGARDING ANY U.S. FEDERAL TAX IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING ANY PENALTIES. ANY SUCH STATEMENT HEREIN WAS WRITTEN TO SUPPORT THE MARKETING OR PROMOTION OF THE TRANSACTION(S) OR MATTER(S) TO WHICH THE STATEMENT RELATES. A PROSPECTIVE INVESTOR (INCLUDING A TAX-EXEMPT INVESTOR) IN THE SECURITIES SHOULD CONSULT ITS OWN TAX ADVISOR IN DETERMINING THE TAX CONSEQUENCES OF AN INVESTMENT IN THE SECURITIES, INCLUDING THE APPLICATION OF STATE, LOCAL OR OTHER TAX LAWS AND THE POSSIBLE EFFECTS OF CHANGES IN FEDERAL OR OTHER TAX LAWS.
Characterization of the securities

There are no statutory provisions, regulations, published rulings, or judicial decisions addressing the characterization for U.S. federal income tax purposes of securities with terms that are substantially the same as those of your securities. Thus, the characterization of the securities is not certain. Our special tax counsel, Orrick, Herrington & Sutcliffe LLP, has advised that the securities should be treated, for U.S. federal income tax purposes, as a prepaid forward contract or a prepaid financial contract, with respect to the underlying, as applicable, that is eligible for open transaction treatment. The applicable pricing supplement for the securities will state whether the securities should be treated, for U.S. federal income tax purposes, as a prepaid forward contract or a prepaid financial contract, with respect to the relevant underlying. In the absence of an administrative or judicial ruling to the contrary, we and, by acceptance of the securities, you agree to treat your securities for all tax purposes in accordance with such characterization. In light of the fact that we agree to treat the securities in accordance with such characterization, the balance of this discussion assumes that the securities will be so treated.

You should be aware that the characterization of the securities as described above is not certain, nor is it binding on the IRS or the courts. Thus, it is possible that the IRS would seek to characterize your securities in a manner that results in tax consequences to you that are different from those described above. For example, the IRS might assert that securities with a term of more than one year constitute debt instruments that are “contingent payment debt instruments” that are subject to special tax rules under the applicable Treasury regulations governing the recognition of income over the term of your securities. However, if the securities had a term of one year or less, the rules for short-term debt obligations would apply rather than the rules for contingent payment debt instruments. It is also possible that the IRS would seek to characterize your securities as options, and thus as Code section 1256 contracts in the event that they are listed on a securities exchange. In such case, the securities would be marked-to-market at the end of the year and 40% of any gain or loss would be treated as short-term capital gain or loss, and the remaining 60% of any gain or loss would be treated as long-term capital gain or loss. We are not responsible for any adverse consequences that you may experience as a result of any alternative characterization of the securities for U.S. federal income tax or other tax purposes.

You should consult your tax advisor as to the tax consequences of such characterization and any possible alternative characterizations of your securities for U.S. federal income tax purposes.

U.S. Holders

For purposes of this discussion, the term “U.S. Holder,” for U.S. federal income tax purposes, means a beneficial owner of securities that is (1) a citizen or resident of the United States, (2) a corporation (or an entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States or any state thereof or the District of Columbia, (3) an estate, the income of which is subject to U.S. federal income taxation regardless of its source, or (4) a trust, if (a) a court within the United States is able to exercise primary supervision over the administration of such trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) such trust has in effect a valid election to be treated as a domestic trust for U.S. federal income tax purposes. If a partnership (or an entity treated as a partnership for U.S. federal income tax purposes) holds securities, the U.S. federal income tax treatment of such partnership and a partner in such partnership will generally depend upon the status of the partner and the activities of the partnership. If you are a partnership, or a partner of a partnership, holding securities, you should consult your tax advisor regarding the tax consequences to you from the partnership’s purchase, ownership and disposition of the securities.

In accordance with the agreed-upon tax treatment described above (and subject to the discussion below under “Constructive Ownership Transaction Rules”), upon receipt of the redemption amount of a security from us, a U.S. Holder will recognize gain or loss equal to the difference between the amount of cash received from us and the U.S. Holder’s tax basis in the security at that time. For securities with a term of more than one year, such gain or loss will be long-term capital gain or loss if the U.S. Holder has held the security for more than one year at maturity. For securities with a term of one year or less, such gain or loss will be short-term capital gain or loss.
Upon the sale or other taxable disposition of a security, a U.S. Holder generally will recognize gain or loss equal to the difference between the amount realized on the sale or other taxable disposition and the U.S. Holder’s tax basis in the security (generally its cost). For securities with a term of more than one year, such gain or loss will be long-term capital gain or loss if the U.S. Holder has held the security for more than one year at the time of disposition. For securities with a term of one year or less, such gain or loss will be short-term capital gain or loss.

**Constructive ownership transaction rules**

Under Code section 1260, all or a portion of gain arising from certain “constructive ownership transactions” may be recharacterized as ordinary income, and certain interest charges may be imposed with respect to any such recharacterized income. These rules by their terms may apply to all or a portion of the gain derived from the securities if the securities reference an equity interest in a “pass-thru entity” within the meaning of Code section 1260, which includes shares in an exchange-traded fund. The applicable pricing supplement for the securities will contain additional information relating to Code section 1260 if they reference an equity interest in a pass-thru entity.

**Securities held through foreign accounts**

Under the “Hiring Incentives to Restore Employment Act” (the “Act”) and recently proposed regulations, a 30% withholding tax is imposed on “withholdable payments” and certain “passthru payments” made to foreign financial institutions (and their more than 50% affiliates) unless the payee foreign financial institution agrees, among other things, to disclose the identity of any U.S. individual with an account at the institution (or the institution’s affiliates) and to annually report certain information about such account. “Withholdable payments” include (1) payments of interest (including original issue discount), dividends, and other items of fixed or determinable annual or periodical gains, profits, and income (“FDAP”), in each case, from sources within the United States, and (2) gross proceeds from the sale of any property of a type which can produce interest or dividends from sources within the United States. “Passthru payments” generally are certain payments attributable to withholdable payments. The Act also requires withholding agents making withholdable payments to certain foreign entities that do not disclose the name, address, and taxpayer identification number of any substantial U.S. owners (or certify that they do not have any substantial United States owners) to withhold tax at a rate of 30%. We will treat payments on the securities as withholdable payments for these purposes.

Withholding under the Act described above will apply to all withholdable payments and certain passthru payments without regard to whether the beneficial owner of the payment is a U.S. person, or would otherwise be entitled to an exemption from the imposition of withholding tax pursuant to an applicable tax treaty with the United States or pursuant to U.S. domestic law. Unless a foreign financial institution is the beneficial owner of a payment, it will be subject to refund or credit in accordance with the same procedures and limitations applicable to other taxes withheld on FDAP payments provided that the beneficial owner of the payment furnishes such information as the IRS determines is necessary to determine whether such beneficial owner is a United States owned foreign entity and the identity of any substantial United States owners of such entity. Pursuant to the proposed regulations, the Act’s withholding regime generally will apply to (i) withholdable payments (other than gross proceeds of the type described above) made after December 31, 2013, (ii) payments of gross proceeds of the type described above with respect to a sale or disposition occurring after December 31, 2014, and (iii) passthru payments made after December 31, 2016. Additionally, the provisions of the Act discussed above generally will not apply to obligations (other than an instrument that is treated as equity for U.S. tax purposes or that lacks a stated expiration or term) that are outstanding on January 1, 2013. Thus, if you hold your securities through a foreign financial institution or foreign corporation or trust, a portion of any of your payments made after December 31, 2013 may be subject to 30% withholding.

**Non-U.S. Holders generally**

In the case of a holder of the securities that is not a U.S. Holder (a “Non-U.S. Holder”) and has no connection with the United States other than holding its securities, payments made with respect to the securities will not be subject to U.S. withholding tax, provided that such Non-U.S. Holder complies with applicable certification
requirements. Any gain realized upon the sale or other disposition of the securities by a Non-U.S. Holder generally will not be subject to U.S. federal income tax unless (1) such gain is effectively connected with a U.S. trade or business of such Non-U.S. Holder or (2) in the case of an individual, such individual is present in the United States for 183 days or more in the taxable year of the sale or other disposition and certain other conditions are met. Any effectively connected gains described in clause (1) above realized by a Non-U.S. Holder that is, or is taxable as, a corporation for U.S. federal income tax purposes may also, under certain circumstances, be subject to an additional branch profits tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

Non-U.S. Holders that are subject to U.S. federal income taxation on a net income basis with respect to their investment in the securities should refer to the discussion above relating to U.S. Holders.

Substitute dividend and dividend equivalent payments

The Act and recently proposed and temporary regulations treat a “dividend equivalent” payment as a dividend from sources within the United States. Under the Act, unless reduced by an applicable tax treaty with the United States, such payments generally will be subject to U.S. withholding tax. A “dividend equivalent” payment is (i) a substitute dividend payment made pursuant to a securities lending or a sale-repurchase transaction that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, (ii) a payment made pursuant to a “specified notional principal contract” that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, and (iii) any other payment determined by the IRS to be substantially similar to a payment described in the preceding clauses (i) and (ii). Proposed regulations provide criteria for determining whether a notional principal contract will be a specified notional principal contract, effective for payments made after December 31, 2012.

Proposed regulations address whether a payment is a dividend equivalent. The proposed regulations provide that an equity-linked instrument that provides for a payment that is a substantially similar payment is treated as a notional principal contract for these purposes. An equity-linked instrument is a financial instrument or combination of financial instruments that references one or more underlying securities to determine its value, including a futures contract, forward contract, option, or other contractual arrangement. The proposed regulations consider any payment, including the payment of the purchase price or an adjustment to the purchase price, to be a substantially similar payment (and, therefore, a dividend equivalent payment) if made pursuant to an equity-linked instrument that is contingent upon or determined by reference to a dividend (including payments pursuant to a redemption of stock that gives rise to a dividend) from sources within the United States. The rules for equity-linked instruments under the proposed regulations will be effective for payments made after the rules are finalized. Where the securities reference an interest in a fixed basket of securities or a “customized index,” each security or component of such basket or customized index is treated as an underlying security in a separate notional principal contract for purposes of determining whether such notional principal contract is a specified notional principal contract or an amount received is a substantially similar payment.

We will treat any portion of a payment on the securities that is substantially similar to a dividend as a dividend equivalent payment, which will be subject to U.S. withholding tax unless reduced by an applicable tax treaty and a properly executed IRS Form W-8 (or other qualifying documentation) is provided. Investors should consult their tax advisors regarding whether payments on the securities constitute dividend equivalent payments.

U.S. federal estate tax treatment of Non-U.S. Holders

The securities may be subject to U.S. federal estate tax if an individual Non-U.S. Holder holds the securities at the time of his or her death. The gross estate of a Non-U.S. Holder domiciled outside the United States includes only property situated in the United States. Individual Non-U.S. Holders should consult their tax advisors regarding the U.S. federal estate tax consequences of holding the securities at death.
IRS Notice on certain financial transactions

In Notice 2008-2, the IRS and the Treasury Department stated they are considering issuing new regulations or other guidance on whether holders of an instrument such as the securities should be required to accrue income during the term of the instrument. The IRS and Treasury Department also requested taxpayer comments on (1) the appropriate method for accruing income or expense (e.g., a mark-to-market methodology or a method resembling the noncontingent bond method), (2) whether income and gain on such an instrument should be ordinary or capital, and (3) whether foreign holders should be subject to withholding tax on any deemed income accrual. Additionally, unofficial statements made by IRS officials have indicated that they will soon be addressing the treatment of prepaid forward contracts in proposed regulations.

Accordingly, it is possible that regulations or other guidance may be issued that require holders of the securities to recognize income in respect of the securities prior to receipt of any payments thereunder or sale thereof. Any regulations or other guidance that may be issued could result in income and gain (either at maturity or upon sale) in respect of the securities being treated as ordinary income. It is also possible that a Non-U.S. Holder of the securities could be subject to U.S. withholding tax in respect of the securities under such regulations or other guidance. It is not possible to determine whether such regulations or other guidance will apply to your securities (possibly on a retroactive basis). You are urged to consult your tax advisor regarding Notice 2008-2 and its possible impact on you.

Information reporting regarding specified foreign financial assets

The Act and temporary and proposed regulations generally require individual U.S. Holders (“specified individuals”) “specified domestic entities” with an interest in any “specified foreign financial asset” to file an annual report on new IRS Form 8938 with information relating to the asset, including the maximum value thereof, for any taxable year in which the aggregate value of all such assets is greater than $50,000 on the last day of the taxable year or $75,000 at any time during the taxable year. Certain individuals are permitted to have an interest in a higher aggregate value of such assets before being required to file a report. The proposed regulations relating to specified domestic entities apply to taxable years beginning after December 31, 2011. Under the proposed regulations, “specified domestic entities” are domestic entities that are formed or used for the purposes of holding, directly or indirectly, specified foreign financial assets. Generally, specified domestic entities are certain closely held corporations and partnerships that meet passive income or passive asset tests and, with certain exceptions, domestic trusts that have a specified individual as a current beneficiary and exceed the reporting threshold. Specified foreign financial assets include any depository or custodial account held at a foreign financial institution; any debt or equity interest in a foreign financial institution if such interest is not regularly traded on an established securities market; and, if not held at a financial institution, (1) any stock or security issued by a non-U.S. person, (2) any financial instrument or contract held for investment where the issuer or counterparty is a non-U.S. person, and (3) any interest in an entity which is a non-U.S. person.

Depending on the aggregate value of your investment in specified foreign financial assets, you may be obligated to file an IRS Form 8938 under this provision if you are an individual U.S. Holder. Specified domestic entities are not required to file Form 8938 until the proposed regulations are final. Penalties apply to any failure to file IRS Form 8938. Additionally, in the event a U.S. Holder (either a specified individual or specified domestic entity) does not file such form, the statute of limitations on the assessment and collection of U.S. federal income taxes of such U.S. Holder for the related tax year may not close before the date which is three years after the date such information is filed. You should consult your own tax advisor as to the possible application to you of this information reporting requirement and related statute of limitations tolling provision.

Backup withholding and information reporting

A holder of the securities (whether a U.S. Holder or a Non-U.S. Holder) may be subject to backup withholding with respect to certain amounts paid to such holder unless it provides a correct taxpayer identification number, complies with certain certification procedures establishing that it is not a U.S. Holder or establishes proof of another applicable exemption, and otherwise complies with applicable requirements of the backup withholding
rules. Backup withholding is not an additional tax. You can claim a credit against your U.S. federal income tax liability for amounts withheld under the backup withholding rules, and amounts in excess of your liability are refundable if you provide the required information to the IRS in a timely fashion. A holder of the securities may also be subject to information reporting to the IRS with respect to certain amounts paid to such holder unless it (1) is a Non-U.S. Holder and provides a properly executed IRS Form W-8 (or other qualifying documentation) or (2) otherwise establishes a basis for exemption.
BENEFIT PLAN INVESTOR CONSIDERATIONS

The Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and Section 4975 of the Internal Revenue Code of 1986, (the “Code”), impose certain requirements on (a) employee benefit plans subject to Title I of ERISA, (b) individual retirement accounts, Keogh plans or other arrangements subject to Section 4975 of the Code, (c) entities whose underlying assets include “plan assets” by reason of any such plan’s or arrangement’s investment therein (we refer to the foregoing collectively as “Plans”) and (d) persons who are fiduciaries with respect to Plans. In addition, certain governmental, church and non-U.S. plans (“Non-ERISA Arrangements”) are not subject to Section 406 of ERISA or Section 4975 of the Code, but may be subject to other laws that are substantially similar to those provisions (each, a “Similar Law”).

In addition to ERISA’s general fiduciary standards, Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of a Plan and persons who have specified relationships to the Plan, i.e., “parties in interest” as defined in ERISA or “disqualified persons” as defined in Section 4975 of the Code (we refer to the foregoing collectively as “parties in interest”) unless exemptive relief is available under an exemption issued by the U.S. Department of Labor. Parties in interest that engage in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and Section 4975 of the Code. We, and our current and future affiliates, including Credit Suisse Securities (USA) LLC and the calculation agent, may be parties in interest with respect to many Plans. Thus, a Plan fiduciary considering an investment in securities should also consider whether such an investment might constitute or give rise to a prohibited transaction under ERISA or Section 4975 of the Code. For example, the securities may be deemed to represent a direct or indirect sale of property, extension of credit or furnishing of services between us and an investing Plan which would be prohibited if we are a party in interest with respect to the Plan unless exemptive relief were available under an applicable exemption.

In this regard, each prospective purchaser that is, or is acting on behalf of, a Plan, and proposes to purchase securities, should consider the exemptive relief available under the following prohibited transaction class exemptions, or PTCEs: (A) the in-house asset manager exemption (PTCE 96-23), (B) the insurance company general account exemption (PTCE 95-60), (C) the bank collective investment fund exemption (PTCE 91-38), (D) the insurance company pooled separate account exemption (PTCE 90-1), (E) the qualified professional asset manager exemption (PTCE 84-14) and (F) ERISA Section 408(b)(17) and Section 4975(d)(20) of the Code provide a limited exemption for the purchase and sale of securities and related lending transactions. A common condition of most exemptions is that neither the issuer of the securities nor any of its affiliates have or exercise any discretionary authority or control or render any investment advice with respect to the assets of any Plan involved in the transaction and provided further that the Plan pays no more than adequate consideration in connection with the transaction (the so-called “service provider exemption”). There can be no assurance that any of these statutory or class exemptions will be available with respect to transactions involving the securities.

Each purchaser or holder of a security, and each fiduciary who causes any entity to purchase or hold a security, shall be deemed to have represented and warranted, on each day such purchaser or holder holds such securities, that either (i) it is neither a Plan nor a Non-ERISA Arrangement and it is not purchasing or holding securities on behalf of or with the assets of any Plan or Non-ERISA arrangement; or (ii) its purchase, holding and subsequent disposition of such securities shall not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA, Section 4975 of the Code or any provision of Similar Law.

Fiduciaries of any Plans and Non-ERISA Arrangements should consult their own legal counsel before purchasing the securities. We also refer you to the portions of the prospectus addressing restrictions applicable under ERISA, the Code and Similar Law.

Each purchaser of a security will have exclusive responsibility for ensuring that its purchase, holding and subsequent disposition of the security does not violate the fiduciary or prohibited transaction rules of ERISA, the Code or any Similar Law. Nothing herein shall be construed as a representation that an investment in the securities would meet any or all of the relevant legal requirements with respect to investments by, or is appropriate for, Plans or Non-ERISA Arrangements generally or any particular Plan or Non-ERISA Arrangement.
UNDERWRITING (CONFLICTS OF INTEREST)

Unless otherwise specified in the applicable pricing supplement, we will sell the securities to CSSU, acting as principal, at the discounts or concessions set forth in the applicable pricing supplement, for resale to one or more investors or other purchasers at the offering prices specified in the applicable pricing supplement. CSSU may offer the securities it has purchased as principal to other dealers. CSSU may sell securities to any dealer at a discount and, unless otherwise specified in the applicable pricing supplement, the discount allowed to any dealer will not be in excess of the discount to be received by CSSU from us. After the initial public offering of any securities, the public offering price, concession and discount of such securities may be changed.

Each issue of securities will be a new issue of securities with no established trading market. Unless otherwise specified in the applicable pricing supplement, CSSU intends to make a secondary market in the securities. Any of our broker dealer subsidiaries or affiliates, including CSSU, may use the offering documents in connection with the offers and sales of securities related to market making transactions by and through our broker dealer subsidiaries or affiliates, including CSSU, at negotiated prices related to prevailing market prices at the time of sale or otherwise. Any of our broker dealer subsidiaries or affiliates, including CSSU, may act as principal or agent in such transactions. None of our broker dealer subsidiaries or affiliates, including CSSU, has any obligation to make a market in the securities and any broker dealer subsidiary or affiliate that does make a market in the securities may discontinue any market making activities at any time without notice, at its sole discretion. No assurance can be given as to the liquidity of the trading market for the securities. Unless otherwise specified in the applicable pricing supplement, the securities will not be listed on a national securities exchange in the United States or any other country.

We reserve the right to withdraw, cancel or modify the offer made hereby without notice.

CSSU is one of our wholly owned subsidiaries. The net proceeds received from the sale of the securities will be used, in part, by CSSU or one of its affiliates in connection with hedging our obligations under the securities. The underwriting arrangements for any offering in which CSSU participates will comply with the requirements of FINRA Rule 5121 regarding a FINRA member firm’s distribution of the securities of an affiliate and related conflicts of interest. In accordance with FINRA Rule 5121, CSSU may not sell the securities to any of its discretionary accounts without the prior written approval of the customer.

We have agreed to indemnify CSSU against liabilities under the U.S. Securities Act of 1933, as amended, or contribute to payments that CSSU may be required to make in that respect. We have also agreed to reimburse CSSU for expenses.

In connection with the offering, CSSU may engage in stabilizing transactions and over-allotment transactions in accordance with Regulation M under the Exchange Act.

- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.
- Over-allotment involves sales by CSSU in excess of the principal amount of securities CSSU is obligated to purchase, which creates a short position. CSSU will close out any short position by purchasing securities in the open market.

These stabilizing transactions may have the effect of raising or maintaining the market prices of the securities or preventing or retarding a decline in the market prices of the securities. As a result, the prices of the securities may be higher than the prices that might otherwise exist in the open market.

CSSU and its affiliates have engaged and may in the future engage in commercial banking and investment banking and other transactions with us and our affiliates in the ordinary course of business.

In the United States, the securities may be offered for sale in those jurisdictions where it is lawful to make such offers.
CSSU has represented and agreed that it has not offered, sold or delivered and will not offer, sell or deliver any of the securities directly or indirectly, or distribute any pricing supplement or this product supplement or the accompanying prospectus supplement or prospectus or any other offering material relating to the securities, in or from any jurisdiction except under circumstances that will result in compliance with the applicable laws and regulations thereof and that it will not impose any obligations on us.

No action has been or will be taken by us or CSSU that would permit a public offering of the securities or possession or distribution of the offering documents in any jurisdiction other than the United States.

Concurrently with the offering of the securities as described in this product supplement, we may issue other securities from time to time as described in the accompanying prospectus supplement and prospectus.
NOTICE TO INVESTORS

Argentina

This document, and the documents related to the offering, have not been submitted to the Argentine Securities Commission ("Comisión Nacional de Valores") for approval. Accordingly, the Securities may not be offered or sold to the public in Argentina. This document does not constitute an offer of, or an invitation to purchase, the Securities in Argentina.

Brazil

The securities have not been and will not be registered under the Brazilian Securities Commission and may not be offered or sold within Brazil or to, or for the account or benefit of Brazilian persons except in a private offering. The Counterparty represents and agrees that it has not offered or sold, and shall not offer or sell, any securities constituting part of its allotment within Brazil. Accordingly, neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Products.

Chile

NEITHER THE ISSUER NOR THE SECURITIES HAVE BEEN REGISTERED WITH THE SUPERINTENDENCIA DE VALORES Y SEGUROS PURSUANT TO LAW NO. 18,045, THE LEY DE MERCADO DE VALORES, AND REGULATIONS THEREUNDER. THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER OF, OR AN INVITATION TO SUBSCRIBE FOR OR PURCHASE, THE SECURITIES IN THE REPUBLIC OF CHILE, OTHER THAN TO INDIVIDUALLY IDENTIFIED INVESTORS PURSUANT TO A PRIVATE OFFERING WITHIN THE MEANING OF ARTICLE 4 OF THE LEY DE MERCADO DE VALORES (AN OFFER THAT IS NOT "ADDRESSED TO THE PUBLIC AT LARGE OR TO A CERTAIN SECTOR OR SPECIFIC GROUP OF THE PUBLIC").

Colombia

This document does not constitute a public offer in the republic of Colombia. The securities are offered under circumstances which do not constitute a public offering of securities under applicable Colombian securities laws and regulations. The offer of the securities is addressed to less than one hundred specifically identified investors. Credit Suisse’s products and/or services may not be promoted or marketed in Colombia or to Colombian residents unless such promotion and marketing is made in compliance with decree 2555 of 2010 and other applicable rules and regulations related to the promotion of foreign financial and/or securities related products or services in Colombia. Colombian eligible investors acknowledge Colombian laws and regulations (in particular, foreign exchange, securities and tax regulations) applicable to any transaction or investment consummated in connection with any applicable investment and under applicable regulations and represent that they are the sole liable party for full compliance with any such laws and regulations. In addition, the investor ensures that Credit Suisse will have no responsibility, liability or obligation in connection with any consent, approval, filing, proceeding, authorization or permission required by the investor or any actions taken or to be taken by the investor in connection with the offer, sale or delivery of Credit Suisse’s products and/or services under Colombian law.

European Economic Area

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a relevant member state), with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the relevant implementation date), an offer of securities described in this product supplement may not be made to the public in that relevant member state prior to the publication of a prospectus in relation to the securities that has been approved by the competent authority in that relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in that relevant member state, all in accordance with the Prospectus Directive, except that, with effect from and including the relevant implementation date, an offer of securities may be offered to the public in that relevant member state at any time:
• to any legal entity that which is a qualified investor as defined in the Prospectus Directive;

• to fewer than 100 or, if the relevant member state has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined below) subject to obtaining the prior consent of the representatives for any such offer; or

• in any other circumstances that do not require the publication of a prospectus pursuant to Article 3 of the Prospectus Directive.

Each purchaser of securities described in this product supplement located within a relevant member state will be deemed to have represented, acknowledged and agreed that it is a “qualified investor” within the meaning of Article 2(1)(e) of the Prospectus Directive.

For purposes of this provision, the expression an “offer to the public” in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe the securities, as the expression may be varied in that member state by any measure implementing the Prospectus Directive in that member state, and the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant member state), and includes any relevant implementing measure in the relevant member state and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

The sellers of the securities have not authorized and do not authorize the making of any offer of securities through any financial intermediary on their behalf, other than offers made by the underwriters with a view to the final placement of the securities as contemplated in this product supplement. Accordingly, no purchaser of the securities, other than the underwriters, is authorized to make any further offer of the securities on behalf of the sellers or the underwriters.

Mexico

The securities have not been offered or sold and will not be offered or sold in Mexico by any subsidiary of the Issuer.

The securities have not and will not be registered with the National Registry of Securities maintained by the National Banking and Securities Commission of Mexico and have not and may not be publicly offered in Mexico. The securities may only be offered in Mexico pursuant to a private placement to institutional and qualified investors in Mexico as such terms are defined by the Mexican Ley del Mercado de Valores.

Panama

The securities have not been and will not be registered under the Panamanian Securities Law (Law-Decree No 1 of July 8, 1999 as amended from time to time, the “Panamanian Securities Law”) or with the Panamanian Superintendence of the Securities Market (formerly the National Securities Commission) in reliance upon an exemption therefrom, since all invitations to subscribe for or purchase them shall be made on a “private basis” or in “transactions exempted” (as both terms are defined by said Law-Decree) from the registration requirements under the same. Therefore this document has not been passed through the screening of and will not be subject to the supervision by the Panamanian Superintendence of the Securities Market (formerly the National Securities Commission). Any representation to the contrary is unlawful. Every investor of the securities must have knowledge and experience or must get professional advice in financial, tax and business matters when evaluating the risks and merits of investing in the securities.

The offering and transferability of the securities is restricted and there will be no public market for them. Investors may not act, in regard to the securities, in any manner that would be characterized as a public offering (“Oferta Pública”), as defined under the Panamanian Securities Law, triggering registration or license requirements.
Investors must consult with their own local legal counsel regarding the legal requirements to avoid trespassing the thresholds of a “private placement” as defined by the Panamanian Securities Law.

In any case, the holder of any securities must agree: (i) not to make an offer to resell said securities to more than twenty five (25) persons (either individuals or companies); (ii) not to sell the same to more than ten (10) persons (either individuals or companies) within a year, in the Republic of Panama or to persons domiciled in Panama; and (iii) not to offer or sell the securities through public communication media or in a fashion that may be considered by the Panamanian Superintendence of the Securities Market (formerly the National Securities Commission) as public or as being actively or publicly offering or requesting purchase or sale order.

Peru

The securities will not be subject to a public offering in the Republic of Peru. Therefore, this document and other offering materials relating to the offer of the securities have not been, and will not be, registered with the Peruvian Superintendency of the Securities Market (Superintendencia del Mercado de Valores) (SMV). This document and other offering materials relating to the offer of the securities are being supplied only to those Peruvian institutional investors who have expressly requested it. They are strictly confidential and may not be distributed to any person or entity other than the recipients thereof. In order for Peruvian Pension Funds to be offered and invest in the securities, all necessary registrations with the Peruvian Superintendency of Banks, Insurance and Pension Funds (Superintendencia de Banca, Seguros y AFPs) (SBS) will need to be made. Other institutional investors, as defined by Peruvian legislation, must rely on their own examination of the Issuer and the terms of the offering of the securities to determine their ability to invest in them.

Uruguay

This is a private offering. The securities have not been, and will not be, registered with the Central Bank of Uruguay for public offer in Uruguay.
Credit Suisse AG
We may offer from time to time our medium-term notes, which may be senior or subordinated (collectively, the “notes”), directly or through any one of our branches.

The notes will bear interest, if any, at either a fixed or a floating rate. Interest will be paid on the dates stated in the applicable pricing supplement.

The notes may be either callable by us or puttable by you, if specified in the applicable pricing supplement.

The specific terms of each note offered will be described in the applicable pricing supplement, and the terms may differ from those described in this prospectus supplement.

Investing in the notes may involve risks. See “Foreign Currency Risks” on page 60 of the accompanying prospectus, the risk factors we describe in the combined Annual Report on Form 20-F of Credit Suisse Group AG and us incorporated by reference herein, and any additional risk factors we describe in future filings we make with the Securities and Exchange Commission, or the SEC, under the Securities Exchange Act of 1934, as amended.

Unless otherwise provided in the applicable pricing supplement, we will sell the notes to the public at 100% of their principal amount. Unless otherwise provided in the applicable pricing supplement, we will receive between 99.875% and 99.250% of the proceeds from the sale of the senior notes and between 99.500% and 99.125% of the proceeds from the sale of the subordinated notes, after paying the agents’ commissions or discounts of between 0.125% and 0.750% for senior notes and between 0.500% and 0.875% for subordinated notes; provided that, commissions with respect to notes with a stated maturity of more than thirty years from date of issue will be negotiated at the time of sale.

These notes may be offered directly or to or through underwriters, agents or dealers, including Credit Suisse Securities (USA) LLC, an affiliate of Credit Suisse AG. Because of this relationship, Credit Suisse Securities (USA) LLC would have a “conflict of interest” within the meaning of Rule 5121 of the Financial Industry Regulatory Authority, Inc., or FINRA. If Credit Suisse Securities (USA) LLC or our other U.S.-registered broker-dealer subsidiaries or affiliates participate in the distribution of our securities, we will conduct the offering in accordance with the applicable provisions of FINRA Rule 5121. See “Plan of Distribution (Conflicts of Interest).”

Neither the SEC nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or any accompanying prospectus or pricing supplement is truthful or complete. Any representation to the contrary is a criminal offense.

The notes are not deposit liabilities and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency of the United States, Switzerland or any other jurisdiction. Unless otherwise provided in the applicable pricing supplement, the notes will not have the benefit of any agency or governmental guarantee.

Credit Suisse

The date of this prospectus supplement is March 23, 2012.
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## PROSPECTUS SUPPLEMENT

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## PROSPECTUS

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DESCRIPTION OF NOTES

General

The notes will be direct and unsecured, senior or subordinated, obligations of Credit Suisse AG (Credit Suisse). At our option, we may issue senior notes or subordinated notes. We will issue the senior notes under a senior indenture, dated as of March 29, 2007, as supplemented by a second supplemental indenture, dated as of March 25, 2009, in each case between Credit Suisse and The Bank of New York Mellon (formerly known as The Bank of New York) (together, the “senior indenture”), and we will issue the subordinated notes under a subordinated indenture, dated as of March 29, 2007, as supplemented by a sixth supplemental indenture, dated as of March 25, 2009, in each case between Credit Suisse and The Bank of New York Mellon (formerly known as The Bank of New York) (together, the “subordinated indenture,” and together with the senior indenture, the “indentures”). The indentures may be further amended or supplemented from time to time. The following description of the particular terms of the notes offered by this prospectus supplement (referred to in the accompanying prospectus as the debt securities, the senior debt securities or the subordinated debt securities) supplements the description of the general terms and provisions of the debt securities set forth in the accompanying prospectus, which description you should also read. If this description differs in any way from the description in the accompanying prospectus, you should rely on this description.

The following summaries of certain provisions of the indentures do not purport to be complete, and are subject to, and are qualified in their entirety by reference to, all the provisions of the applicable indenture, including the definitions in the applicable indenture of certain terms.

The senior notes will constitute a single series of senior notes under the senior indenture. The subordinated notes will constitute a single series of subordinated notes under the subordinated indenture. The indentures do not limit the amount of senior notes, subordinated notes or other debt securities that we may issue under the indentures.

We will use the accompanying prospectus, this prospectus supplement and any pricing supplement in connection with the offer and sale from time to time of the notes.

The pricing supplement relating to a note will describe the following terms:

• the branch, if any, through which we are issuing the notes;

• the currency or currency unit in which the note is denominated and, if different, the currency or currency unit in which payments of principal and interest on the note will be made (and, if the specified currency is other than U.S. dollars, any other terms relating to that foreign currency denominated note and the specified currency);

• if the note bears interest, whether the note bears a fixed rate of interest or bears a floating rate of interest (including whether the note is a regular floating rate note, a floating rate/fixed rate note or an inverse floating rate note (each as described in the accompanying prospectus));

  • if the note is a fixed rate note, the interest rate and interest payment dates;

  • if the note is a floating rate note, the interest rate basis (or bases), the initial interest rate, the interest reset dates, the interest reset period, the interest payment dates, the index maturity, if any, the spread and/or spread multiplier, if any (each as defined in the accompanying prospectus), the maximum interest rate and minimum interest rate, if any; the index currency, if any, and any other terms relating to the particular method of calculating the interest rate for that note;

• whether the note is senior or subordinated and, if not specified, the note will be senior;

• the issue price;
• the issue date;
• the maturity date, if any, and whether we can extend the maturity of a note;
• if the note is an indexed note (as defined in the accompanying prospectus), the terms relating to the particular note;
• if the note is a dual currency note (as defined in the accompanying prospectus), the terms relating to the particular note;
• if the note is a renewable note (as defined in the accompanying prospectus), the terms relating to the particular note;
• if the note is a short-term note (as defined in the accompanying prospectus), the terms relating to the particular note;
• if the note is an amortizing note (as defined in the accompanying prospectus), the amortization schedule and any other terms relating to the particular note;
• whether the note is an original issue discount note (as defined in the accompanying prospectus);
• whether the note may be redeemed at our option, or repaid at the option of the holder, prior to its stated maturity as described under “Description of Debt Securities—Redemption at the Option of the Relevant Issuer” and “Description of Debt Securities—Repayment at the Option of the Holders; Repurchase” in the accompanying prospectus and, if so, the provisions relating to redemption or repayment, including, in the case of any original issue discount notes, the information necessary to determine the amount due upon redemption or repayment;
• whether we may be required to pay “additional amounts” in respect of payments on the notes as described under “Description of Debt Securities—Payment of Additional Amounts” in the accompanying prospectus and whether the notes may be redeemed at our option as described under “Description of Debt Securities—Tax Redemption” in the accompanying prospectus;
• any relevant tax consequences associated with the terms of the notes which have not been described under “Taxation” in the accompanying prospectus; and
• any other terms not inconsistent with the provisions of the applicable indenture.

Subject to the additional restrictions described under “Special Provisions Relating to Debt Securities or Contingent Convertible Securities Denominated in a Foreign Currency” in the accompanying prospectus, each note will mature on a day specified in the applicable pricing supplement. Except as may be provided in the applicable pricing supplement and except for indexed notes, all notes will mature at par.

We are offering the notes on a continuing basis in denominations of $2,000 and any integral multiples of $1,000 in excess thereof unless otherwise specified in the applicable pricing supplement, except that notes in specified currencies other than U.S. dollars will be issued in the denominations set forth in the applicable pricing supplement. We refer you to “Special Provisions Relating to Debt Securities or Contingent Convertible Securities Denominated in a Foreign Currency” in the accompanying prospectus.

**Interest and Interest Rates**

Unless otherwise specified in the applicable pricing supplement, each note will bear interest at either:

• a fixed rate specified in the applicable pricing supplement; or
• a floating rate specified in the applicable pricing supplement determined by reference to an interest rate basis, which may be adjusted by a spread and/or spread multiplier. Any floating rate note may also have either or both of the following:

  • a maximum interest rate limitation, or ceiling, on the rate at which interest may accrue during any interest period; and

  • a minimum interest rate limitation, or floor, on the rate at which interest may accrue during any interest period.

In addition, the interest rate on floating rate notes will in no event be higher than the maximum rate permitted by New York or other applicable state law, as such law may be modified by United States law of general application.

Unless otherwise specified in the applicable pricing supplement for a fixed rate note, in the event that any date for any payment on any fixed rate note is not a business day, payment of interest, premium, if any, or principal otherwise payable on such fixed rate note will be made on the next succeeding business day. Credit Suisse will not pay any additional interest as a result of the delay in payment.

Unless otherwise specified in the applicable pricing supplement for a floating rate note, if an interest payment date (other than the maturity date, but including any redemption date or repayment date) would fall on a day that is not a business day (as defined in the accompanying prospectus), such interest payment date (or redemption date or repayment date) will be the following day that is a business day, and interest shall accrue to, and be payable on, such following business day, except that if the interest rate basis is LIBOR and such business day falls in the next calendar month, the interest payment date (or redemption date or repayment date) will be the immediately preceding day that is a business day and interest shall accrue to, and be payable on, such preceding business day.

Unless otherwise specified in the applicable pricing supplement for a floating rate note, if the maturity date falls on a day that is not a business day, the required payment of principal, premium, if any, and interest shall be made on the next succeeding business day with the same force and effect as if made on the date such payment was due, and interest shall not accrue and be payable with respect to such payment for the period from and after the maturity date to the date of such payment on the next succeeding business day.

Subordination

Unless otherwise specified in the applicable pricing supplement, the subordinated notes will be direct, unconditional, unsecured and subordinated obligations of Credit Suisse. In the event of any dissolution, liquidation or winding-up of Credit Suisse, in bankruptcy or otherwise, the payment of principal and interest on the subordinated notes will be subordinated to the prior payment in full of all of Credit Suisse’s present and future unsubordinated creditors but not further or otherwise.

Credit Suisse may not create or permit to exist any pledge or other security interest over Credit Suisse’s assets to secure Credit Suisse’s obligations in respect of any subordinated notes.

Subject to applicable law, no holder of subordinated notes shall be entitled to exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by Credit Suisse or by the branch through which it has issued the subordinated notes, arising under or in connection with a tranche of subordinated notes and each holder shall, by virtue of being a holder of such notes, be deemed to have waived all such rights of set-off, compensation or retention.
Currency Indemnity

If the notes are denominated in U.S. dollars, the U.S. dollar will be the sole currency of account and payment for all sums payable by Credit Suisse under or in connection with such notes, including damages. Any amount received or recovered in a currency other than the U.S. dollar by any holder in respect of any sum expressed to be due to it from Credit Suisse shall only constitute a discharge to Credit Suisse to the extent of the U.S. dollar amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that U.S. dollar amount is less than the U.S. dollar amount expressed to be due to the recipient under any such note, Credit Suisse shall indemnify it against any resulting loss sustained by the recipient. In any event, Credit Suisse shall indemnify the recipient against the cost of making any such purchase. For the purposes of this condition, it will be sufficient for a holder to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from Credit Suisse’s other obligations, shall be subordinated to the claims of Credit Suisse’s unsubordinated creditors to the same extent as the notes, shall give rise to a separate and independent cause of action, shall apply irrespective of any waiver granted by any holder of the notes and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under the notes or any other judgment or order.

Governing Law

The notes and the indentures will be governed by and construed in accordance with the laws of the State of New York, except for, in the case of subordinated notes, the subordination provisions thereof, which will be governed by Swiss law.

Other Provisions; Addenda

Any provisions with respect to notes, including the determination of an interest rate basis, the specification of interest rates bases, calculation of the interest rate applicable to a floating rate note, interest payment dates or any other matter relating thereto may be modified by the terms specified under “Other Provisions” on the face of the note in an addendum relating thereto, if so specified on the face thereof and in the applicable pricing supplement.

Book-Entry, Delivery and Form

We will issue the notes in the form of one or more fully registered global certificates, or global notes. Unless we state otherwise in the applicable pricing supplement, we will deposit the notes with, or on behalf of, The Depository Trust Company, New York, New York, or DTC, as the depository, and will register the notes in the name of Cede & Co., DTC’s nominee. Your beneficial interests in the global notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Except under the circumstances described in the accompanying prospectus under the caption “Description of Certain Provisions Relating to Debt Securities and Contingent Convertible Securities—Book-Entry System,” book-entry notes will not be exchangeable for certificated notes and will not otherwise be issuable as certificated notes.

Unless we state otherwise in an applicable pricing supplement, you may elect to hold interests in the global securities through either DTC (in the United States) or Clearstream Banking, société anonyme, which we refer to as Clearstream, Luxembourg, or Euroclear Bank, S.A./N.V., or its successor, as operator of the Euroclear System, which we refer to as Euroclear (outside of the United States), if you are participants of such systems, or indirectly through organizations which are participants in such systems. Interests held through Clearstream, Luxembourg and Euroclear will be
recorded on DTC’s books as being held by the U.S. depositary for each of Clearstream, Luxembourg and Euroclear, which U.S. depositaries will in turn hold interests on behalf of their participants’ customers’ securities accounts.

For a further description of procedures regarding global securities representing book-entry notes, we refer you to “Description of Certain Provisions Relating to Debt Securities and Contingent Convertible Securities—Book-Entry System” in the accompanying prospectus.

**PLAN OF DISTRIBUTION (CONFLICTS OF INTEREST)**

Under the terms of a distribution agreement for senior notes dated May 7, 2007, and a distribution agreement for subordinated notes dated March 25, 2009 (together, the “distribution agreements”), we are offering the applicable notes on a continuing basis through Credit Suisse Securities (USA) LLC, which we refer to as the agent, which has agreed to use its reasonable efforts to solicit purchases of the notes. Except as otherwise agreed by us and the agent with respect to a particular note, we will pay the agent a commission or discount ranging from 0.125% to 0.750% of the principal amount of each senior note and a commission or discount ranging from 0.500% to 0.875% of the principal amount of each subordinated note, depending on its maturity, sold through the agent. We will have the sole right to accept offers to purchase notes and may reject any offer in whole or in part. The agent shall have the right, in its sole discretion, to reject any offer to purchase notes received by it, in whole or in part, that it reasonably considers to be unacceptable.

We also may sell notes to the agent, acting as principal, at a discount or concession to be agreed upon at the time of sale, for resale to one or more investors or other purchasers at a fixed offering price or at varying prices related to prevailing market prices at the time of such resale or otherwise, as determined by the agent and specified in the applicable pricing supplement. The agent may offer the notes it has purchased as principal to other dealers. The agent may sell notes to any dealer at a discount and, unless otherwise specified in the applicable pricing supplement, the discount allowed to any dealer will not be in excess of the discount to be received by the agent from us. Unless otherwise indicated in the applicable pricing supplement, any note sold to the agent as principal will be purchased by the agent at a price equal to 100% of the principal amount less a percentage equal to the commission applicable to any agency sale of a note of identical maturity, and may be resold by the agent to investors and other purchasers from time to time in one or more transactions, including negotiated transactions as described above. After the initial public offering of notes to be resold to investors and other purchasers, the public offering price, concession and discount may be changed.

We may also sell notes directly to investors (other than broker-dealers) in those jurisdictions in which we are permitted to do so. We will not pay any commission on any notes we sell directly. We may also sell notes to one or more banks, acting as agents for their customers, in jurisdictions where we are permitted to do so. Unless otherwise indicated in the applicable pricing supplement, any note sold to a bank as agent for its customer will be sold at a price equal to 100% of the principal amount and we, or one of our affiliates, will pay such bank a commission equal to the commission applicable to a sale of a note of identical maturity through the agent.

We may appoint, from time to time, one or more additional agents with respect to particular notes or with respect to the senior or subordinated notes in general, acting either as agent or principal, on substantially the same terms as those applicable to sales of notes to or through Credit Suisse Securities (USA) LLC pursuant to the distribution agreements.

We reserve the right to withdraw, cancel or modify the offer made hereby without notice.

Each purchaser of a note will arrange for payment as instructed by the agent. The agent is required to deliver the proceeds of the notes to us in immediately available funds, to a bank designated by us in accordance with the terms of the distribution agreement, on the date of settlement.
We estimate that the total expenses for the offering, excluding underwriting commissions, discounts and SEC registration fees (which are deferred in accordance with Rules 456(b) and 457(r)) will be approximately $500,000.

The agent, whether acting as agent or principal, may be deemed to be an “underwriter” within the meaning of the Securities Act of 1933, as amended, or the Securities Act. We have agreed to indemnify the agent against liabilities under the Securities Act, or contribute to payments which the agent may be required to make in that respect. We have also agreed to reimburse the agent for certain expenses.

No note will have an established trading market when issued. Unless otherwise specified in the applicable pricing supplement, the notes will not be listed on a national securities exchange in the United States. We have been advised that Credit Suisse Securities (USA) LLC intends to make a market in the notes, as permitted by applicable laws and regulations. Credit Suisse Securities (USA) LLC is not obligated to do so, however, and may discontinue making a market at any time without notice. No assurance can be given as to how liquid the trading market for the notes will be.

Any of our broker-dealer subsidiaries or affiliates, including Credit Suisse Securities (USA) LLC, may use this prospectus supplement, together with the accompanying prospectus and applicable pricing supplement, in connection with offers and sales of notes related to market-making transactions by and through our broker-dealer subsidiaries or affiliates, including Credit Suisse Securities (USA) LLC, at negotiated prices related to prevailing market prices at the time of sale or otherwise. Any of our broker-dealer subsidiaries and affiliates, including Credit Suisse Securities (USA) LLC, may act as principal or agent in such transactions. None of our broker-dealer subsidiaries and affiliates has any obligation to make a market in the notes and may discontinue any market-making activities at any time without notice, at its sole discretion.

Conflicts of Interest

Credit Suisse Securities (USA) LLC, one of our wholly-owned subsidiaries, is the agent for offers and sales of the notes and the offering of the notes is therefore being conducted in accordance with the applicable provisions of FINRA Rule 5121. No broker-dealer will confirm initial sales to accounts over which it exercises discretionary authority without the prior written approval of the customer. We refer you to “Plan of Distribution (Conflicts of Interest)—Conflicts of Interest” in the accompanying prospectus.

No action has been or will be taken by us or the agent that would permit a public offering of the notes or possession or distribution of this prospectus supplement and the accompanying prospectus or any pricing supplement in any jurisdiction other than the United States except in accordance with the distribution agreements.

Concurrently with the offering of the notes through the agent as described in this prospectus supplement, we may issue other securities from time to time as described in the accompanying prospectus.

Our agents and their affiliates have engaged and may in the future engage in commercial banking and investment banking and other transactions with us and our affiliates in the ordinary course of business.

Selling Restrictions

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) an offer of securities to the public may not be made in that Relevant Member State except that an offer of securities to the public in that Relevant Member State may be made at
any time with effect from and including the Relevant Implementation Date under the following exemptions under the Prospectus Directive:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- to fewer than 100 or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant dealer or underwriter nominated by the relevant issuer for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of securities shall require the relevant issuer or any dealer or underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of securities to the public” in relation to any securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe for the securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State. The expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State. The expression “2010 PD Amending Directive” means Directive 2010/73/EU.

In addition, each underwriter or agent will represent, warrant and agree that:

a) the notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this prospectus supplement nor any other offering or marketing material relating to the notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland or a simplified prospectus as such term is defined in the Swiss Collective Investment Scheme Act, and neither this prospectus supplement nor any other offering or marketing material relating to the notes may be publicly distributed or otherwise made publicly available in Switzerland. Neither this prospectus supplement nor any other offering or marketing material relating to the offering, Credit Suisse or Credit Suisse Group AG or the notes have been or will be filed with or approved by any Swiss regulatory authority. The notes are not subject to the supervision by any Swiss regulatory authority, e.g., the Swiss Financial Market Supervisory Authority, or “FINMA,” and investors in the notes will not benefit from protection or supervision by such authority;

b) (i) no prospectus (including any amendment, supplement or replacement thereto) has been prepared in connection with the offering of the notes that has been approved by the Autorité des marchés financiers or by the competent authority of another State that is a contracting party to the Agreement on the European Economic Area and notified to the Autorité des marchés financiers, and (ii) it has not offered or sold and will not offer or sell, directly or indirectly, the notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this prospectus supplement or any other offering material relating to the notes, and that such offers, sales and distributions have been and shall only be made in France to persons licensed to provide the investment service of portfolio management for the account of third parties,
qualified investors (investisseurs qualifiés) and/or a restricted circle of investors (cercle restreint d’investisseurs), in each case investing for their own account, all as defined in Articles L. 411-2, D. 411-1, D. 411-2, D. 411-4, D.744-1, D. 754-1 and D. 764-1 of the Code monétaire et financier. The direct or indirect distribution to the public in France of any so acquired notes may be made only as provided by Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the Code monétaire et financier and applicable regulations thereunder;

c) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell the notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the “FSMA”) by the Issuer;

d) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the notes in circumstances in which Section 21(1) of the FSMA does not apply to the relevant issuer;

e) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the notes in, from or otherwise involving the United Kingdom;

f) the notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan. Each underwriter or agent has represented and agreed that it has not offered or sold, and will not offer or sell any notes directly or indirectly in Japan or to, or for the benefit of, any Japanese person or to others, for re-offering or resale directly or indirectly in Japan or to any Japanese person, except in each case pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law of Japan and any other applicable laws and regulations of Japan. For purposes of this paragraph, “Japanese person” means any person resident in Japan, including any corporation or other entity organized under the laws of Japan;

g) the notes have not been offered or sold, and will not be offered or sold, in Hong Kong, by means of any document, other than (i) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the “SFO”) and any rules made thereunder, or (ii) in circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance of Hong Kong (Cap 32, Laws of Hong Kong) (the “CO”) or (iii) in other circumstances which do not constitute an offer or invitation to the public within the meaning of the CO or the SFO; and it has not issued and will not issue any advertisement, invitation or document relating to the notes and has not caused and shall not cause such to be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which advertisement, invitation or document relating to such notes is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the SFO and any rules made thereunder;
h) this prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of notes may not be circulated or distributed, nor may the notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where notes are subscribed or purchased under Section 275 by a relevant person which is:

i. a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

ii. a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the securities pursuant to an offer made under Section 275 except:

1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

2) where no consideration is or will be given for the transfer;

3) where the transfer is by operation of law; or

4) as specified in Section 276(7) of the SFA.

i) this prospectus has not been and will not be circulated or distributed in the People’s Republic of China (excluding Hong Kong, Macau and Taiwan, the “PRC”), and the notes have not been offered or sold, and will not be offered or sold, directly or indirectly, to any resident of the PRC, or to any person for re-offering or re-sale, directly or indirectly, to any resident of the PRC, except pursuant to applicable laws and regulations of the PRC;

j) no prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (the “Corporations Act”)) in relation to the securities has been, or will be, lodged with the Australian Securities and Investments Commission (“ASIC”) or the Australian securities exchange operated by ASX Limited (“ASX Limited”).

Each underwriter and agent has represented and agreed that (unless a prospectus supplement or pricing supplement otherwise provides) it:

i. has not offered, and will not offer for issue or sale and has not invited, and will not invite applications for issue, or offers to purchase, the securities in Australia (including an offer or invitation which is received by a person in Australia); and

ii. has not distributed or published, and will not distribute or publish, any draft, preliminary or definitive prospectus, supplement, advertisement or any other offering material relating to the securities in Australia,
Section 708(19) of the Corporations Act provides that an offer of debentures for issue or sale does not need disclosure to investors under Part 6D.2 of the Corporations Act if the issuer is an Australian ADI (as defined in the Corporations Act). As at the date of this prospectus supplement Credit Suisse AG is an Australian ADI.

In addition, in the event that an Australian branch of Credit Suisse (the "Australian Issuer") issues notes (the "Australian notes"), each underwriter may be required to agree to offer the Australian notes in a particular manner in order to allow payments of interest, or amounts in the nature of interest, on the Australian notes to be exempt from withholding tax under section 128F of the Income Tax Assessment Act of 1936 of Australia and to give certain representations and warranties in favor of the Issuer in this regard;

k) it has not offered or sold, and will not offer or sell, any notes, directly or indirectly, in Canada or any province or territory thereof or to, or for the benefit of, any resident of Canada in contravention of the securities laws and regulations of the provinces and territories of Canada and represents that any offer of the notes in Canada will be made only pursuant to an exemption from the requirement to file a prospectus in the province or territory of Canada in which such offer is made; and that it has not and it will not distribute or deliver this prospectus supplement or any other offering material relating to the notes in Canada or to any resident of Canada in contravention of the securities law and regulations of the provinces and territories of Canada;

l) the notes have not been and will not be registered with the National Securities Registry (Registro Nacional de Valores) maintained by the National Banking and Securities Commission (Comisión Nacional Bancaria y de Valores, or the "CNBV"), and may not be offered or sold publicly, or otherwise be the subject of brokerage activities, in Mexico, except pursuant to a private placement exemption set forth under Article 8 of the Mexican Securities Market Law (Ley del Mercado de Valores). The information relating to the notes contained in this prospectus supplement or any accompanying prospectus or pricing supplement is exclusively the responsibility of Credit Suisse and has not been filed, reviewed or authorized by the CNBV. In making an investment decision, all investors, including any Mexican investors who may acquire notes from time to time, must rely on their own review and examination of the information contained in this prospectus supplement and any accompanying prospectus or pricing supplement; and

m) the notes may not be offered or sold to or be held by any person resident for the purposes of the Income Tax (Guernsey) Law 1975 in the Islands of Guernsey, Alderney or Herm, Channel Islands.
This document is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”) or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”). The notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

INCORPORATION BY REFERENCE

We file annual and current reports and other information with the SEC. For information on the documents we incorporate by reference in this prospectus supplement and the accompanying prospectus, we refer you to “Where You Can Find More Information” on page 3 of the accompanying prospectus.

We incorporate by reference in this prospectus supplement our report on Form 6-K dated March 21, 2012 and the combined Annual Report on Form 20-F of Credit Suisse Group AG and us for the year ended December 31, 2011 and any future documents we file with the SEC under Sections 13(a), 13(e), 14 or 15(d) of the Exchange Act from the date of this prospectus supplement until the offering of the securities is completed.
Credit Suisse Group AG
Debt Securities
Warrants
Guarantees

Credit Suisse AG
Debt Securities
Warrants
Guarantees

Credit Suisse (USA), Inc.

Certain Guaranteed Senior Debt Securities issued previously and further described herein

Credit Suisse Group (Guernsey) I Limited
Senior or Subordinated Guaranteed Exchangeable or Convertible Debt Securities

Credit Suisse Group (Guernsey) III Limited
Senior or Subordinated Guaranteed Exchangeable or Convertible Debt Securities

Credit Suisse Group AG (Credit Suisse Group) or Credit Suisse AG (Credit Suisse) (in each case, acting through its head office or any one of its branches) may from time to time offer to sell debt securities, which may consist of senior and subordinated notes or other types of debt, including debt convertible into or exchangeable for shares or American depositary shares of Credit Suisse Group (in the case of Credit Suisse Group only), securities of any entity unaffiliated with Credit Suisse Group, a basket of such securities, an index or indices of such securities or any combination of the foregoing.

In addition, Credit Suisse Group or Credit Suisse (in each case, acting through its head office or any one of its branches) may from time to time offer to sell warrants or warrants in the form of subscription rights to purchase equity securities (in the case of Credit Suisse Group only) or debt securities of Credit Suisse Group, securities of any entity unaffiliated with Credit Suisse Group, a basket of such securities, an index or indices of such securities or any combination of the foregoing.

Credit Suisse Group (Guernsey) I Limited or Credit Suisse Group (Guernsey) III Limited may from time to time offer to sell senior or subordinated guaranteed exchangeable or convertible debt securities, convertible or exchangeable into shares or American depositary shares, as specified in the applicable prospectus supplement, of Credit Suisse Group, which we refer to in this prospectus as “contingent convertible securities.” Such contingent convertible securities will be fully and unconditionally guaranteed by Credit Suisse Group.

Credit Suisse Group may from time to time offer to sell senior or subordinated guarantees of contingent convertible securities in conjunction with the issuance and sale of the contingent convertible securities issued by Credit Suisse Group (Guernsey) I Limited or Credit Suisse Group (Guernsey) III Limited.

Credit Suisse Group and Credit Suisse have fully and unconditionally guaranteed all the obligations of Credit Suisse (USA), Inc. (Credit Suisse (USA)) under its guaranteed senior debt securities, or the Guaranteed Senior Debt Securities, further described in “Description of the Guaranteed Senior Debt Securities of Credit Suisse (USA)” and “Description of the Guarantees of the Guaranteed Senior Debt Securities of Credit Suisse (USA).” The obligations of Credit Suisse Group under its guarantees of these securities are subordinated as described in this prospectus.

We will provide the specific terms of these securities in supplements to this prospectus. You should read this prospectus and any supplement carefully before you invest. We will not use this prospectus to issue any securities unless it is attached to a prospectus supplement. Unless we state otherwise in a prospectus supplement, we will not list any of these securities on a securities exchange.

These securities may be offered directly or by or through underwriters, agents or dealers, including Credit Suisse Securities (USA) LLC, an affiliate of Credit Suisse Group (Guernsey), Credit Suisse, Credit Suisse Group (Guernsey) I Limited and Credit Suisse Group (Guernsey) III Limited.

Because of this relationship, Credit Suisse Securities (USA) LLC would have a “conflict of interest” within the meaning of Rule 5121 of the Financial Industry Regulatory Authority, Inc., or FINRA. If Credit Suisse Securities (USA) LLC or any other U.S.-registered broker-dealer subsidiaries or affiliates participate in the distribution of our securities, we will conduct the offering in accordance with the applicable provisions of FINRA Rule 5121. See “Plan of Distribution (Conflicts of Interest)—Conflicts of Interest.” The names of any other underwriters, agents or dealers will be included in a supplement to this prospectus.

Investing in our securities involves risks. We may include specific risk factors in an applicable prospectus supplement under the heading “Risk Factors.”

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus or any accompanying prospectus supplement is truthful or complete. Any representation to the contrary is a criminal offense.

The debt securities of Credit Suisse Group, the debt securities of Credit Suisse, the contingent convertible securities of Credit Suisse Group (Guernsey) I Limited and the contingent convertible securities of Credit Suisse Group (Guernsey) III Limited are not deposit liabilities and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency of the United States, Switzerland, the Bailiwick of Guernsey or any other jurisdiction. Unless otherwise provided in the applicable prospectus supplement, the debt securities and the contingent convertible securities will not have the benefit of any agency or governmental guarantee.

Our registered shares are listed on the SIX Swiss Exchange under the symbol “CSGN” and, in the form of American depositary shares, on the New York Stock Exchange under the symbol “CS.” The last reported sale price of our shares on March 22, 2012 was CHF 26.08 and the last reported sale price of our American depositary shares on March 22, 2012 was USD 28.50.

Any of our broker-dealer subsidiaries or affiliates, including Credit Suisse Securities (USA) LLC, may use this prospectus and our prospectus supplements in connection with offers and sales of our securities, including outstanding securities of Credit Suisse (USA), in connection with market-making transactions by and through our broker-dealer subsidiaries or affiliates, including Credit Suisse Securities (USA) LLC, at prices that relate to the prevailing market prices of our securities at the time of the sale or otherwise. Any of our broker-dealer subsidiaries and affiliates, including Credit Suisse Securities (USA) LLC, may act as principal or agent in these transactions. None of our broker-dealer subsidiaries and affiliates has any obligation to make a market in any of our offered securities and may discontinue any market-making activities at any time without notice, at its sole discretion.

Credit Suisse

The date of this prospectus is March 23, 2012.
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WE ARE RESPONSIBLE FOR THE INFORMATION CONTAINED AND INCORPORATED BY REFERENCE IN THIS PROSPECTUS. AT THE DATE OF THIS PROSPECTUS, WE HAVE NOT AUTHORIZED ANYONE ELSE TO PROVIDE YOU WITH DIFFERENT INFORMATION, AND WE TAKE NO RESPONSIBILITY FOR ANY OTHER INFORMATION OTHERS MAY GIVE YOU. WE ARE NOT MAKING AN OFFER OF THESE SECURITIES IN ANY STATE WHERE THE OFFER IS NOT PERMITTED. YOU SHOULD NOT ASSUME THAT THE INFORMATION IN THIS PROSPECTUS OR ANY PROSPECTUS SUPPLEMENT IS ACCURATE AS OF ANY DATE OTHER THAN THE DATE ON THE FRONT OF THIS DOCUMENT.
ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form F-3 that we filed with the Securities and Exchange Commission, or the SEC, using a “shelf” registration process. Under this shelf process, we may sell any combination of the securities described in this prospectus in one or more offerings. This prospectus provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with the additional information described under the heading “Where You Can Find More Information.”

Unless the context otherwise requires and except as otherwise indicated:

• in this prospectus, the terms “we,” “our,” and “us” refer to Credit Suisse Group and include Credit Suisse Group’s wholly-owned bank subsidiary, Credit Suisse, the finance subsidiaries and our other subsidiaries; and

• in the sections of this prospectus titled “Description of Debt Securities,” the terms “we,” “our,” and “us” refer to each of Credit Suisse Group and Credit Suisse, as applicable, as issuer of the debt securities; and

• in the sections of this prospectus titled “Description of Contingent Convertible Securities” the terms “we,” “our,” and “us” refer to each of the finance subsidiaries, as applicable, as issuer, and Credit Suisse Group, as guarantor, of the contingent convertible securities; and

• in the sections of this prospectus titled “Description of Certain Provisions Relating to Debt Securities and Contingent Convertible Securities,” “Special Provisions Relating to Debt Securities or Contingent Convertible Securities Denominated in a Foreign Currency” and “Foreign Currency Risks,” the terms “we,” “our,” and “us,” when used in reference to the debt securities, refer to each of Credit Suisse Group and Credit Suisse, as applicable, as issuer of the debt securities and, when used in reference to the contingent convertible securities, refer to each of the finance subsidiaries, as applicable, as issuer, and Credit Suisse Group, as guarantor, of the contingent convertible securities; and

• in the section of this prospectus entitled “Description of Warrants,” the terms “we,” “our,” and “us” refer to Credit Suisse Group or Credit Suisse, as issuer of the securities described in that section; and

• in the section of this prospectus entitled “Description of Shares,” the terms “we,” “our” and “us” refer to Credit Suisse Group, as issuer of the securities described in that section, on a consolidated basis.

In this prospectus, the term “finance subsidiary” refers to Credit Suisse Group (Guernsey) I Limited or Credit Suisse Group (Guernsey) III Limited, as the context may require, each of which is a Guernsey incorporated non-cellular company limited by shares, which may issue contingent convertible securities fully and unconditionally guaranteed by Credit Suisse Group. Credit Suisse Group (Guernsey) I Limited and Credit Suisse Group (Guernsey) III Limited are each wholly-owned subsidiaries of Credit Suisse Group. Credit Suisse Group will fully and unconditionally guarantee any contingent convertible securities issued by each of the finance subsidiaries pursuant to this registration statement. There are various legal and regulatory requirements, including the satisfaction of a solvency test under Guernsey law, applicable to some of Credit Suisse Group’s subsidiaries that limit their ability to pay dividends or distributions and make loans and advances to Credit Suisse Group.

Credit Suisse Group’s and Credit Suisse’s consolidated financial statements, which are incorporated by reference into this prospectus, have been prepared in accordance with accounting principles
generally accepted in the United States of America, which we refer to as U.S. GAAP. Credit Suisse Group’s and Credit Suisse’s financial statements are denominated in Swiss francs, the legal tender of Switzerland. When we refer to “CHF,” we mean Swiss francs. When we refer to “USD” or “$, we mean U.S. dollars. On March 16, 2012, the Swiss franc to U.S. dollar exchange rate was 0.9160 Swiss francs = 1 U.S. dollar.

Credit Suisse Group does not expect the finance subsidiaries to file reports under the Securities Exchange Act of 1934, as amended, or the Exchange Act, with the SEC.

As permitted by Rule 12h-5 under the Exchange Act, Credit Suisse (USA) no longer files reports under the Exchange Act with the SEC. In accordance with Rule 3-10 of Regulation S-X under the Securities Act of 1933, as amended, or the Securities Act, Credit Suisse Group’s financial statements include condensed consolidating financial information for Credit Suisse (USA) in a footnote to those financial statements.

LIMITATIONS ON ENFORCEMENT OF U.S. LAWS

Credit Suisse Group is a holding company for financial services companies domiciled in Switzerland and Credit Suisse is a bank domiciled in Switzerland. Many of their directors and executive officers (as well as certain directors, managers and executive officers of the finance subsidiaries), and certain experts named in this prospectus, are resident outside the United States, and all or a substantial portion of their assets and the assets of such persons are located outside the United States. As a result, it may be difficult for you to serve legal process on Credit Suisse Group, Credit Suisse or any of their respective directors and executive officers (as well as certain directors, managers and executive officers of the finance subsidiaries) or have any of them appear in a U.S. court. We have been advised by Homburger AG, Swiss counsel to Credit Suisse Group and Credit Suisse, and Carey Olsen, Guernsey counsel to the finance subsidiaries, that, due to the lack of reciprocal legislation between Switzerland, Guernsey and the United States, there is doubt as to enforceability in Switzerland and Guernsey, as applicable, in original actions or in actions for enforcement of judgments of U.S. courts, of liabilities based solely on the federal securities laws of the United States.
WHERE YOU CAN FIND MORE INFORMATION

Credit Suisse Group and Credit Suisse file periodic reports and other information with the SEC. You may read and copy any document Credit Suisse Group or Credit Suisse files at the SEC’s public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference room. In addition, the SEC maintains an Internet site at http://www.sec.gov that contains information regarding issuers that file electronically with the SEC. Reports and other information concerning the business of Credit Suisse Group or Credit Suisse may also be inspected at the offices of the New York Stock Exchange at 11 Wall Street, New York, New York 10005.

The SEC allows Credit Suisse Group and Credit Suisse to “incorporate by reference” the information they file with the SEC, which means that Credit Suisse Group and Credit Suisse can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus, and information that Credit Suisse Group and Credit Suisse file later with the SEC and which is incorporated by reference will automatically update and supersede this information.

Credit Suisse Group and Credit Suisse incorporate by reference into the registration statement of which this prospectus forms a part their report on Form 6-K dated March 21, 2012 and their combined annual report on Form 20-F for the year ended December 31, 2011 as filed with the SEC and any future filings they make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act. Credit Suisse Group’s and Credit Suisse’s reports on Form 6-K filed with the SEC after the date of this prospectus (or portions thereof) are incorporated by reference in this prospectus only to the extent that the reports expressly state such reports are filed (and not furnished) with the SEC and Credit Suisse Group or Credit Suisse, as the case may be, incorporates them (or such portions) by reference in the registration statement of which this prospectus forms a part.

You may request a copy of these filings, at no cost, by writing or telephoning Credit Suisse Group or Credit Suisse at their principal executive offices at the following address:

Credit Suisse Group AG
Paradeplatz 8
CH 8001 Zurich, Switzerland
Attention: Investor Relations
+41 44 212 1616

Credit Suisse AG
Paradeplatz 8
CH 8001 Zurich, Switzerland
Attention: Investor Relations
+41 44 333 1111

Internet: https://www.credit-suisse.com/investors/en/

We are not incorporating the contents of the website into this prospectus.

We have filed or incorporated by reference exhibits to the registration statement of which this prospectus forms a part. You should read the exhibits carefully for provisions that may be important to you.
FORWARD-LOOKING STATEMENTS

This prospectus, any prospectus supplement and the information incorporated by reference in this prospectus include forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. You should not place undue reliance on these statements. In addition, in the future we, and others on our behalf, may make statements that constitute forward-looking statements. Such forward-looking statements may include, without limitation, statements relating to the following:

- our plans, objectives or goals;
- our future economic performance or prospects;
- the potential effect on our future performance of certain contingencies; and
- assumptions underlying any such statements.

Words such as “believes,” “anticipates,” “expects,” “intends” and “plans” and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. We do not intend to update these forward-looking statements except as may be required by applicable securities laws.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. We caution you that a number of important factors could cause results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include:

- the ability to maintain sufficient liquidity and access capital markets;
- market and interest rate fluctuations and interest rate levels;
- the strength of the global economy in general and the strength of the economies of the countries in which we conduct our operations, in particular the risk of continued slow economic recovery or downturn in the US or other developed countries in 2012 and beyond;
- the direct and indirect impacts of continuing deterioration or slow recovery in residential and commercial real estate markets;
- adverse rating actions by credit rating agencies in respect of sovereign issuers, structured credit products or other credit-related exposures;
- the ability to achieve our strategic objectives, including improved performance, reduced risks, lower costs and more efficient use of capital;
- the ability of counterparties to meet their obligations to us;
- the effects of, and changes in, fiscal, monetary, trade and tax policies, and currency fluctuations;
- political and social developments, including war, civil unrest or terrorist activity;
- the possibility of foreign exchange controls, expropriation, nationalization or confiscation of assets in countries in which we conduct our operations;
- operational factors such as systems failure, human error, or the failure to implement procedures properly;
- actions taken by regulators with respect to our business and practices in one or more of the countries in which we conduct our operations;
- the effects of changes in laws, regulations or accounting policies or practices;
• competition in geographic and business areas in which we conduct our operations;
• the ability to retain and recruit qualified personnel;
• the ability to maintain our reputation and promote our brand;
• the ability to increase market share and control expenses;
• technological changes;
• the timely development and acceptance of our new products and services and the perceived overall value of these products and services by users;
• acquisitions, including the ability to integrate acquired businesses successfully, and divestitures, including the ability to sell non-core assets;
• the adverse resolution of litigation and other contingencies;
• the ability to achieve our cost efficiency goals and cost targets; and
• our success at managing the risks involved in the foregoing.

We caution you that the foregoing list of important factors is not exclusive. When evaluating forward-looking statements, you should carefully consider the foregoing factors and other uncertainties and events, as well as the risk factors and other information set forth in Credit Suisse Group’s and Credit Suisse’s annual report on Form 20-F for the year ended December 31, 2011, and subsequent annual reports on Form 20-F filed by Credit Suisse Group and Credit Suisse with the SEC; Credit Suisse Group’s and Credit Suisse’s reports on Form 6-K filed with the SEC; and the risk factors relating to Credit Suisse Group and Credit Suisse, a particular security offered by this prospectus or a particular offering discussed in the applicable prospectus supplement.
USE OF PROCEEDS

Unless we tell you otherwise in a prospectus supplement, we will use the net proceeds from the sale of the securities described in this prospectus by Credit Suisse Group, Credit Suisse or the finance subsidiaries for general corporate purposes, including refinancing existing indebtedness. We may also invest the net proceeds temporarily in short-term securities. With the exception of certain situations described in more detail in the applicable prospectus supplement, the net proceeds will be applied exclusively outside Switzerland unless Swiss fiscal laws allow such usage in Switzerland without triggering Swiss withholding taxes on interest payments on debt instruments.

None of Credit Suisse Group, Credit Suisse or Credit Suisse (USA) will receive any of the proceeds from the sale of the outstanding Guaranteed Senior Debt Securities of Credit Suisse (USA). All offers and sales of these securities will be for the accounts of the broker-dealer subsidiaries of Credit Suisse Group in connection with market-making transactions.
RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth Credit Suisse Group’s and Credit Suisse’s ratio of earnings to fixed charges for the periods indicated:

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<tr>
<td>Ratio of Earnings to Fixed Charges(1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit Suisse Group</td>
<td>1.14</td>
<td>1.33</td>
<td>1.44</td>
<td>0.70(2)</td>
<td>1.16</td>
</tr>
<tr>
<td>Credit Suisse</td>
<td>1.08</td>
<td>1.27</td>
<td>1.43</td>
<td>0.69(3)</td>
<td>1.13</td>
</tr>
</tbody>
</table>

(1) For purposes of calculating the ratio of earnings to fixed charges, earnings consist of profit/loss from continuing operations before taxes, extraordinary items, cumulative effect of changes in accounting principles and non-controlling interests less income from investments in associates plus fixed charges. Fixed charges for these purposes consist of (a) interest expense, (b) a portion of premises and real estate expenses, deemed representative of the interest factor and (c) preferred dividend requirements in connection with preferred securities of subsidiaries.

(2) The deficiency in the coverage of fixed charges by earnings before fixed charges was CHF 12,201 million for the year ended December 31, 2008.

(3) The deficiency in the coverage of fixed charges by earnings before fixed charges was CHF 12,362 million for the year ended December 31, 2008.
CAPITALIZATION AND INDEBTEDNESS

The table below shows the consolidated capitalization and indebtedness of Credit Suisse Group and Credit Suisse as of December 31, 2011. You should read this table along with our consolidated financial statements and other financial information, which are included in the documents incorporated by reference in this prospectus.

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<tr>
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<th>Credit Suisse Group</th>
<th>Credit Suisse</th>
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<tbody>
<tr>
<td></td>
<td>(in CHF millions)</td>
<td>(in CHF millions)</td>
</tr>
<tr>
<td>Debt:</td>
<td></td>
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<tr>
<td>Short-term borrowings</td>
<td>26,116</td>
<td>24,643</td>
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<tr>
<td>Long-term debt</td>
<td>162,655</td>
<td>159,407</td>
</tr>
<tr>
<td>All other liabilities</td>
<td>819,309</td>
<td>802,675</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>1,080,080</td>
<td>986,725</td>
</tr>
<tr>
<td>Equity:</td>
<td></td>
<td></td>
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<tr>
<td>Shareholder’s Equity:</td>
<td></td>
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<tr>
<td>Common shares</td>
<td>49</td>
<td>4,400</td>
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<tr>
<td>Additional paid-in capital</td>
<td>21,796</td>
<td>23,170</td>
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<tr>
<td>Retained earnings</td>
<td>27,053</td>
<td>10,870</td>
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<td>Treasury shares, at cost</td>
<td>(90)</td>
<td>—</td>
</tr>
<tr>
<td>Accumulated other comprehensive income/(loss)</td>
<td>(15,134)</td>
<td>(10,938)</td>
</tr>
<tr>
<td>Total shareholder’s equity</td>
<td>33,674</td>
<td>27,502</td>
</tr>
<tr>
<td>Noncontrolling interests</td>
<td>7,411</td>
<td>8,948</td>
</tr>
<tr>
<td>Total Equity</td>
<td>41,085</td>
<td>36,450</td>
</tr>
<tr>
<td>Total capitalization and indebtedness</td>
<td>1,049,165</td>
<td>1,023,175</td>
</tr>
</tbody>
</table>
CREDIT SUISSE GROUP

Credit Suisse Group is a holding company for financial services companies and is domiciled in Switzerland. Its activities are operated and managed in three reporting segments: Investment Banking, Private Banking and Asset Management.

Credit Suisse Group is a publicly held corporation and its registered shares are listed on the SIX Swiss Exchange and, in the form of American depositary shares, on the New York Stock Exchange. Credit Suisse Group’s registered head office is located at Paradeplatz 8, CH-8001 Zurich, Switzerland, and its telephone number is +41-44-212-1616.

Credit Suisse Group, Guernsey branch, was established in 1986 and is a vehicle for various funding activities of Credit Suisse Group. The Guernsey branch exists as part of Credit Suisse Group and is not a separate legal entity, although it has independent status for certain tax and Guernsey regulatory purposes. The Guernsey branch is located at Helvetia Court, South Esplanade, St. Peter Port, Guernsey GY1 3WF, Channel Islands, and its telephone number is +44-1481-724-605.
CREDIT SUISSE

Credit Suisse, a corporation established under the laws of, and licensed as a bank in, Switzerland, is a wholly-owned subsidiary of Credit Suisse Group. Credit Suisse’s registered head office is in Zurich, and it has additional executive offices and principal branches located in London, New York, Hong Kong, Singapore and Tokyo. Credit Suisse’s registered head office is located at Paradeplatz 8, CH-8001 Zurich, Switzerland, and its telephone number is +41-44-333-1111.

Credit Suisse may act through any of its branches in connection with the debt securities, warrants and guarantees as described in this prospectus and the applicable prospectus supplement. Credit Suisse, Guernsey branch, was established in 1997 in Guernsey, Channel Islands, and is, among other things, a vehicle for various funding activities of Credit Suisse. The Guernsey branch exists as part of Credit Suisse and is not a separate legal entity, although it has independent status for certain tax and Guernsey regulatory purposes. The Guernsey branch is located at Helvetia Court, South Esplanade, St. Peter Port, Guernsey GY1 3WF, Channel Islands, and its telephone number is +44-1481-724-605.

Credit Suisse, Nassau branch, was established in Nassau, Bahamas in 1971 and is, among other things, a vehicle for various funding activities of Credit Suisse. The Nassau branch exists as part of Credit Suisse and is not a separate legal entity, although it has independent status for certain tax and regulatory purposes. The Nassau branch is located at Shirley & Charlotte Streets, Bahamas Financial Centre, 4th Floor, P.O. Box N-4928, Nassau, Bahamas, and its telephone number is 242-356-8125.

Credit Suisse, New York branch, was established in 1940 in New York, New York, and is, among other things, a vehicle for various funding activities of Credit Suisse. The New York branch exists as part of Credit Suisse and is not a separate legal entity, although it has independent status for certain tax and regulatory purposes. The New York branch is located at Eleven Madison Avenue, New York, New York 10010, and its telephone number is (212) 325-2000.
CREDIT SUISSE (USA)

Credit Suisse (USA) is a holding company for financial services companies. Credit Suisse (USA) is an indirect wholly-owned subsidiary of Credit Suisse Group. Credit Suisse (USA)’s principal executive office is in New York. Credit Suisse (USA)’s principal subsidiary is Credit Suisse Securities (USA) LLC, Credit Suisse Group’s principal U.S. registered broker-dealer subsidiary. Effective January 16, 2006, Credit Suisse (USA) changed its name from Credit Suisse First Boston (USA), Inc. to Credit Suisse (USA), Inc.

The principal executive offices of Credit Suisse (USA) are located at Eleven Madison Avenue, New York, New York 10010, and its telephone number is (212) 325-2000.
THE FINANCE SUBSIDIARIES

General

Credit Suisse Group (Guernsey) I Limited (registration number 52976) and Credit Suisse Group (Guernsey) III Limited (registration number 52978) are each Guernsey incorporated non-cellular companies limited by shares. Credit Suisse Group (Guernsey) I Limited and Credit Suisse Group (Guernsey) III Limited were both incorporated on January 28, 2011 in Guernsey and each will continue in existence until it is removed from the Register of Companies in accordance with Guernsey law. The registered office of the finance subsidiaries is located at Helvetia Court, South Esplanade, St. Peter Port, Guernsey GY1 3WF, Channel Islands. The telephone number is +44 1481 719088.

The finance subsidiaries are both wholly-owned by Credit Suisse Group. Each finance subsidiary exists for the purpose of issuing debt instruments, the proceeds of which will be advanced to, or otherwise invested in, subsidiaries or affiliates of Credit Suisse Group. Accordingly, the finance subsidiaries are dependent on Credit Suisse Group and other members of the Group servicing these advances. Unless stated otherwise in the applicable prospectus supplement, Credit Suisse Group will fully and unconditionally guarantee, on a senior or subordinated basis, the guaranteed contingent convertible securities issued by each finance subsidiary as to payment of principal, premium, if any, interest and any other amounts due, as well as the delivery of shares or, at our option, American depositary shares.

The share capital of Credit Suisse Group (Guernsey) I Limited is an unlimited number of shares of no par value which may be issued as ordinary shares. The issued share capital of Credit Suisse Group (Guernsey) I Limited is U.S.$170,000 divided into 170,000 fully paid up ordinary shares with an issue price of U.S.$1 each.

The share capital of Credit Suisse Group (Guernsey) III Limited is an unlimited number of shares of no par value which may be issued as ordinary shares. The issued share capital of Credit Suisse Group (Guernsey) III Limited is U.S.$50,000 divided into 50,000 fully paid up ordinary shares with an issue price of U.S.$1 each.

Management

The directors of Credit Suisse Group (Guernsey) I Limited and Credit Suisse Group (Guernsey) III Limited are as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Principal Activities outside Credit Suisse Group (Guernsey) I Limited and Credit Suisse Group (Guernsey) III Limited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roy McGregor</td>
<td>Director</td>
<td>Chief Executive Officer, Credit Suisse (Guernsey) Ltd</td>
</tr>
<tr>
<td>Kenneth Wallbridge</td>
<td>Director</td>
<td>Member of the Executive Board and Head of Operations, Credit Suisse (Guernsey) Ltd</td>
</tr>
<tr>
<td>Kim Fox-Moertl</td>
<td>Director</td>
<td>Head of Capital Management, Credit Suisse</td>
</tr>
<tr>
<td>Roger Rimann</td>
<td>Director</td>
<td>Member of the Executive Board and Treasurer, Credit Suisse (Guernsey) Ltd</td>
</tr>
<tr>
<td>Anthony Le Conte</td>
<td>Director</td>
<td>Head of New Business, Credit Suisse (Guernsey) Ltd</td>
</tr>
</tbody>
</table>

The service address of the directors is Helvetia Court, South Esplanade, St. Peter Port, Guernsey GY1 3WF, Channel Islands. There are no conflicts of interest between the private interests or other duties of the directors listed above and their duties to each finance subsidiary.
**Dividends and Distributions**

Neither finance subsidiary has paid any dividends nor made any distributions as those terms are defined under the Companies (Guernsey) Law, 2008 (as amended) since its incorporation. To the extent that a dividend may be declared or a distribution may be made, it will be paid subject to a solvency test in compliance with the Companies (Guernsey) Law, 2008 (as amended).

**Assets and Liabilities**

Other than in connection with the $2,000,000,000 7.875%. Tier 2 Buffer Capital Notes due 2041 issued by Credit Suisse Group (Guernsey) I Limited, neither finance subsidiary has acquired any assets nor incurred any loan capital or other borrowings or indebtedness or any contingent liabilities since its formation.

**Financial Statements**

Each finance subsidiary’s accounting reference date is December 31 and its first accounts were prepared in accordance with International Financing Reporting Standards (IFRS) as at, and for the period ended, December 31, 2011.

The finance subsidiaries do not have an audit committee. As subsidiaries of Credit Suisse Group, each finance subsidiary complies with Credit Suisse Group’s overall corporate governance regime.

**Business Purpose**

Each finance subsidiary’s business purpose is unrestricted and is set out in its respective Memorandum of Incorporation each of which has been incorporated by reference to the Registration Statement of which this prospectus forms a part.
DESCRIPTION OF DEBT SECURITIES

This section describes the general terms that will apply to any debt securities that may be offered by Credit Suisse Group or Credit Suisse, directly or through one of its branches pursuant to this prospectus (each referred to in this section as a “relevant issuer”). The specific terms of the offered debt securities, and the extent to which the general terms described in this section apply to debt securities, will be described in the related prospectus supplement at the time of the offer.

General

As used in this prospectus, “debt securities” means the senior and subordinated debentures, notes, bonds and other evidences of indebtedness that the relevant issuer issues and, in each case, the trustee authenticates and delivers under the applicable indenture. The term “debt securities” does not include the “contingent convertible securities” described under “Description of Contingent Convertible Securities.”

Credit Suisse Group may issue senior debt securities or subordinated debt securities (including convertible or exchangeable debt securities), directly or through one of its branches. Convertible or exchangeable debt securities of Credit Suisse Group may be converted or exchanged into shares of Credit Suisse Group. Credit Suisse may issue senior debt securities, subordinated debt securities, including convertible debt securities and debt securities that qualify as tier 1 or tier 2 capital, directly or through one of its branches. Any convertible debt securities issued by Credit Suisse will not be convertible into shares of Credit Suisse Group or Credit Suisse. Senior debt securities, subordinated debt securities, including debt securities that qualify as tier 1 or tier 2 capital will be issued in one or more series under the senior indenture or the subordinated indenture between Credit Suisse Group and The Bank of New York Mellon, formerly known as The Bank of New York, as successor to JPMorgan Chase Bank, N.A., as trustee (in the case of Credit Suisse Group) or the senior indenture or subordinated indenture (each as may be amended or supplemented from time to time) between Credit Suisse and The Bank of New York Mellon, formerly known as The Bank of New York, as trustee (in the case of Credit Suisse). The senior indentures and the subordinated indentures have been qualified under the Trust Indenture Act of 1939, as amended, or the Trust Indenture Act. In this section, we sometimes refer to these indentures collectively as the “indentures.”

This section of the prospectus briefly outlines the provisions of the indentures related to the debt securities. The terms of the indentures will include both those stated in the indentures and those made part of the indentures by the Trust Indenture Act. The forms of the indentures have been filed as exhibits to the registration statement of which this prospectus forms a part, and you should read the applicable indentures for provisions that may be important to you.

Credit Suisse Group is a holding company and depends upon the earnings and cash flow of its subsidiaries to meet its obligations under the debt securities. Since the creditors of any of its subsidiaries would generally have a right to receive payment that is superior to Credit Suisse Group’s right to receive payment from the assets of that subsidiary, holders of debt securities will be effectively subordinated to creditors of Credit Suisse Group’s subsidiaries. In addition, there are various regulatory requirements applicable to some of Credit Suisse Group’s and Credit Suisse’s subsidiaries that limit their ability to pay dividends and make loans and advances to Credit Suisse Group and Credit Suisse, as the case may be.

The indentures do not contain any covenants or other provisions designed to protect holders of the debt securities against a reduction in the creditworthiness of the relevant issuer in the event of a highly leveraged transaction or that would prohibit other transactions that might adversely affect holders of the debt securities, including a change in control of the relevant issuer.
Issuances in Series

The indentures do not limit the amount of debt that may be issued. The debt securities may be
issued in one or more series with the same or various maturities, at a price of 100% of their principal
amount or at a premium or a discount. Not all debt securities of any one series need be issued at the
same time and, unless otherwise provided, any series may be reopened for issuances of additional debt
securities of that series. The debt securities will not be secured by any property or assets of the relevant
issuer.

The terms of any authorized series of debt securities will be described in a prospectus supplement.
These terms may include:

- the issue date;
- whether the debt securities are issued by Credit Suisse Group or Credit Suisse;
- whether the debt securities are senior or subordinated and whether they qualify as tier 1 or
tier 2 capital;
- the total principal amount of the debt securities;
- the percentage of the principal amount at which the debt securities will be issued and whether
the debt securities will be “original issue discount” securities for U.S. federal income tax
purposes. If original issue discount debt securities are issued (securities that are issued below
their principal amount by more than a statutory de minimis amount because they pay no interest
or pay interest that is below market rates at the time of issuance), the special U.S. federal
income tax and other considerations of a purchase of original issue discount debt securities will
be described (to the extent not already described herein);
- the date or dates on which principal will be payable, whether the debt securities will be payable
on demand by the holders on any date, and whether we can extend the maturity date of the debt
securities;
- the manner in which payments of principal, premium or interest will be calculated and whether
any rate will be fixed or based on an index or formula or the value of one or more securities,
commodities, currencies or other assets, including but not limited to:
  - whether the debt security bears a fixed rate of interest or bears a floating rate of interest,
    including whether the debt security is a regular floating rate note, a floating rate/fixed rate
    note or an inverse floating rate note (each as described below);
  - if the debt security is an indexed note (as defined below) the terms relating to the particular
    series of debt securities;
  - if the debt security is an amortizing note (as defined below), the amortization schedule and
    any other terms relating to the particular series of debt securities;
- the interest payment dates;
- whether any sinking fund is required;
- optional or mandatory redemption terms;
- authorized denominations, if other than $2,000 and integral multiples of $1,000 in excess thereof;
- the terms on which holders of the debt securities issued by Credit Suisse Group may or are
required to exercise, convert or exchange these securities into or for securities of Credit Suisse
Group or one or more other entities and any specific terms relating to the exercise, conversion
or exchange feature;
• the terms on which holders of the debt securities issued by Credit Suisse may or are required to exercise, convert or exchange these securities into or for securities of one or more other entities other than Credit Suisse Group and Credit Suisse and any specific terms relating to the exercise, conversion or exchange feature

• the currency or currency unit in which the debt securities will be denominated and, if different, the currency or currency unit in which payments of principal, premium or interest will be payable, if the specified currency is other than U.S. dollars, and any other terms relating to the debt securities denominated in a foreign currency and the specified currency;

• whether the debt securities are to be issued as individual certificates to each holder or in the form of global certificates held by a depositary on behalf of holders;

• information describing any book-entry features;

• whether and under what circumstances additional amounts will be paid on any debt securities as a result of withholding taxes and whether the debt securities can be redeemed if additional amounts must be paid;

• selling restrictions applicable to any series of debt securities, if any;

• the names and duties of any co-trustees, depositaries, authenticating agents, paying agents, transfer agents or registrars for any series; and

• any other terms consistent with the above.

The prospectus supplement relating to any series of debt securities may also include, if applicable, a discussion of certain U.S. federal income tax considerations and considerations under the Employee Retirement Income Security Act of 1974, as amended, or ERISA.

Interest and Interest Rates

Each series of debt securities that bears interest will bear interest from its date of issue or from the most recent date to which interest on that series of debt securities has been paid or duly provided for, at the fixed or floating rate specified in the series of debt securities, until the principal amount has been paid or made available for payment. Interest will be payable on each interest payment date (except for certain original issue discount notes (as defined below) and except for a series of debt securities issued between a regular record date and an interest payment date) and at maturity or on redemption or repayment, if any. Unless otherwise provided in the applicable prospectus supplement, in the event that the maturity date of any series of debt securities is not a business day, principal and interest payable at maturity will be paid on the next succeeding business day with the same effect as if that following business day were the date on which the payment were due, except that the relevant issuer will not pay any additional interest as a result of the delay in payment except as otherwise provided under “—Payment of Additional Amounts.” Unless otherwise indicated in the applicable prospectus supplement, interest payments in respect of a series of debt securities will equal the amount of interest accrued from and including the immediately preceding interest payment date in respect of which interest has been paid or duly made available for payment (or from and including the date of issue, if no interest has been paid with respect to the applicable series of debt securities) to but excluding the related interest payment date, maturity date or redemption or repayment date, if any, as the case may be.

Interest will be payable to the person in whose name a debt security is registered at the close of business on the regular record date next preceding the related interest payment date, except that:

• if the relevant issuer fails to pay the interest due on an interest payment date, the defaulted interest will be paid to the person in whose name the debt security is registered at the close of
business on the record date the relevant issuer will establish for the payment of defaulted interest; and

• interest payable at maturity, redemption or repayment will be payable to the person to whom principal shall be payable.

In addition, the interest rate on floating rate notes will in no event be higher than the maximum rate permitted by New York or other applicable law, as such law may be modified by any applicable United States law of general application.

The first payment of interest on any series of debt securities originally issued between a regular record date and an interest payment date will be made on the interest payment date following the next succeeding regular record date to the registered owner on such next succeeding regular record date.

**Fixed Rate Notes**

Each fixed rate debt security, which we refer to as a fixed rate note, will bear interest at the annual rate specified in the applicable prospectus supplement. The interest payment dates for fixed rate notes will be specified in the applicable prospectus supplement and the regular record dates will be the fifteenth calendar day (whether or not a business day) prior to each interest payment date unless otherwise specified in the applicable prospectus supplement. Unless otherwise specified in the applicable prospectus supplement, interest on fixed rate notes will be computed and paid on the basis of a 360-day year of twelve 30-day months. In the event that any date for any payment on any fixed rate note is not a business day, payment of interest, premium, if any, or principal otherwise payable on such fixed rate note will be made on the next succeeding business day. The relevant issuer will not pay any additional interest as a result of the delay in payment.

**Floating Rate Notes**

Unless otherwise specified in an applicable prospectus supplement, floating rate debt securities, which we refer to as floating rate notes, will be issued as described below. Each applicable prospectus supplement will specify certain terms with respect to which such floating rate note is being delivered, including:

• whether the floating rate note is a regular floating rate note, an inverse floating rate note or a floating rate/fixed rate note (if not specified, the floating rate note will be a regular floating rate note);
• the interest rate basis or bases;
• initial interest rate;
• interest reset dates;
• interest reset period;
• interest payment dates;
• index maturity, if any;
• maximum interest rate and minimum interest rate, if any;
• the spread and/or spread multiplier, if any; and
• if one or more of the specified interest rate bases is LIBOR, the index currency, if any, as described below.
Unless otherwise specified in the applicable prospectus supplement, each regular record date for a floating rate note will be the fifteenth calendar day (whether or not a business day) prior to each interest payment date.

The interest rate borne by the floating rate notes will be determined as follows:

- Unless a floating rate note is a floating rate/fixed rate note or an inverse floating rate note, the floating rate note will be a regular floating rate note and, except as described below or in an applicable prospectus supplement, will bear interest at the rate determined by reference to the applicable interest rate basis or bases:
  - plus or minus the applicable spread, if any; and/or
  - multiplied by the applicable spread multiplier, if any.

- Unless otherwise specified in the applicable prospectus supplement, commencing on the initial interest reset date, the rate at which interest on such regular floating rate note will be payable will be reset as of each interest reset date; provided, however, that the interest rate in effect for the period from the original issue date to the initial interest reset date will be the initial interest rate.

- If a floating rate note is a floating rate/fixed rate note, then, except as described below or in an applicable prospectus supplement, the floating rate/fixed rate note will initially bear interest at the rate determined by reference to the applicable interest rate basis or bases:
  - plus or minus the applicable spread, if any; and/or
  - multiplied by the applicable spread multiplier, if any.

- Commencing on the initial interest reset date, the rate at which interest on the floating rate/fixed rate note will be payable shall be reset as of each interest reset date, except that:
  - the interest rate in effect for the period from the original issue date to the initial interest reset date will be the initial interest rate; and
  - the interest rate in effect commencing on, and including, the fixed rate commencement date (as specified in the applicable prospectus supplement) to the maturity date will be the fixed interest rate specified in the applicable prospectus supplement, or if no fixed interest rate is so specified and the floating rate/fixed rate note is still outstanding on the fixed rate commencement date, the interest rate in effect on the floating rate/fixed rate note on the day immediately preceding the fixed rate commencement date.

- If a floating rate note is an inverse floating rate note, then, except as described below or in an applicable prospectus supplement, the inverse floating rate note will bear interest equal to the fixed interest rate specified in the applicable prospectus supplement:
  - minus the rate determined by reference to the interest rate basis or bases;
  - plus or minus the applicable spread, if any; and/or
  - multiplied by the applicable spread multiplier, if any.

- Unless otherwise specified in the applicable prospectus supplement, the interest rate on an inverse floating rate note will not be less than zero. Commencing on the initial interest reset date, the rate at which interest on such inverse floating rate note is payable will be reset as of each interest reset date; provided, however, that the interest rate in effect for the period from the original issue date to the initial interest reset date will be the initial interest rate.
Unless otherwise provided in the applicable prospectus supplement, each interest rate basis will be the rate determined in accordance with the applicable provisions below. Except as set forth above or in the applicable prospectus supplement, the interest rate in effect on each day will be:

- if such day is an interest reset date, the interest rate as determined on the interest determination date (as defined below) immediately preceding such interest reset date; or
- if such day is not an interest reset date, the interest rate determined on the interest determination date immediately preceding the next preceding interest reset date.

Except for the fixed rate period described above for floating rate/fixed rate notes, interest on floating rate notes will be determined by reference to an interest rate basis, which may be one or more of:

- the CD rate;
- the Commercial Paper rate;
- the Federal Funds rate/Federal Funds open rate;
- LIBOR;
- the Prime rate;
- the Treasury rate; or
- any other interest rate basis or interest rate formula described in the applicable prospectus supplement.

The “spread” is the number of basis points to be added to or subtracted from the related interest rate basis or bases applicable to a floating rate note. The “spread multiplier” is the percentage of the related interest rate basis or bases applicable to a floating rate note by which such interest rate basis or bases will be multiplied to determine the applicable interest rate on such floating rate note. The “index maturity” is the period to maturity of the instrument or obligation with respect to which the interest rate basis or bases will be calculated.

Each applicable prospectus supplement will specify whether the rate of interest on the related floating rate note will be reset daily, weekly, monthly, quarterly, semi-annually, annually or such other specified interest reset period and the dates on which such interest rate will be reset. Unless otherwise specified in the applicable prospectus supplement, the interest reset date will be, in the case of floating rate notes which reset:

- daily, each business day;
- weekly, a business day that occurs in each week as specified in the applicable prospectus supplement (with the exception of weekly reset Treasury rate notes, which will reset the Tuesday of each week except as specified below);
- monthly, a business day that occurs in each month as specified in the applicable prospectus supplement;
- quarterly, a business day that occurs in each third month as specified in the applicable prospectus supplement;
- semi-annually, a business day that occurs in each of two months of each year as specified in the applicable prospectus supplement; and
- annually, a business day that occurs in one month of each year as specified in the applicable prospectus supplement.
If any interest reset date for any floating rate note would otherwise be a day that is not a business day, that interest reset date will be postponed to the next succeeding day that is a business day, except that in the case of a floating rate note as to which LIBOR is an applicable interest rate basis, if that business day falls in the next succeeding calendar month, the interest reset date will be the immediately preceding business day.

The term “business day” means, unless otherwise specified in the applicable prospectus supplement, any day that is not a Saturday or Sunday and that is not a day on which banking institutions are generally authorized or obligated by law, regulation or executive order to close in The City of New York and any other place of payment with respect to the applicable series of debt securities and:

- with respect to LIBOR notes, “business day” will also include a London business day;
- with respect to any series of debt securities denominated in euros, “business day” will also include any day on which the TransEuropean Real-Time Gross Settlement Express Transfer (TARGET) System is in place; and
- with respect to any series of debt securities denominated in a specified currency other than U.S. dollars or euros, “business day” will not include a day on which banking institutions are generally authorized or obligated by law, regulation or executive order to close in the principal financial center of the country of the specified currency.
- “London business day” means any day that is both a business day and a day on which dealings in deposits in any currency specified in the applicable prospectus supplement are transacted, or with respect to any future date are expected to be transacted, in the London interbank market.

Except as provided below or in an applicable prospectus supplement, interest will be payable on the maturity date and in the case of floating rate notes which reset:

- daily, weekly or monthly, on a business day that occurs in each month as specified in the applicable prospectus supplement;
- quarterly, on a business day that occurs in each third month as specified in the applicable prospectus supplement;
- semi-annually, on a business day that occurs in each of two months of each year as specified in the applicable prospectus supplement; and
- annually, on a business day that occurs in one month of each year as specified in the applicable prospectus supplement.

Unless otherwise specified in the applicable prospectus supplement, if any interest payment date for any floating rate note (other than the maturity date, but including any redemption date or repayment date) would otherwise be a day that is not a business day, that interest payment date or redemption date or repayment date will be the next succeeding day that is a business day and interest shall accrue to, and be payable on, such following business day, except that if a floating rate note is a LIBOR note and if the next business day falls in the next succeeding calendar month, the interest payment date or redemption date or repayment date will be the immediately preceding business day and interest shall accrue to, and be payable on, such preceding business day. If the maturity date of a floating rate note falls on a day that is not a business day, the payment of principal, premium, if any, and interest, if any, will be made on the next succeeding business day, and we will not pay any additional interest for the period from and after the maturity date.

All percentages resulting from any calculation on floating rate notes will be to the nearest one hundred-thousandth of a percentage point, with five one millionths of a percentage point rounded upwards (e.g., 9.876545% (or .09876545) would be rounded to 9.87655% (or .0987655)), and all dollar amounts used in or resulting from such calculation will be rounded to the nearest cent (with one-half cent being rounded upward).
With respect to each floating rate note, accrued interest is calculated by multiplying its face amount by an accrued interest factor. The accrued interest factor is computed by adding the interest factor calculated for each day from and including the later of (a) the date of issue and (b) the last day to which interest has been paid or duly provided for to but excluding the last date for which accrued interest is being calculated. Unless otherwise specified in the applicable prospectus supplement, the interest factor for each such day will be computed by dividing the interest rate applicable to such day by 360, in the case of floating rate notes for which the interest rate basis is the CD rate, the Commercial Paper rate, the Federal Funds rate, the Federal Funds open rate, LIBOR or the Prime rate, or by the actual number of days in the year in the case of floating rate notes for which the interest rate basis is the Treasury rate. The accrued interest factor for floating rate notes for which the interest rate may be calculated with reference to two or more interest rate bases will be calculated in each period by selecting one such interest rate basis for such period in accordance with the provisions of the applicable prospectus supplement.

The interest rate applicable to each interest reset period commencing on the interest reset date with respect to that interest reset period will be the rate determined as of the interest determination date. Unless otherwise specified in the applicable prospectus supplement, the interest determination date with respect to the CD rate, the Commercial Paper rate, the Federal Funds rate, the Federal Funds open rate and the Prime rate will be the second business day preceding each interest reset date for the related floating rate note; and the interest determination date with respect to LIBOR will be the second London business day preceding each interest reset date. With respect to the Treasury rate, unless otherwise specified in an applicable prospectus supplement, the interest determination date will be the day in the week in which the related interest reset date falls on which day Treasury bills (as defined below) are normally auctioned (Treasury bills are normally sold at auction on Monday of each week, unless that day is a legal holiday, in which case the auction is normally held on the following Tuesday, except that such auction may be held on the preceding Friday); provided, however, that if an auction is held on the Friday on the week preceding the related interest reset date, the related interest determination date will be such preceding Friday; and provided, further, that if an auction falls on any interest reset date then the related interest reset date will instead be the first business day following such auction. Unless otherwise specified in the applicable prospectus supplement, the interest determination date pertaining to a floating rate note, the interest rate of which is determined with reference to two or more interest rate bases, will be the latest business day which is at least two business days prior to each interest reset date for such floating rate note. Each interest rate basis will be determined and compared on such date, and the applicable interest rate will take effect on the related interest reset date, as specified in the applicable prospectus supplement.

Unless otherwise provided for in the applicable prospectus supplement, The Bank of New York Mellon, formerly known as The Bank of New York, will be the calculation agent and for each interest reset date will determine the interest rate with respect to any floating rate note as described below. The calculation agent will notify the relevant issuer, the paying agent and the trustee of each determination of the interest rate applicable to a floating rate note promptly after such determination is made. The calculation agent will, upon the request of the holder of any floating rate note, provide the interest rate then in effect and, if determined, the interest rate which will become effective as a result of a determination made with respect to the most recent interest determination date relating to such floating rate note. Unless otherwise specified in the applicable prospectus supplement, the “calculation date,” where applicable, pertaining to any interest determination date will be the earlier of (a) the tenth calendar day after that interest determination date or, if such day is not a business day, the next succeeding business day or (b) the business day preceding the applicable interest payment date or maturity date, as the case may be.
Unless otherwise specified in the applicable prospectus supplement, the calculation agent will determine the interest rate basis with respect to floating rate notes as follows:

**CD Rate Notes.** CD rate debt securities, which we refer to as CD rate notes, will bear interest at the interest rate (calculated with reference to the CD rate and the spread and/or spread multiplier, if any) specified in the CD rate notes and in the applicable prospectus supplement.

Unless otherwise specified in the applicable prospectus supplement, “CD rate” means, with respect to any interest determination date relating to a CD rate note, the rate on the date for negotiable certificates of deposit having the index maturity designated in the applicable prospectus supplement as published by the Board of Governors of the Federal Reserve System in “Statistical Release H.15(519), Selected Interest Rates” or any successor publication of the Board of Governors of the Federal Reserve System (“H.15(519)”) under the heading “CDs (secondary market),” or any successor publication or, if not so published by 3:00 p.m., New York City time, on the calculation date pertaining to such interest determination date, the CD rate will be the rate on such interest determination date for negotiable certificates of deposit of the index maturity designated in the applicable prospectus supplement as published by the Federal Reserve Bank of New York in its daily update of H.15 available through the website of the Board of Governors of the Federal Reserve System at “http://www.federalreserve.gov/releases/h15/update” (“H.15 daily update”) or any successor site or publication of the Board of Governors under the heading “Certificates of Deposit.” If such rate is not yet published in either H.15(519) or H.15 daily update by 3:00 p.m., New York City time, on the calculation date pertaining to an interest determination date, the calculation agent will calculate the CD rate on that interest determination date, which will be the arithmetic mean of the secondary market offered rates as of 10:00 a.m., New York City time, on that interest determination date, for negotiable certificates of deposit of major United States money market banks with a remaining maturity closest to the index maturity designated in the applicable prospectus supplement in an amount that is representative for a single transaction in that market at that time as quoted by three leading non-bank dealers in negotiable U.S. dollar certificates of deposit in The City of New York selected by the calculation agent (after consultation with us); provided, however, that if the dealers selected as aforesaid by the calculation agent are not quoting as set forth above, the CD rate with respect to such interest determination date will be the same as the CD rate in effect for the immediately preceding interest reset period (or, if there was no preceding interest reset period, the rate of interest shall be the initial interest rate).

**Commercial Paper Rate Notes.** Commercial Paper rate debt securities, which we refer to as Commercial Paper rate notes, will bear interest at the interest rate (calculated with reference to the Commercial Paper rate and the spread and/or spread multiplier, if any) specified in the Commercial Paper rate notes and in the applicable prospectus supplement.

Unless otherwise specified in the applicable prospectus supplement, “Commercial Paper rate” means, with respect to any interest determination date relating to a Commercial Paper rate note, the money market yield (as defined below) of the rate on that date for commercial paper having the index maturity designated in the applicable prospectus supplement, as published in H.15(519), under the heading “Commercial Paper—Non-financial.” In the event that the rate is not published prior to 3:00 p.m., New York City time, on the calculation date pertaining to such interest determination date, then the Commercial Paper rate will be the money market yield of the rate on the interest determination date for commercial paper of the specified index maturity as published in H.15 daily update under the heading “Commercial Paper—Non-financial” (with an index maturity of one month or three months being deemed to be equivalent to an index maturity of 30 days or 90 days, respectively). If by 3:00 p.m., New York City time, on that calculation date, the rate is not yet available in either H.15(519) or H.15 daily update, the calculation agent will calculate the Commercial Paper rate on that interest determination date, which will be the money market yield corresponding to the arithmetic mean of the offered rates as of approximately 11:00 a.m., New York City time, on that
interest determination date for commercial paper of the specified index maturity placed for a non-financial issuer whose bond rating is “AA” or the equivalent, from a nationally recognized rating agency as quoted by three leading dealers of commercial paper in The City of New York selected by the calculation agent (after consultation with us); provided, however, that if the dealers selected as aforesaid by the calculation agent are not quoting offered rates as set forth above, the Commercial Paper rate with respect to such interest determination date will be the same as the Commercial Paper rate for the immediately preceding interest reset period (or, if there was no preceding interest reset period, the rate of interest will be the initial interest rate).

“Money market yield” will be a yield (expressed as a percentage) calculated in accordance with the following formula:

\[
\text{Money Market Yield} = \frac{D \times 360}{360 - (D \times M)} \times 100
\]

where “D” refers to the applicable per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal, and “M” refers to the actual number of days in the period for which interest is being calculated.

Federal Funds Rate Notes/Federal Funds Open Rate Notes. Federal Funds rate debt securities, which we refer to as Federal Funds rate notes, will bear interest at the interest rate (calculated with reference to the Federal Funds rate and the spread and/or spread multiplier, if any) specified in the Federal Funds rate notes and in the applicable prospectus supplement. Federal Funds open rate debt securities, which we refer to as Federal Funds open rate notes, will bear interest at the interest rate (calculated with reference to the Federal Funds open rate and the spread and/or spread multiplier, if any) specified in the Federal Funds open rate notes and in the applicable prospectus supplement.

Unless otherwise specified in the applicable prospectus supplement, the “Federal Funds rate” means, with respect to any interest determination date relating to a Federal Funds rate note, the rate applicable to such date for Federal Funds opposite the caption “Federal funds (effective),” as displayed on Reuters on page 118 (or any page which may replace such page on such service) under the heading “EFFECT” on the business day immediately following such interest determination date. If such rate is not so published by 3:00 p.m., New York City time, on the business day immediately following such interest determination date, the Federal Funds rate will be the rate applicable to such interest determination date as published in H.15 daily update (or such other recognized electronic source used for the purpose of displaying such rate) under the heading “Federal Funds (effective).” If that rate is not published in H.15 daily update (or such other recognized electronic source used for the purpose of displaying such rate) by 4:15 p.m., New York City time, on the business day immediately following such interest determination date, the calculation agent will calculate the Federal Funds rate applicable to such interest determination date, which will be the arithmetic mean of the rates for the last transaction in overnight United States dollar Federal Funds as of 9:00 a.m., New York City time, on such interest determination date arranged by three leading brokers (which may include any underwriters, agents or their affiliates) of Federal Funds transactions in The City of New York selected by the calculation agent (after consultation with us); provided, however, that if the brokers selected as aforesaid by the calculation agent are not quoting as set forth above, the Federal Funds rate applicable to such interest determination date will be the same as the Federal Funds rate in effect for the immediately preceding interest reset period (or, if there was no preceding interest reset period, the rate of interest will be the initial interest rate).

Unless otherwise specified in the applicable prospectus supplement, the “Federal Funds open rate” means, with respect to any interest determination date relating to a Federal Funds open rate note, the rate for such day for federal funds transactions among members of the Federal Reserve System arranged by federal funds brokers on such day, as published under the heading “Federal Funds”
opposite the caption “Open” as such rate is displayed on Reuters (or any successor service) on page 5 (or any page which may replace such page on such service) (“Reuters Page 5”). In the event that on any interest determination date no reported rate appears on Reuters Page 5 by 3:00 p.m., New York City time, the rate for the interest determination date will be the rate for that day displayed on FFPREBON Index page on Bloomberg which is the Fed Funds Opening Rate as reported by Prebon Yamane (or any successor) on Bloomberg. In the event that on any interest determination date no reported rate appears on Reuters Page 5 or the FFPREBON Index page on Bloomberg or another recognized electronic source by 3 p.m., New York City time, the interest rate applicable to the next interest reset period will be the arithmetic mean of the rates for the last transaction in overnight U.S. dollar Federal Funds prior to 9:00 a.m., New York City time, on such interest determination date arranged by three leading brokers (which may include any underwriters, agents or their affiliates) of Federal Funds transactions in New York City selected by the calculation agent (after consultation with us); provided, however, that if the brokers selected by the calculation agent are not quoting as set forth above, the Federal Funds open rate with respect to such interest determination date will be the same as the Federal Funds open rate in effect for the immediately preceding interest reset period (or, if there was no preceding interest reset period, the rate of interest will be the initial interest rate).

Notwithstanding the foregoing, the Federal Funds open rate in effect for any day that is not a business day shall be the Federal Funds open rate in effect for the prior business day.

**LIBOR Notes.** LIBOR debt securities, which we refer to as LIBOR notes, will bear interest at the interest rate (calculated with reference to LIBOR and the spread and/or spread multiplier, if any) specified in the LIBOR notes and in the applicable prospectus supplement.

Unless otherwise specified in the applicable prospectus supplement, the calculation agent will determine “LIBOR” for each interest reset date as follows:

- With respect to an interest determination date relating to a LIBOR note, LIBOR will be the offered rate for deposits in the London interbank market in the index currency (as defined below) having the index maturity designated in the applicable prospectus supplement commencing on the second London business day immediately following such interest determination date that appears on the Designated LIBOR Page (as defined below) or a successor reporter of such rates selected by the calculation agent and acceptable to us, as of 11:00 a.m., London time, on such interest determination date (the “reported rate”). If no rate appears on the Designated LIBOR Page, LIBOR in respect of such interest determination date will be the arithmetic mean of such quotations. If fewer than two quotations are provided, LIBOR in respect of such interest determination date will be the arithmetic mean of the rates quoted at approximately 11:00 a.m. (or such other time specified in the applicable prospectus supplement), in the principal financial center of the country of the specified index currency, on that interest determination date for loans made in the index currency to leading European banks having the index maturity designated in the applicable prospectus supplement commencing on
the second London business day immediately following such interest determination date and in a principal amount that is representative for a single transaction in that index currency in that market at such time by three major reference banks (which may include any underwriters, agents or their affiliates) in such principal financial center selected by the calculation agent (after consultation with us); provided, however, that if fewer than three reference banks so selected by the calculation agent are quoting such rates as mentioned in this sentence, LIBOR with respect to such interest determination date will be the same as LIBOR in effect for the immediately preceding interest reset period (or, if there was no preceding interest reset period, the rate of interest will be the initial interest rate).

“Index currency” means the currency (including currency units and composite currencies) specified in the applicable prospectus supplement as the currency with respect to which LIBOR will be calculated. If no currency is specified in the applicable prospectus supplement, the index currency will be U.S. dollars.

“Designated LIBOR Page” means the display on page LIBOR01 (or any other page specified in the applicable prospectus supplement) of Reuters (or any successor service) for the purpose of displaying the London interbank offered rates of major banks for the applicable index currency (or such other page as may replace that page on that service for the purpose of displaying such rates).

Unless otherwise specified in the applicable prospectus supplement, “principal financial center” means the principal financial center of the country of the specified currency or specified index currency, as applicable, except that with respect to U.S. dollars and euro, the principal financial center shall be New York City and Brussels, respectively.

Prime Rate Notes. Prime rate debt securities, which we refer to as Prime rate notes, will bear interest at the interest rate (calculated with reference to the Prime rate and the spread and/or spread multiplier, if any) specified in the Prime rate notes and in the applicable prospectus supplement.

Unless otherwise specified in the applicable prospectus supplement, “Prime rate” means, with respect to any interest determination date, the rate set forth in H.15(519) for that date opposite the caption “Bank Prime Loan” or, if not published by 3:00 p.m., New York City time, on the calculation date, the rate on such interest determination date as published in H.15 daily update under the caption “Bank Prime Loan.” If that rate is not yet published by 3:00 p.m., New York City time, on the calculation date pertaining to that interest determination date, the Prime rate for that interest determination date will be the arithmetic mean of the rates of interest publicly announced by each bank named on the Reuters Screen USPRIME1 Page (as defined below) as that bank’s prime rate or base lending rate as in effect as of 11:00 a.m., New York City time, for that interest determination date as quoted on the Reuters Screen USPRIME1 Page on that interest determination date, or, if fewer than four of these rates appear on the Reuters Screen USPRIME1 Page for that interest determination date, the rate will be the arithmetic mean of the prime rates quoted on the basis of the actual number of days in the year divided by 360 as of the close of business on that interest determination date by at least two of the three major money center banks in The City of New York selected by the calculation agent (after consultation with us) from which quotations are requested. If fewer than two quotations are provided, the calculation agent will calculate the Prime rate, which will be the arithmetic mean of the prime rates in The City of New York quoted by the appropriate number of substitute banks or trust companies organized and doing business under the laws of the United States, or any State thereof, in each case having total equity capital of at least $500 million and being subject to supervision or examination by federal or state authority, selected by the calculation agent (after consultation with us) to quote prime rates. “Reuters Screen USPRIME1 Page” means the display designated as the “USPRIME1” page on Reuters (or such other page as may replace the USPRIME1 Page on that service for the purpose of displaying prime rates or base lending rates of major United States banks).
**Treasury Rate Notes.** Treasury rate debt securities, which we refer to as Treasury rate notes, will bear interest at the interest rate (calculated with reference to the Treasury rate and the spread and/or spread multiplier, if any) specified in the Treasury rate notes and in the applicable prospectus supplement.

Unless otherwise specified in the applicable prospectus supplement, the “Treasury rate” means, with respect to any interest determination date relating to a Treasury rate note, the rate from the auction held on such interest determination date, which we refer to as the “auction,” of direct obligations of the United States, which we refer to as Treasury bills, having the index maturity designated in the applicable prospectus supplement under the caption “INVESTMENT RATE” on the display on Reuters (or any successor service) on page USAUCTION10 (or any other page as may replace such page on such service) or page USAUCTION11 (or any other page as may replace such page on such service) or, if not so published by 3:00 p.m., New York City time, on the calculation date pertaining to such interest determination date, the bond equivalent yield (as defined below) of the rate for such Treasury bills as published in H.15 daily update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption “U.S. Government Securities/Treasury Bills/Auction High” or, if not so published by 3:00 p.m., New York City time, on the related calculation date, the bond equivalent yield of the auction rate of such Treasury bills as announced by the U.S. Department of the Treasury. In the event that the auction rate of Treasury bills having the index maturity designated in the applicable prospectus supplement is not so announced by the U.S. Department of the Treasury, or if no such auction is held, then the Treasury rate will be the bond equivalent yield of the rate on that interest determination date of Treasury bills having the index maturity designated in the applicable prospectus supplement as published in H.15(519) under the caption “U.S. Government Securities/Treasury Bills/Secondary Market” or, if not published by 3:00 p.m., New York City time, on the related calculation date, the rate on that interest determination date of such Treasury bills as published in H.15 daily update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption “U.S. Government Securities/Treasury Bills/Secondary Market.” In the event such rate is not published in H.15(519), H.15 daily update or another recognized electronic source by 3:00 p.m., New York City time, on such calculation date, the calculation agent will calculate the Treasury rate, which will be a bond equivalent yield of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 p.m., New York City time, on such interest determination date, of three leading primary U.S. government securities dealers (which may include Credit Suisse Securities (USA) LLC) selected by the calculation agent (after consultation with us) for the issue of Treasury bills with a remaining maturity closest to the index maturity designated in the applicable prospectus supplement; provided, however, that if the dealers selected by the calculation agent are not quoting bid rates as mentioned in this sentence, the Treasury rate with respect to the interest determination date will be the same as the ‘Treasury rate in effect for the immediately preceding interest reset period (or, if there was no preceding interest reset period, the rate of interest will be the initial interest rate).

The term “bond equivalent yield” means a yield (expressed as a percentage) calculated in accordance with the following formula:

\[
\text{Bond equivalent yield} = \frac{D \times N \times 100}{360 - (D \times M)}
\]

where “D” refers to the applicable per annum rate for Treasury bills quoted on a bank discount basis, “N” refers to 365 or 366, as the case may be, and “M” refers to the actual number of days in the applicable interest reset period.
Indexed Notes

A series of debt securities also may be issued with the principal amount payable at maturity or interest to be paid on such series of debt securities, or both, to be determined with reference to the price or prices of specified commodities, stocks or indices, the exchange rate of a specified currency relative to one or more other currencies, currency units, composite currencies or units of account specified in an applicable prospectus supplement, or such other price or exchange rate as may be specified in such series of debt securities, as set forth in an applicable prospectus supplement relating to such series of debt securities ("indexed notes"). In certain cases, holders of indexed notes may receive a principal amount on the maturity date that is greater than or less than the face amount of the indexed notes, or an interest rate that is greater than or less than the stated interest rate on the indexed notes, or both, depending upon the structure of the indexed note and the relative value on the maturity date or at the relevant interest payment date, as the case may be, of the specified indexed item. However, the amount of interest or principal payable with respect to an indexed note will not be less than zero. Information as to the method for determining the principal amount payable on the maturity date, the manner of determining the interest rate, certain historical information with respect to the specified indexed item and tax considerations associated with an investment in indexed notes will be set forth in the applicable prospectus supplement.

An investment in indexed notes may be much riskier than a similar investment in conventional fixed-rate debt securities. If the interest rate of an indexed note is indexed, it may result in an interest rate that is less than that payable on conventional fixed-rate debt securities issued by us at the same time, including the possibility that no interest will be paid. If the principal amount of an indexed note is indexed, the principal amount payable at maturity may be less than the original purchase price of such indexed note, including the possibility that no principal will be paid, resulting in an entire loss of investment. Additionally, if the formula used to determine the principal amount or interest payable with respect to such indexed notes contains a multiple or leverage factor, the effect of any change in the applicable currency, commodity, stock or interest rate index may be increased. We refer you to "Foreign Currency Risks."

Dual Currency Notes

Dual currency debt securities, which we refer to as dual currency notes, are any series of debt securities as to which we have a one-time option, exercisable on a specified date in whole, but not in part, with respect to all dual currency notes issued on the same date and having the same terms, of making all payments of principal, premium, if any, and interest after the exercise of such option, whether at maturity or otherwise (which payments would otherwise be made in the face amount currency of such series of debt securities specified in the applicable prospectus supplement), in the optional payment currency specified in the applicable prospectus supplement. The terms of the dual currency notes together with information as to the relative value of the face amount currency compared to the optional payment currency and as to tax considerations associated with an investment in dual currency notes will also be set forth in the applicable prospectus supplement.

If we elect on any option election date specified in the applicable prospectus supplement to pay in the optional payment currency instead of the face amount currency, payments of interest, premium, if any, and principal made after such option election date may be worth less, at the then current exchange rate, than if we had made such payments in the face amount currency. We refer you to "Foreign Currency Risks."
Renewable Notes

The relevant issuer may also issue from time to time variable rate renewable debt securities, which we refer to as renewable notes, which will mature on an interest payment date specified in the applicable prospectus supplement unless the maturity of all or a portion of the principal amount of the renewable notes is extended in accordance with the procedures set forth in the applicable prospectus supplement.

Short-Term Notes

The relevant issuer may offer from time to time series of debt securities with maturities of less than one year, which we refer to as short-term notes. Unless otherwise indicated in the applicable prospectus supplement, interest on short-term notes will be payable at maturity. Unless otherwise indicated in the applicable prospectus supplement, interest on short-term notes that are floating rate notes (other than Treasury rate notes) will be computed on the basis of the actual number of days elapsed divided by 360, and interest on short-term notes that are Treasury rate notes will be computed on the basis of the actual number of days elapsed divided by a year of 365 or 366 days, as the case may be.

Extension of Maturity

The applicable prospectus supplement will indicate whether the relevant issuer has the option to extend the maturity of a series of debt securities (other than an amortizing note) for one or more periods up to but not beyond the final maturity date set forth in the applicable prospectus supplement. If the relevant issuer has that option with respect to any series of debt securities (other than an amortizing note), we will describe the procedures in the applicable prospectus supplement.

Amortizing Notes

Amortizing debt securities, which we refer to as amortizing notes, are a series of debt securities for which payments combining principal and interest are made in installments over the life of such series of debt securities. Payments with respect to amortizing notes will be applied first to interest due and payable on the amortizing notes and then to the reduction of the unpaid principal amount of the amortizing notes. The relevant issuer will provide further information on the additional terms and conditions of any issue of amortizing notes in the applicable prospectus supplement. A table setting forth repayment information in respect of each amortizing note will be included in the applicable prospectus supplement and set forth on the amortizing notes.

Original Issue Discount Notes

The relevant issuer may offer series of debt securities, which we refer to as original issue discount notes, from time to time at an issue price (as specified in the applicable prospectus supplement) that is less than 100% of the principal amount of such series of debt securities (i.e., par). Original issue discount notes may not bear any interest currently or may bear interest at a rate that is below market rates at the time of issuance. The difference between the issue price of an original issue discount note and par is referred to herein as the “discount.” In the event of redemption, repayment or acceleration of maturity of an original issue discount note, the amount payable to the holder of an original issue discount note will be equal to the sum of (a) the issue price (increased by any accruals of discount) and, in the event of any redemption by us of such original issue discount note (if applicable), multiplied by the initial redemption percentage specified in the applicable prospectus supplement (as adjusted by the initial redemption percentage reduction, if applicable) and (b) any unpaid interest on such original issue discount note accrued from the date of issue to the date of such redemption, repayment or acceleration of maturity.
Unless otherwise specified in the applicable prospectus supplement, for purposes of determining the amount of discount that has accrued as of any date on which a redemption, repayment or acceleration of maturity occurs for an original issue discount note, the discount will be accrued using a constant yield method. The constant yield will be calculated using a 30-day month, 360-day year convention, a compounding period that, except for the initial period (as defined below), corresponds to the shortest period between interest payment dates for the applicable original issue discount note (with ratable accruals within a compounding period), a coupon rate equal to the initial coupon rate applicable to such original issue discount note and an assumption that the maturity of such original issue discount note will not be accelerated. If the period from the date of issue to the initial interest payment date, or the initial period, for an original issue discount note is shorter than the compounding period for such original issue discount note, a proportionate amount of the yield for an entire compounding period will be accrued. If the initial period is longer than the compounding period, then such period will be divided into a regular compounding period and a short period with the short period being treated as provided in the preceding sentence. The accrual of the applicable discount may differ from the accrual of original issue discount for purposes of the Internal Revenue Code of 1986, as amended.

Certain original issue discount notes may not be treated as having original issue discount for federal income tax purposes, and debt securities other than original issue discount notes may be treated as issued with original issue discount for U.S. federal income tax purposes. We refer you to “Taxation—United States Taxation.”

Redemption at the Option of the Relevant Issuer

Unless otherwise provided in the applicable prospectus supplement, the relevant issuer cannot redeem debt securities prior to maturity. The relevant issuer may redeem a series of debt securities at its option prior to the maturity date only if an initial redemption date is specified in the applicable prospectus supplement. If so specified, the relevant issuer can redeem the debt securities of such series at its option on any date on and after the applicable initial redemption date in whole or from time to time in increments of $2,000 or such other minimum denomination specified in such applicable prospectus supplement (provided that any remaining principal amount of the debt securities of such series will be at least $2,000 or such other minimum denomination), at the applicable redemption price, together with unpaid interest accrued to the date of redemption, on notice given not more than 60 nor less than 30 calendar days prior to the date of redemption and in accordance with the provisions of the applicable indenture. By redemption price for a debt security of a series, we mean an amount equal to the initial redemption percentage specified in the applicable prospectus supplement (as adjusted by the annual redemption percentage reduction specified in the applicable prospectus supplement, if any) multiplied by the unpaid principal amount of the debt security to be redeemed. The initial redemption percentage, if any, applicable to a series of debt securities may decline on each anniversary of the initial redemption date by an amount equal to the applicable annual redemption percentage reduction, if any, until the redemption price is equal to 100% of the unpaid principal amount to be redeemed. The redemption price of original issue discount notes is described above under “—Original Issue Discount Notes.”

Debt securities denominated in a foreign currency may be subject to different restrictions on redemption. We refer you to “Special Provisions Relating to Debt Securities or Contingent Convertible Securities Denominated in a Foreign Currency—Minimum Denominations, Restrictions on Maturities, Repayment and Redemption.”

Repayment at the Option of the Holders; Repurchase

Holders may require the relevant issuer to repay a series of debt securities prior to maturity only if one or more optional repayment dates are specified in the applicable prospectus supplement. If so
specified, the relevant issuer will repay debt securities of such series at the option of the holders on any optional repayment date in whole or in part from time to time in increments of $2,000 or such other minimum denomination specified in the applicable prospectus supplement (provided that any remaining principal amount thereof will be at least $2,000 or such other minimum denomination specified in the applicable prospectus supplement), at a repayment price equal to 100% of the unpaid principal amount to be repaid, together with unpaid interest accrued to the date of repayment. A holder who wants the relevant issuer to repay a debt security prior to maturity must deliver the debt security, together with the form “Option to Elect Repayment” properly completed, to the trustee at its corporate trust office (or any other address that the relevant issuer specifies in the applicable prospectus supplement or notifies holders from time to time) no more than 60 nor less than 30 calendar days prior to the date of repayment. Exercise of a repayment option by the holder will be irrevocable. The repayment price of original issue discount notes is described above under “—Original Issue Discount Notes.” Notwithstanding the foregoing, the relevant issuer will comply with Section 14(e) under the Exchange Act to the extent applicable, and any other tender offer rules under the Exchange Act which may then be applicable, in connection with any obligation to repurchase a series of debt securities.

Only the depositary may exercise the repayment option in respect of global securities representing book-entry debt securities. Accordingly, beneficial owners of global securities that desire to have all or any portion of book-entry debt securities represented by global securities repaid must direct the participant of the depositary through which they own their interest to direct the depositary to exercise the repayment option on their behalf by delivering the related global security and duly completed election form to the trustee as aforesaid. In order to ensure that the global security and election form are received by the trustee on a particular day, the applicable beneficial owner must so direct the participant through which it owns its interest before that participant’s deadline for accepting instructions for that day. Different firms may have different deadlines for accepting instructions from their customers. Accordingly, beneficial owners should consult the participants through which they own their interest for the respective deadlines of those participants. All instructions given to participants from beneficial owners of global securities relating to the option to elect repayment will be irrevocable. In addition, at the time instructions are given by a beneficial owner, the beneficial owner must cause the participant through which it owns its interest to transfer that beneficial owner’s interest in the global security or securities representing the related book-entry debt securities, on the depositary’s records, to the trustee. We refer you to “—Book-Entry System.”

Debt securities denominated in a foreign currency may be subject to different restrictions on repayment. We refer you to “Special Provisions Relating to Debt Securities or Contingent Convertible Securities Denominated in a Foreign Currency—Minimum Denominations, Restrictions on Maturities, Repayment and Redemption.”

The relevant issuer may at any time purchase debt securities at any price in the open market or otherwise. Such debt securities purchased by the relevant issuer may, at its discretion, be held, resold or surrendered to the trustee for cancellation.

**Tax Redemption**

If specifically provided by the applicable prospectus supplement, the relevant issuer may redeem a series of debt securities at its option at any time, in whole but not in part, on giving not less than 30 nor more than 60 days’ notice, at the principal amount of such series of debt securities being redeemed, together with accrued interest to the date of redemption, if it has or will become obligated to pay additional interest on such series of debt securities as described under “—Payment of Additional Amounts” below as a result of any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of Switzerland, the United States or Guernsey, as applicable, or any political subdivision or taxing authority thereof or therein, or any change in the application or official interpretation of such laws, regulations or rulings, which change or amendment becomes effective on or
after the date of the applicable prospectus supplement, and such obligation cannot be avoided by the relevant issuer taking reasonable measures available to it, provided that no such notice of redemption will be given earlier than 90 days prior to the earliest date on which it would be obliged to pay such additional interest were a payment in respect of the debt securities of such series then due. Prior to the giving of any notice of redemption pursuant to this paragraph, the relevant issuer will deliver to the trustee a certificate stating that it is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right to redeem have occurred, and an opinion of independent counsel of recognized standing to the effect that the relevant issuer has or will become obligated to pay such additional interest as a result of such change or amendment.

**Payment of Additional Amounts**

If specifically provided by the applicable prospectus supplement, the relevant issuer will, subject to the exceptions and limitations set forth below, pay such additional amounts to the holder of a series of debt securities that is a non-U.S. holder (which we define under the heading “Taxation—United States Taxation”) as may be necessary so that every net payment on such series of debt securities, after deduction or withholding for or on account of any present or future tax, assessment or other governmental charge imposed upon or as a result of such payment by Switzerland, the United States or Guernsey, as applicable, or any political subdivision or taxing authority thereof or therein, will not be less than the amount provided in such series of debt securities to be then due and payable.

**Switzerland**

If the relevant issuer is Credit Suisse Group or Credit Suisse, in either case, acting through a branch outside Switzerland and the net proceeds from the issue of the debt securities are used outside Switzerland, all payments of principal and interest in respect of the debt securities shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Switzerland or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the relevant issuer shall pay such additional amounts as will result in receipt by the holders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable by the relevant issuer to any such holder for or on account of:

(i) any such taxes, duties, assessments or other governmental charges imposed in respect of such debt security by reason of the holder having some connection with Switzerland other than the mere holding of the debt security;

(ii) any such taxes, duties, assessments or other governmental charges imposed in respect of any debt security presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder would have been entitled to such additional amounts on presenting such debt security for payment on the last day of such period of 30 days;

(iii) any such taxes, duties, assessments or other governmental charges where such withholding or deduction is imposed on a payment to an individual and is (A) required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive, (B) required to be made pursuant to the Agreement between the European Community and the Confederation of Switzerland dated as of 26th October 2004 (the “Swiss Savings Tax Agreement”) providing for measures equivalent to those laid down in the EU Savings Tax Directive or any law or other governmental regulation implementing or complying with, or introduced in order to conform to, the Swiss Savings Tax Agreement, (C) required to be made
pursuant to agreements between Guernsey and the EU Member States dated 19th November 2004 (the “Guernsey Savings Tax Agreement”) providing for measures equivalent to those laid down in the EU Savings Tax Directive or any law or other governmental regulation implementing or complying with, or introduced in order to conform to, such Guernsey Savings Tax Agreements, or (D) required to be made pursuant to any agreements between the European Community and other countries or territories providing for measures equivalent to those laid down in the EU Savings Tax Directive or any law or other governmental regulation implementing or complying with, or introduced in order to conform to, such agreements; or

(iv) any tax required to be withheld or deducted from a payment pursuant to laws enacted by Switzerland providing for the taxation of payments according to principles similar to those laid down (i) in the EU Savings Tax Directive or (ii) in the draft legislation proposed by the Swiss Federal Council on August 24, 2011, including the principle to have a person other than the relevant issuer withhold or deduct tax; or

(v) any such taxes, duties, assessments or other governmental charges imposed in respect of the relevant debt security presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant debt security to another paying agent in a member state of the European Union; or

(vi) any such taxes, duties, assessments or other governmental charges imposed in respect of the relevant debt security where, if the relevant issuer is Credit Suisse Group or Credit Suisse, in either case, acting through its Zurich head office, such withholding or deduction is required by the Swiss Federal Withholding Tax Code of 13 October 1965 (Bundesgesetz über die Verrechnungssteuer vom 13 Oktober 1965); or

(vii) any combination of two or more items (i) through (vi) above.

“Relevant Date” as used herein means whichever is the later of (x) the date on which such payment first becomes due and (y) if the full amount payable has not been received by the trustee on or prior to such date, the date on which the full amount having been so received, notice to that effect shall have been given to the holders.

United States

If the relevant issuer is Credit Suisse Group or Credit Suisse, in either case, acting through a U.S. branch, it will not be required to make any such payment of additional amounts for or on account of:

- any tax, assessment or other governmental charge that would not have been imposed but for (a) the existence of any present or former connection between such holder and the United States, including, without limitation, such holder being or having been a citizen or resident thereof or being or having been engaged in trade or business or present therein or having or having had a permanent establishment therein or (b) such holder’s past or present status as a personal holding company, foreign personal holding company or private foundation or other tax-exempt organization with respect to the United States or as a corporation that accumulates earnings to avoid U.S. federal income tax;
- any estate, inheritance, gift, sales, transfer or personal property tax or any similar tax, assessment or other governmental charge;
- any tax, assessment or other governmental charge that would not have been imposed but for the presentation by the holder of a debt security for payment more than 15 days after the date on which such payment became due and payable or on which payment thereof was duly provided for, whichever occurs later;
any tax, assessment or other governmental charge that is payable otherwise than by deduction or withholding from a payment on such series of debt securities;

any tax, assessment or other governmental charge required to be deducted or withheld by any paying agent from a payment on such series of debt securities, if such payment can be made without such deduction or withholding by any other paying agent;

any tax, assessment or other governmental charge that would not have been imposed but for a failure to comply with any applicable certification, documentation, information or other reporting requirement concerning the nationality, residence, identity or connection with the United States of the holder or beneficial owner of such series of debt securities if, without regard to any tax treaty, such compliance is required by statute or regulation of the United States as a precondition to relief or exemption from such tax, assessment or other governmental charge;

any tax, assessment or other governmental charge that would not have been imposed but for a failure by the holder or beneficial owner of the debt securities (or any financial institution through which the holder or beneficial owner holds the debt securities or through which payment on the debt security is made) to enter into or to comply with any applicable certification, documentation, information or other reporting requirement or agreement concerning United States accounts maintained by the holder or beneficial owner (or any such financial institution), including by reason of holding the debt securities, or concerning United States ownership of the holder or beneficial owner (or any such financial institution), or any substantially similar requirement or agreement, if entering into or complying with such requirement or agreement is required by statute or regulation of the United States as a precondition to relief or exemption from such tax, assessment or other governmental charge;

any tax, assessment or other governmental charge imposed on a holder of such series of debt securities that actually or constructively owns 10 percent or more of the combined voting power of all classes of the relevant issuer’s stock or that is a controlled foreign corporation related to the relevant issuer through stock ownership; or

as discussed in “Taxation—European Union Directive on Taxation of Certain Interest Payments,” any withholding or deduction that is imposed on a payment to an individual and is required to be made pursuant to any European Union Directive on the taxation of savings income implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 (including Directive 2003/48/EC adopted by the Council of the European Union on June 3, 2003), or any law implementing or complying with, or introduced in order to conform to, such directive;

nor will such additional amounts be paid with respect to a payment on such series of debt securities to a holder that is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner would not have been entitled to the additional amounts had such beneficiary, settlor, member or beneficial owner been the holder of such series of debt securities.

**Guernsey**

If the relevant issuer is Credit Suisse Group or Credit Suisse, in either case, acting through its Guernsey branch, no such additional amounts will be payable:

- to the extent the withholding or deduction is imposed or levied because the holder of the debt security has some connection with the relevant jurisdiction other than merely being a holder of the debt security;
• to the extent the withholding or deduction is imposed or levied because the holder (or beneficial owner) of the debt security has not made a declaration of non-residence or other claim for exemption, if such holder is able to avoid such deduction or withholding by making such a declaration or claim;

• more than 30 days after the date on which the related payments on the debt security becomes due, except to the extent that the holder of the debt security would have been entitled to such additional amounts on the thirtieth such day; or

• to a holder who would have been able to avoid such withholding or deduction by receiving such payment through another paying agent in a member state of the European Union.

Subordination

If Credit Suisse issues subordinated debt securities that qualify as tier 1 or tier 2 capital or other capital for regulatory purposes, the subordination provisions may vary from those described below as set forth in the applicable prospectus supplement.

Unless otherwise specified in the applicable prospectus supplement, when the term “senior indebtedness” is used in the context of the subordinated debt securities, it means, with respect to an issuer:

• any money such entity has borrowed, including any senior debt securities issued under the relevant senior indenture;

• any money borrowed by someone else where such entity has assumed or guaranteed the obligations, directly or indirectly;

• any letters of credit and acceptances made by banks on such entity's behalf; and

• indebtedness that such entity has incurred or assumed in connection with the acquisition of any property.

Senior indebtedness shall not include any indebtedness that is expressed to be subordinated to or on par with the subordinated debt securities or any money owed to an entity's subsidiaries.

The subordinated indentures provide that the relevant issuer cannot:

• make any payments of principal, premium or interest on the subordinated debt securities;

• acquire any subordinated debt securities; or

• defease any subordinated debt securities;

if

• any senior indebtedness in an aggregate principal amount of more than $100 million has become due either on maturity or as a result of acceleration or otherwise and the principal, premium and interest on that senior indebtedness has not yet been paid in full by such entity; or

• such entity has defaulted in the payment of any principal, premium or interest on any senior indebtedness in an aggregate principal amount of more than $100 million at the time the payment was due, unless and until the payment default is cured by such entity or waived by the holders of the senior indebtedness.

If the relevant issuer is liquidated, the holders of the senior indebtedness will be entitled to receive payment in full in cash for principal, premium and interest on the senior indebtedness before the holders of subordinated debt securities receive any of such entity's assets. As a result, holders of subordinated debt securities may receive a smaller proportion of such entity's assets in liquidation than
holders of senior indebtedness. In such a situation, holders of the subordinated debt securities could lose all or part of their investment.

Even if the subordination provisions prevent the relevant issuer from making any payment when due on the subordinated debt securities, the relevant issuer will be in default on its obligations under the applicable subordinated indenture if it does not make the payment when due. This means that the trustee and the holders of subordinated debt securities can take action against the relevant issuer, but they would not receive any money until the claims of the senior indebtedness have been fully satisfied.

The subordinated indentures allow the holders of senior indebtedness to obtain specific performance of the subordination provisions from the relevant issuer or any holder of subordinated debt securities.

There is no restriction on the amount of further debt securities that the relevant issuer may issue or guarantee which rank senior to or pari passu with the subordinated debt securities. The issue of any such further debt securities may reduce the amount that may be recovered by holders of subordinated debt securities in the event that the relevant issuer is wound up and/or may limit the ability of the relevant issuer to meet its obligations under the subordinated debt securities.

Consolidation, Merger or Sale

The relevant issuer will agree in the applicable indentures not to consolidate with or merge with or into any other person or convey or transfer all or substantially all of its properties and assets to any person unless:

- it is the continuing person; or
- the successor expressly assumes by supplemental indenture its obligations under such indenture.

In either case, the relevant issuer will also have to deliver a certificate to the trustee stating that after giving effect to the merger there will not be any defaults under the applicable indenture and, if the relevant issuer is not the continuing person, an opinion of counsel stating that the merger and the supplemental indentures comply with these provisions and that the supplemental indentures are legal, valid and binding obligations of the successor corporation enforceable against it.

Credit Suisse or Credit Suisse Group may issue debt securities directly or through one or more branches and Credit Suisse may, at any time, transfer its obligations under the debt securities from the head office to any branch of Credit Suisse or from any branch of Credit Suisse to another branch or to its head office.

Modification of the Indentures

In general, rights and obligations of the relevant issuer and the holders under each applicable indenture may be modified if the holders of a majority in aggregate principal amount of the outstanding debt securities of each series affected by the modification consent to such modification. However, each of the indentures provides that, unless each affected holder agrees, an amendment cannot:

- make any adverse change to any payment term of a debt security such as extending the maturity date, extending the date on which the relevant issuer has to pay interest or make a sinking fund payment, reducing the interest rate, reducing the amount of principal the relevant issuer has to repay, reducing the amount of principal of a debt security issued with original issue discount that would be due and payable upon an acceleration of the maturity thereof or the amount thereof provable in bankruptcy, insolvency or similar proceeding, changing the currency or place in which the relevant issuer has to make any payment of principal, premium or interest, modifying any redemption or repurchase right to the detriment of the holder, modifying any right to convert or exchange the debt securities for another security to the detriment of the holder, and impairing any right of a holder to bring suit for payment;
• reduce the percentage of the aggregate principal amount of debt securities needed to make any amendment to the applicable indenture or to waive any covenant or default;
• waive any payment default; or
• make any change to the amendment provisions of the applicable indenture.

However, other than in the circumstances mentioned above, if the relevant issuer and the trustee agree, the applicable indenture may be amended without notifying any holders or seeking their consent if the amendment does not materially and adversely affect any holder.

In particular, if the relevant issuer and the trustee agree, the applicable indenture may be amended without notifying any holders or seeking their consent to add a guarantee from a third party on the outstanding and future debt securities to be issued under an applicable indenture.

Covenants

The relevant issuer may be subject to additional covenants, including restrictive covenants in respect of a particular series of debt securities. Such additional covenants will be set forth in the applicable prospectus supplement and, to the extent necessary, in the supplemental indenture or board resolution relating to that series of debt securities.

Events of Default

Unless otherwise specified in a prospectus supplement, an event of default with respect to a series of debt securities occurs upon:
• a default in payment of the principal or any premium on any debt security of that series when due;
• a default in payment of interest when due on any debt security of that series for 30 days;
• a default in performing any other covenant in the indenture applicable to that series for 60 days after written notice from the trustee or from the holders of 25% in principal amount of the outstanding debt securities of such series; or
• certain events of bankruptcy, insolvency or reorganization of the relevant issuer.

Any additional or different events of default applicable to a particular series of debt securities will be described in the prospectus supplement relating to such series.

The trustee may withhold notice to the holders of debt securities of any default (except in the payment of principal, premium or interest) if it considers such withholding of notice to be in the best interests of the holders. A default is any event which is an event of default described above or would be an event of default but for the giving of notice or the passage of time.

Unless otherwise specified in the applicable prospectus supplement, if an event of default occurs and continues, the trustee or the holders of the aggregate principal amount of the debt securities specified below may require the relevant issuer to repay immediately, or accelerate:
• the entire principal of the debt securities of such series; or
• if the debt securities are original issue discount securities, such portion of the principal as may be described in the applicable prospectus supplement.

Unless otherwise specified in the applicable prospectus supplement, if the event of default occurs because of a default in a payment of principal or interest on the debt securities, then the trustee or the holders of at least 25% of the aggregate principal amount of debt securities of that series can accelerate that series of debt securities. If the event of default occurs because of a failure to perform
any other covenant in the applicable indenture for the benefit of one or more series of debt securities, then the trustee or the holders of at least 25% of the aggregate principal amount of debt securities of all series affected, voting as one class, can accelerate all of the affected series of debt securities. If the event of default occurs because of bankruptcy proceedings, then all of the debt securities under the applicable indenture will be accelerated automatically. Therefore, except in the case of a default on a payment of principal or interest on the debt securities of your series or a default due to bankruptcy or insolvency of the relevant issuer, it is possible that you may not be able to accelerate the debt securities of your series because of the failure of holders of other series to take action.

The holders of a majority of the aggregate principal amount of the debt securities of all affected series, voting as one class, can rescind this accelerated payment requirement or waive any past default or event of default or allow noncompliance with any provision of the applicable indenture. However, they cannot waive a default in payment of principal of, premium, if any, or interest on, any of the debt securities.

After an event of default, the trustee must exercise the same degree of care a prudent person would exercise under the circumstances in the conduct of her or his own affairs. Subject to these requirements, the trustee is not obligated to exercise any of its rights or powers under the applicable indenture at the request, order or direction of any holders, unless the holders offer the trustee reasonable indemnity. If they provide this reasonable indemnity, the holders of a majority in principal amount of all affected series of debt securities, voting as one class, may direct the time, method and place of conducting any proceeding or any remedy available to the trustee, or exercising any power conferred upon the trustee, for any series of debt securities.

**Defeasance**

The term defeasance means discharge from some or all of the obligations under the applicable indenture. If the relevant issuer deposits with the trustee sufficient cash or government securities to pay the principal, interest, any premium and any other sums due to the stated maturity date or a redemption date of the debt securities of a particular series, then at the relevant issuer’s option:

- the relevant issuer will be discharged from their respective obligations with respect to the debt securities of such series; or
- the relevant issuer will no longer be under any obligation to comply with the restrictive covenants, if any, contained in the applicable indenture and any supplemental indenture or board resolution with respect to the debt securities of such series, and the events of default relating to failures to comply with covenants will no longer apply to them.

If this happens, the holders of the debt securities of the affected series will not be entitled to the benefits of the applicable indenture except for registration of transfer and exchange of debt securities and replacement of lost, stolen or mutilated debt securities. Instead, the holders will only be able to rely on the deposited funds or obligations for payment.

The relevant issuer must deliver to the trustee an officers’ certificate and an opinion of counsel to the effect that the deposit and related defeasance would not cause the holders of the debt securities to recognize income, gain or loss for U.S. federal income tax purposes. In the case of a complete discharge, the relevant issuer may, in lieu of an opinion of counsel, deliver a ruling to such effect received from or published by the U.S. Internal Revenue Service if the relevant issuer is discharged from its obligations with respect to the debt securities.

**Information Concerning the Trustee for the Debt Securities**

The Bank of New York Mellon, formerly known as The Bank of New York (as successor to JPMorgan Chase Bank, N.A., in the case of senior and subordinated indentures with Credit Suisse
Group), with its corporate trust office at 101 Barclay Street, Floor 8W, New York, New York 10286, will be the trustee for the debt securities. The trustee will be required to perform only those duties that are specifically set forth in the applicable indenture, except when a default has occurred and is continuing with respect to the debt securities. After a default, the trustee must exercise the same degree of care that a prudent person would exercise under the circumstances in the conduct of her or his own affairs. Subject to these requirements, the trustee will be under no obligation to exercise any of the powers vested in it by the applicable indenture at the request of any holder of debt securities unless the holder offers the trustee reasonable indemnity against the costs, expenses and liabilities that might be incurred by exercising those powers.

The Bank of New York Mellon, formerly known as The Bank of New York, has loaned money to Credit Suisse Group and certain of its subsidiaries and affiliates and provided other services to it and has acted as trustee or fiscal agent under certain of its and its subsidiaries’ and affiliates’ indentures or fiscal agency agreements in the past and may do so in the future as a part of its regular business.

**Governing Law**

The debt securities and the related indentures will be governed by and construed in accordance with the laws of the State of New York, except for, in the case of subordinated debt securities issued by Credit Suisse Group or Credit Suisse, the subordination provisions thereof, which will be governed by Swiss law.
DESCRIPTION OF CONTINGENT CONVERTIBLE SECURITIES

This section describes the general terms that will apply to any contingent convertible securities that may be offered pursuant to this prospectus by either or both of the finance subsidiaries. In this section of the prospectus, the term “relevant issuer” refers, individually or severally, as applicable, to Credit Suisse Group (Guernsey) I Limited or Credit Suisse Group (Guernsey) III Limited, as set forth in the applicable prospectus supplement. The specific terms of the offered contingent convertible securities, and the extent to which the general terms described in this section apply to the contingent convertible securities, will be described in the applicable prospectus supplement at the time of the offer.

General

As used in this prospectus, “contingent convertible securities” means the senior or subordinated guaranteed exchangeable or convertible debt securities convertible into shares or, at the relevant issuer’s option, American depositary shares of Credit Suisse Group that the relevant finance subsidiary issues and that Credit Suisse Group fully and unconditionally guarantees on a senior or subordinated basis (as described below under “—Credit Suisse Group Guarantees”) and, in each case, the trustee authenticates and delivers under the applicable indenture.

Contingent convertible securities will be issued in one or more series under the applicable indenture and any supplements thereto among the relevant finance subsidiary, Credit Suisse Group and HSBC Bank USA, N.A., as trustee. In this section, we sometimes refer to these indentures collectively as the “contingent convertible indentures.” Each contingent convertible indenture is governed by English law, except that the provisions relating to the status and degree of subordination of the contingent convertible securities and the guarantee are governed by, and shall be construed in accordance with, the laws of the Island of Guernsey, in the case of the finance subsidiaries, and the laws of Switzerland, in the case of Credit Suisse Group and except that with respect to those provisions of the Trust Indenture Act that are included or deemed to be included in the applicable contingent convertible indenture or that are deemed by the Trust Indenture Act to be part of and to govern the applicable contingent convertible indenture, the Trust Indenture Act shall govern.

This section of the prospectus briefly outlines the provisions of the contingent convertible indentures related to the contingent convertible securities. Additional terms of the applicable contingent convertible indentures, including any supplements thereto, may be outlined in a supplement to this prospectus. The terms of the contingent convertible indentures will include both those stated in the applicable contingent convertible indenture and those made part of the applicable contingent convertible indenture by the Trust Indenture Act. Each contingent convertible indenture has been filed as an exhibit to the registration statement of which this prospectus forms a part, and you should read the applicable contingent convertible indenture for provisions that may be important to you.

The contingent convertible indentures do not contain any covenants or other provisions designed to protect holders of the contingent convertible securities against a reduction in the creditworthiness of Credit Suisse Group or the relevant finance subsidiary in the event of a highly leveraged transaction or that would prohibit other transactions that might adversely affect holders of the contingent convertible securities, including a change in control of Credit Suisse Group or the relevant finance subsidiary.

Credit Suisse Group is a holding company and depends upon the earnings and cash flow of its subsidiaries to meet its obligations under the guarantees. Since the creditors of any of its subsidiaries would generally have a right to receive payment that is superior to Credit Suisse Group’s right to receive payment from the assets of that subsidiary, payments to holders under the guarantees, if any, will be effectively subordinated to creditors of Credit Suisse Group’s subsidiaries. In addition, there are various legal and regulatory requirements, including the satisfaction of a solvency test under Guernsey law, applicable to some of Credit Suisse Group’s subsidiaries that limit their ability to pay dividends and distributions and make loans and advances to Credit Suisse Group.
**Issuances in Series**

The contingent convertible indentures do not limit the amount of debt that may be issued. The contingent convertible securities may be issued in one or more series with the same or various maturities, at a price of 100% of their principal amount or at a premium or a discount. Not all contingent convertible securities of any one series need be issued at the same time and, unless otherwise provided, any series may be reopened for issuances of additional contingent convertible securities of that series. The contingent convertible securities will not be secured by any property or assets of the finance subsidiaries or Credit Suisse Group.

The terms of any authorized series of contingent convertible securities will be described in a prospectus supplement. These terms may include:

- whether the contingent convertible securities will be issued by Credit Suisse Group (Guernsey) I Limited or Credit Suisse Group (Guernsey) III Limited;
- the designation of the contingent convertible securities of a series, which shall distinguish the contingent convertible securities of that series from the contingent convertible securities of all other series;
- under what conditions, if any, Credit Suisse Group may be substituted as the issuer of the contingent convertible securities of the series;
- any limit on the aggregate principal amount of the contingent convertible securities that may be authenticated or delivered;
- the place or places where principal of, and any interest on, the contingent convertible securities shall be payable, where the contingent convertible securities may be surrendered for exchange or conversion, if applicable, and where notices, demands to or upon the relevant issuer in respect of the contingent convertible securities may be served and notice to holders may be published;
- the terms on which holders of the contingent convertible securities may or are required to convert or exchange these securities into or for shares or, at the relevant issuer’s option, American depositary shares, of Credit Suisse Group and any specific terms relating to the conversion or exchange feature;
- whether the contingent convertible securities qualify as tier 1 capital or tier 2 capital;
- the total principal amount of the contingent convertible securities;
- the date or dates on which principal will be payable and whether the contingent convertible securities will be payable on demand by the holders on any date;
- whether the contingent convertible securities of the series or any portion thereof will be issuable as registered securities (and if so, whether such contingent convertible securities will be issuable as registered global securities) or unregistered securities (with or without coupons), or any combination of the following, any restrictions applicable to the offer, sale or delivery of unregistered securities or the payment of interest thereon and, if other than as provided herein, the terms upon which unregistered securities may be exchanged for registered securities of such series and vice versa;
- whether and under what circumstances the relevant issuer will pay additional amounts on the contingent convertible securities in respect of any tax, assessment or governmental charge withheld or deducted and, if so, whether the relevant issuer will have the option to redeem such contingent convertible securities rather than pay such additional amounts;
- if the contingent convertible securities are to be issuable in definitive form (whether upon original issue or upon exchange of a temporary contingent convertible security of such series);
• the subordination provisions, if any, applicable to the contingent convertible securities;
• the subordination provisions, if any, applicable to the guarantees of the contingent convertible securities;
• the manner in which payments of principal, premium or interest will be calculated and whether any contingent convertible security bears a fixed rate of interest or bears a floating rate of interest, including whether any contingent convertible security is a regular floating rate note, a floating rate/fixed rate note or an inverse floating rate note (each as described below);
• provisions, if any, for the defeasance of the contingent convertible securities;
• the interest payment dates;
• any applicable events of default, whether of the relevant issuer or Credit Suisse Group as guarantor, and whether related to senior or subordinated contingent convertible securities, including acceleration provisions and covenant defaults;
• any covenants applicable to the series;
• whether any sinking fund is required;
• whether and under what circumstances the contingent convertible securities of a series will be issued as original issue discount securities, and if other than the principal amount, the portion of the principal amount of contingent convertible securities of a series which shall be payable upon declaration of acceleration of the maturity thereof;
• optional or mandatory redemption terms;
• authorized denominations, if other than $2,000 and integral multiples of $1,000 in excess thereof;
• the currency in which the contingent convertible securities will be denominated or principal, premium or interest will be payable, if other than U.S. dollars;
• whether the contingent convertible securities are to be issued as individual certificates to each holder or in the form of global certificates held by a depositary on behalf of holders;
• information describing any book-entry features;
• the terms of redemption and repurchase, if any;
• selling restrictions applicable to any series of contingent convertible securities, if any;
• the names and duties of any co-trustees, depositaries, authenticating agents, paying agents, transfer agents or registrars for any series; and
• any other terms consistent with the above.

The prospectus supplement relating to any series of contingent convertible securities may also include, if applicable, a discussion of certain U.S. federal income tax considerations and considerations under the Employee Retirement Income Security Act of 1974, as amended, or ERISA.

Interest and Interest Rates

Each series of contingent convertible securities that bears interest will bear interest from its date of issue or from the most recent date to which interest on that series of contingent convertible securities has been paid or duly provided for, at the fixed or floating rate specified in the series of contingent convertible securities, until the principal amount has been paid or made available for payment or the contingent convertible securities have been cancelled. Interest will be payable on each interest payment date and at maturity or on redemption, repurchase, conversion or exchange, if any.
Unless otherwise provided in the applicable prospectus supplement, in the event that the maturity date of any series of contingent convertible securities is not a business day, principal and interest payable at maturity will be paid on the next succeeding business day with the same effect as if that following business day were the date on which the payment were due, and the relevant issuer will not pay any additional interest as a result of the delay in payment except as otherwise provided in the applicable prospectus supplement. Unless otherwise indicated in the applicable prospectus supplement, interest payments in respect of a series of contingent convertible securities will equal the amount of interest accrued from and including the immediately preceding interest payment date in respect of which interest has been paid or duly made available for payment (or from and including the date of issue, if no interest has been paid with respect to the applicable series of contingent convertible securities) to but excluding the related interest payment date, maturity date or redemption or repurchase date, if any, as the case may be.

Interest will be payable to the person in whose name a contingent convertible security is registered at the close of business on the regular record date next preceding the related interest payment date, except that:

- if the relevant issuer fails to pay the interest due on an interest payment date, the defaulted interest will be paid to the person in whose name the contingent convertible security is registered at the close of business on the record date the relevant issuer will establish for the payment of defaulted interest; and
- interest payable at maturity, redemption or repurchase will be payable to the person to whom principal shall be payable.

The first payment of interest on any contingent convertible securities originally issued between a regular record date and an interest payment date will be made on the interest payment date following the next succeeding regular record date to the registered owner on such next succeeding regular record date.

The prospectus supplement relating to the issuance of a particular series of contingent convertible securities may also provide that the interest rate for such series will be automatically reset after any one or more reset dates specified therein.

**Fixed Rate Notes**

Each fixed rate contingent convertible security, which is referred to as a contingent convertible fixed rate note, will bear interest at the annual rate specified in the applicable prospectus supplement. The interest payment dates for contingent convertible fixed rate notes will be specified in the applicable prospectus supplement and, unless specified in the applicable prospectus supplement, the regular record dates will be the fifteenth calendar day (whether or not a business day) prior to each interest payment date. Unless otherwise specified in the applicable prospectus supplement, interest on contingent convertible fixed rate notes will be computed and paid on the basis of a 360-day year of twelve 30-day months. In the event that any date for any payment on any contingent convertible fixed rate note is not a business day, payment of interest, premium, if any, or principal otherwise payable on such contingent convertible fixed rate note will be made on the next succeeding business day. The relevant issuer will not pay any additional interest as a result of the delay in payment.

**Floating Rate Notes**

Unless otherwise specified in an applicable prospectus supplement, each floating rate contingent convertible security, which is referred to as a contingent convertible floating rate note, will be issued as
described below. Each applicable prospectus supplement will specify certain terms with respect to which such contingent convertible floating rate note is being delivered, including:

- whether the contingent convertible floating rate note is a regular contingent convertible floating rate note, an inverse contingent convertible floating rate note or a contingent convertible floating rate/contingent convertible fixed rate note (if not specified, the contingent convertible floating rate note will be a regular contingent convertible floating rate note);
- the interest rate basis or bases;
- initial interest rate;
- interest reset dates;
- interest reset period;
- interest payment dates;
- index maturity, if any;
- maximum interest rate and minimum interest rate, if any;
- the spread and/or spread multiplier, if any; and
- if one or more of the specified interest rate bases is LIBOR, the index currency, if any.

Unless otherwise specified in the applicable prospectus supplement, each regular record date for a contingent convertible floating rate note will be the fifteenth calendar day (whether or not a business day) prior to each interest payment date.

The interest rate borne by the contingent convertible floating rate notes will be determined as follows:

- Unless a contingent convertible floating rate note is a contingent convertible floating rate/contingent convertible fixed rate note or an inverse contingent convertible floating rate note, the contingent convertible floating rate note will be a regular contingent convertible floating rate note and, except as described below or in an applicable prospectus supplement, will bear interest at the rate determined by reference to the applicable interest rate basis or bases:
  - plus or minus the applicable spread, if any; and/or
  - multiplied by the applicable spread multiplier, if any.

Unless otherwise specified in the applicable prospectus supplement, commencing on the initial interest reset date, the rate at which interest on such regular contingent convertible floating rate note will be payable will be reset as of each interest reset date; provided, however, that the interest rate in effect for the period from the original issue date to the initial interest reset date will be the initial interest rate.

If a contingent convertible floating rate note is a contingent convertible floating rate/contingent convertible fixed rate note, then, except as described below or in an applicable prospectus supplement, the contingent convertible floating rate/contingent convertible fixed rate note will initially bear interest at the rate determined by reference to the applicable interest rate basis or bases:

- plus or minus the applicable spread, if any; and/or
- multiplied by the applicable spread multiplier, if any.
Commencing on the initial interest reset date, the rate at which interest on the contingent convertible floating rate/contingent convertible fixed rate note will be payable shall be reset as of each interest reset date, except that:

• the interest rate in effect for the period from the original issue date to the initial interest reset date will be the initial interest rate; and

• the interest rate in effect commencing on, and including, the fixed rate commencement date (as specified in the applicable prospectus supplement) to the maturity date will be the fixed interest rate specified in the applicable prospectus supplement, or if no fixed interest rate is so specified and the contingent convertible floating rate/contingent convertible fixed rate note is still outstanding on the fixed rate commencement date, the interest rate in effect on the contingent convertible floating rate/contingent convertible fixed rate note on the day immediately preceding the fixed rate commencement date.

If a contingent convertible floating rate note is an inverse contingent convertible floating rate note, then, except as described below or in an applicable prospectus supplement, the inverse contingent convertible floating rate note will bear interest equal to the fixed interest rate specified in the applicable prospectus supplement:

• minus the rate determined by reference to the interest rate basis or bases;

• plus or minus the applicable spread, if any; and/or

• multiplied by the applicable spread multiplier, if any.

Unless otherwise specified in the applicable prospectus supplement, the interest rate on an inverse contingent convertible floating rate note will not be less than zero. Commencing on the initial interest reset date, the rate at which interest on such inverse contingent convertible floating rate note is payable will be reset as of each interest reset date; provided, however, that the interest rate in effect for the period from the original issue date to the initial interest reset date will be the initial interest rate.

Unless otherwise provided in the applicable prospectus supplement, each interest rate basis will be the rate determined in accordance with the applicable provisions below. Except as set forth above or in the applicable prospectus supplement, the interest rate in effect on each day will be:

• if such day is an interest reset date, the interest rate as determined on the interest determination date immediately preceding such interest reset date; or

• if such day is not an interest reset date, the interest rate determined on the interest determination date immediately preceding the next preceding interest reset date.

The “spread” is the number of basis points to be added to, or subtracted from, the related interest rate basis or bases applicable to a contingent convertible floating rate note. The “spread multiplier” is the percentage of the related interest rate basis or bases applicable to a contingent convertible floating rate note by which such interest rate basis or bases will be multiplied to determine the applicable interest rate on such contingent convertible floating rate note. The “index maturity” is the period to maturity of the instrument or obligation with respect to which the interest rate basis or bases will be calculated. The “index currency” means the currency (including currency units and composite currencies) specified in the applicable prospectus supplement as the currency with respect to which LIBOR will be calculated. If no currency is specified in the applicable prospectus supplement, the index currency will be U.S. dollars.

Each applicable prospectus supplement will specify whether the rate of interest on the related contingent convertible floating rate note will be reset daily, weekly, monthly, quarterly, semi-annually, annually or such other specified interest reset period and the dates on which such interest rate will be reset.
The term “business day” means, unless otherwise specified in the applicable prospectus supplement, any day that is not a Saturday or Sunday and that is not a day on which banking institutions are generally authorized or obligated by law, regulation or executive order to close in The City of New York or in the City of Zurich, or in the Island of Guernsey.

Unless otherwise specified in the applicable prospectus supplement, if any interest payment date for any contingent convertible floating rate note (other than the maturity date, but including any redemption date or repurchase date) would otherwise be a day that is not a business day, that interest payment date or redemption date or repurchase date will be the next succeeding day that is a business day and interest shall accrue to, and be payable on, such following business day, except that if a contingent convertible floating rate note is a LIBOR note and if the next business day falls in the next succeeding calendar month, the interest payment date or redemption date or repurchase date will be the immediately preceding business day and interest shall accrue to, and be payable on, such preceding business day. If the maturity date of a contingent convertible floating rate note falls on a day that is not a business day, the payment of principal, premium, if any, and interest, if any, will be made on the next succeeding business day, and no additional interest will be paid for the period from and after the maturity date.

All percentages resulting from any calculation on contingent convertible floating rate notes will be to the nearest one hundred-thousandth of a percentage point, with five one millionths of a percentage point rounded upwards (e.g., 9.876545% (or .09876545) would be rounded to 9.87655% (or .0987655)), and all dollar amounts used in or resulting from such calculation will be rounded to the nearest cent (with one-half cent being rounded upward).

Unless otherwise provided for in the applicable prospectus supplement, HSBC Bank USA, N.A. will be the calculation agent and for each interest reset date will determine the interest rate with respect to any contingent convertible floating rate note as described below. The calculation agent will notify the relevant issuer, the paying agent and the trustee of each determination of the interest rate applicable to a contingent convertible floating rate note promptly after such determination is made. The calculation agent will, upon the request of the holder of any contingent convertible floating rate note, provide the interest rate then in effect and, if determined, the interest rate which will become effective as a result of a determination made with respect to the most recent interest determination date relating to such contingent convertible floating rate note. Unless otherwise specified in the applicable prospectus supplement, the “calculation date,” where applicable, pertaining to any interest determination date will be the earlier of (a) the tenth calendar day after that interest determination date or, if such day is not a business day, the next succeeding business day or (b) the business day preceding the applicable interest payment date or maturity date, as the case may be.

Redemption, Substitution, Variation, Repurchase and Conversion

Redemption at the Option of the Issuer

If so provided in the accompanying prospectus supplement, and subject, in certain instances, to the prior approval of Credit Suisse Group’s primary regulator in Switzerland, the Swiss Financial Market Supervisory Authority FINMA, or FINMA, the relevant issuer may redeem the contingent convertible securities of any series in whole or from time to time in part prior to maturity on notice given at least 30 calendar days and not more than 60 calendar days prior to the date fixed for redemption upon the terms and subject to the conditions set forth in the accompanying prospectus supplement. The notice of redemption of contingent convertible securities of any series to be redeemed at the option of the relevant issuer shall be given by the relevant issuer or, at the relevant issuer’s or Credit Suisse Group’s request, by the trustee in the name and at the expense of the relevant issuer or Credit Suisse Group; provided, however, that the relevant issuer or Credit Suisse Group shall have delivered to the trustee, at least 45 calendar days prior to the date of redemption (or such shorter period as may be acceptable
to the trustee), an officers’ certificate requesting that the trustee give such notice and setting forth the
information to be stated in such notice. If notice of redemption has been given as provided herein, the
contingent convertible securities or portions of contingent convertible securities specified in such notice
shall become due and payable on the date and at the place stated in such notice at the applicable
redemption price, together with interest accrued to (but excluding) the date fixed for redemption. By
applicable redemption price, we mean the price specified in the redemption notice as calculated
pursuant to the accompanying prospectus supplement.

Redemption upon the Occurrence of Certain Events

Unless otherwise provided in the accompanying prospectus supplement, and subject, in certain
instances, to the prior approval of FINMA, upon the occurrence of certain triggering events specified
in the accompanying prospectus supplement (which may include, but shall not be limited to, regulatory
events, takeover events, taxation events or capital events), the relevant issuer may, in accordance with
the provisions of the accompanying prospectus supplement, redeem all, but not some only, of the
contingent convertible securities of any series, together with any accrued but unpaid interest to (but
excluding) the relevant redemption date.

Notwithstanding anything herein to the contrary, the relevant issuer may not give notice of
redemption in cash of the contingent convertible securities of any series if mandatory conversion of the
contingent convertible securities of such series has been triggered as described in the applicable
prospectus supplement.

If so provided by the accompanying prospectus supplement, the relevant issuer may redeem all, but
not some only, of the contingent convertible securities of a series at its option at any time on giving not
less than 30 calendar days nor more than 60 calendar days notice, at the redemption price set forth in
the accompanying prospectus supplement, together with accrued interest to (but excluding) the relevant
redemption date, if it has or will (or Credit Suisse Group would, if required to pay under the
guarantee) become obligated to pay additional amounts on such series of contingent convertible
securities, as described in the accompanying prospectus supplement, as a result of certain changes in, or
amendments to, the laws (or any regulations or rulings promulgated thereunder) of Switzerland or
Guernsey.

Repurchase at the Option of the Holders

Unless otherwise provided in the accompanying prospectus supplement, holders of the contingent
convertible securities may not require the relevant issuer to repurchase a series of contingent
convertible securities prior to maturity.

Subject to the prior approval of FINMA, the relevant issuer or Credit Suisse Group (or any
subsidiary of Credit Suisse Group) may at any time purchase or procure others to purchase beneficially
for its account contingent convertible securities in any manner and at any price.

Substitution or Variation of Terms

Subject, in certain circumstances, to the prior approval of FINMA, upon the occurrence of certain
triggering events (which may include, but shall not be limited to, regulatory events, takeover events, tax
events and capital events) and in accordance with the provisions specified in the accompanying
prospectus supplement, the relevant issuer may, without any requirement for the consent or approval of
the holders of the contingent convertible securities or the trustee, either substitute all, but not some
only, of the contingent convertible securities of a series for another series of contingent convertible
securities, or vary the terms of all, but not some only, of the contingent convertible securities, in order
to meet or continue to meet certain regulatory requirements; provided that the right of any holder of
contingent convertible securities to receive payment of the principal of, and interest on, any contingent
convertible security on or after the respective due dates for such payment, or the right of any holder to institute suit for the enforcement of any such payment on or after such respective dates, or certain other rights of a holder as described in the applicable prospectus supplement shall not be impaired or affected without the consent of such holder. In connection with any substitution or variation, the relevant issuer shall comply with the rules of any stock exchange, if any, on which the contingent convertible securities are for the time being listed or admitted to trading.

The notice of substitution or variation of contingent convertible securities of any series to be substituted or varied at the option of the relevant issuer shall be given by the relevant issuer or, at the relevant issuer’s or Credit Suisse Group’s request, by the trustee in the name and at the expense of the relevant issuer or Credit Suisse Group by mailing notice of such substitution or variation to holders of contingent convertible securities at least 30 calendar days and not more than 60 calendar days prior to the date fixed for such substitution or variation; provided, however, that the relevant issuer or Credit Suisse Group shall have delivered to the trustee, at least 45 calendar days prior to the date of substitution or variation (or such shorter period as may be acceptable to the trustee), an officers’ certificate requesting that the trustee give such notice and setting forth the information to be stated in such notice.

**Substitution of the Issuer**

**Substitution at the Option of the Issuer.** The relevant issuer may at any time, without the consent of the holders or the trustee, and on the terms and subject to the conditions, if any, set forth in the accompanying prospectus supplement, substitute Credit Suisse Group for itself as principal obligor under the contingent convertible securities of a series, provided that no payment in respect of the contingent convertible securities of such series is at the relevant time overdue. In order to give effect to such substitution, the relevant issuer shall give no more than 30 calendar days nor less than 10 calendar days notice of the substitution date to the trustee and the holders of such contingent convertible securities. With effect from the substitution date, Credit Suisse Group will, without the need for the amendment of existing, or the entry into of additional, documentation, be substituted as, and assume all of the obligations of the relevant issuer as, principal obligor under the contingent convertible securities of such series.

**Substitution upon a Reorganization.** In the event of a reorganization or similar proceeding involving the interposition of a limited liability company between the shareholders of Credit Suisse Group immediately prior to such reorganization, and Credit Suisse Group, as set forth in the accompanying prospectus supplement, without the consent of holders or the trustee, the relevant issuer shall, and shall cause Credit Suisse Group to, enter into such agreements and arrangements and make such amendments to the terms of the contingent convertible securities and the guarantee as are necessary to ensure that following such reorganization or similar proceeding, the contingent convertible securities shall be convertible into ordinary shares of the newly formed company as provided in the accompanying prospectus supplement. Upon the occurrence of such a reorganization or similar proceeding, the other obligations of the relevant issuer under the contingent convertible securities and/or Credit Suisse Group under the guarantee shall be unaffected.

**Conversion**

Upon the occurrence of certain triggering events specified in the accompanying prospectus supplement (which may include, but shall not be limited to, certain regulatory events or certain capital events), at any time while the contingent convertible securities are outstanding, the contingent convertible securities of a series shall, upon the terms and subject to the conditions set forth in the accompanying prospectus supplement, be redeemed in whole, but not in part, and settled by the delivery of new fully paid shares or American depositary shares, as specified in the accompanying prospectus supplement, to a reputable independent financial institution, trust company or similar entity.
to be appointed by the relevant issuer, referred to in this prospectus as the “settlement shares depository,” on behalf of the holders on the date specified therefor in the accompanying prospectus supplement. Receipt by the settlement shares depository of the shares or, if so provided in the accompanying prospectus supplement, American depositary shares, shall be a good and complete discharge of the relevant issuer’s obligations in respect of the contingent convertible securities and those of Credit Suisse Group under the guarantee.

Following the occurrence of a triggering event but prior to the delivery of shares or American depositary shares (as applicable) to the settlement shares depository, holders shall have recourse only to the relevant issuer or, in accordance with, and under the provisions of, the guarantee, to Credit Suisse Group, for the issue and delivery of shares or American depositary shares (as applicable) to the settlement shares depository. After such delivery to the settlement shares depository, holders shall have recourse only to the settlement shares depository for the delivery to them of such shares or American depositary shares, as applicable.

Upon conversion, the relevant issuer shall, or shall cause Credit Suisse Group to, pay to the holders of the contingent convertible securities any interest accrued up to (but excluding) the date of conversion in respect of the contingent convertible securities.

Credit Suisse Group Guarantees

Unless otherwise specified in the applicable prospectus supplement, any contingent convertible securities issued by any finance subsidiary will be fully and unconditionally guaranteed by Credit Suisse Group. Whether the guarantees of the contingent convertible securities will be senior or subordinated under the terms of any guarantees will be set forth in the applicable prospectus supplement. If, for any reason, the relevant issuer does not make any required payment of principal, premium, if any, of, and interest, if any, on the contingent convertible securities when due, whether on the normal due date, on acceleration, redemption or otherwise, Credit Suisse Group will cause the payment to be made to, or to the order of, the trustee. The holder of a guaranteed contingent convertible security will be entitled to payment under the guarantee of Credit Suisse Group without taking any action whatsoever against the relevant finance subsidiary. As specified in the applicable prospectus supplement, Credit Suisse Group will fully and unconditionally guarantee the delivery of Credit Suisse Group's shares, or American depositary shares, if applicable, or any monetary claim in respect thereof, in each case according to the terms thereof and of the contingent convertible indenture, the applicable contingent convertible indenture supplement, and the applicable prospectus supplement.

Modification of the Contingent Convertible Indentures; Substitution or Variation of Terms; Substitution of Issuer

In general, rights and obligations of the relevant finance subsidiary, Credit Suisse Group and the holders under each applicable contingent convertible indenture may be modified if the holders of a majority in aggregate principal amount of the outstanding contingent convertible securities of each series affected by the modification consent to such modification. In addition, the applicable prospectus supplement may provide that the relevant issuer may, subject to certain conditions, at its option, and without the consent or approval of the holders of the contingent convertible securities, either substitute or vary the terms of all (but not some only) of the contingent convertible securities, the related guarantee and the applicable contingent convertible indenture as it considers necessary or desirable in order to meet or continue to meet certain regulatory requirements. Similarly, the applicable prospectus supplement may provide that, in the event that any series of contingent convertible securities is issued by a finance subsidiary, Credit Suisse Group may at any time, subject to certain conditions, at its option and without the consent or approval of the holders of such series of contingent convertible securities, be substituted as the relevant issuer, whereupon the guarantee shall be terminated. However, each contingent convertible indenture provides that (subject to certain limited exceptions), the right of any
holder of any contingent convertible security to receive payment of the principal of, and interest on, such contingent convertible security, on or after the respective due dates expressed in such contingent convertible security, or to institute suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such holder.

However, other than in the circumstances mentioned above, if the relevant finance subsidiary, Credit Suisse Group and the trustee agree, the applicable contingent convertible indenture may be amended without notifying any holders or seeking their consent if the amendment does not materially and adversely affect any holder, including if Credit Suisse Group assumes the obligations of the relevant finance subsidiary in connection with a contingent convertible security.

In particular, if the relevant finance subsidiary, Credit Suisse Group and the trustee agree, the applicable contingent convertible indenture may be amended without notifying any holders or seeking their consent to add a guarantee from a third party on any outstanding and future contingent convertible security issued or to be issued under the applicable contingent convertible indenture.

Notwithstanding anything in this prospectus to the contrary, in the event that Credit Suisse Group is substituted as the relevant issuer, Swiss law may require that certain mandatory provisions of Swiss law in relation to meetings of holders of contingent convertible securities shall apply and prevail in the case of any conflict with the provisions outlined herein or in the applicable prospectus supplement.

Defeasance

The term defeasance means discharge from some or all of the obligations under the applicable contingent convertible indenture. If the relevant issuer deposits with the trustee sufficient cash or government securities to pay the principal, interest, premium, if any, and any other sums due to the stated maturity date or a redemption date of the contingent convertible securities of a particular series, then at the relevant issuer's option:

i. the relevant issuer and the guarantor will be discharged from their respective obligations with respect to the contingent convertible securities of such series; or

ii. the relevant issuer and the guarantor will no longer be under any obligation to comply with the restrictive covenants, if any, contained in the applicable contingent convertible indenture and any supplemental contingent convertible indenture with respect to the contingent convertible securities of such series, and the events of default relating to failures to comply with covenants will no longer apply to them.

In the case of defeasance pursuant to (i) above, the holders of the contingent convertible securities of the affected series will not be entitled to the benefits of the applicable contingent convertible indenture except for registration of transfer and exchange of such contingent convertible securities and replacement of lost, stolen or mutilated contingent convertible securities. Instead, the holders will only be able to rely on the deposited funds or obligations for payment.

The relevant issuer must deliver to the trustee an officers’ certificate and an opinion of counsel to the effect that the deposit and related defeasance would not cause the holders of the contingent convertible securities to recognize income, gain or loss for U.S. federal income tax purposes and that the holders would be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred. In the case of a complete defeasance pursuant to (i) above, the relevant issuer may, in lieu of an opinion of counsel, deliver a ruling to such effect directed to the trustee received from the U.S. Internal Revenue Service if the relevant issuer and the guarantor are discharged from their respective obligations with respect to the contingent convertible securities.
Covenants

The relevant finance subsidiary or Credit Suisse Group may be subject to additional covenants, including restrictive covenants in respect of a particular series of contingent convertible securities or the related guarantee. Such additional covenants will be set forth in the applicable prospectus supplement and, to the extent necessary, in the applicable supplemental contingent convertible indenture relating to that series of contingent convertible securities.

Currency Indemnity

If payment on the contingent convertible securities is due to be made in a specified currency, which we refer to as the “required currency,” any amount received or recovered in a currency other than the required currency by any holder in respect of any sum expressed to be due to it from the relevant issuer or the guarantor, as applicable, shall only constitute a discharge to the relevant issuer or the guarantor, as applicable, to the extent of the required currency amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that required currency amount is less than the required currency amount expressed to be due to the recipient under any such contingent convertible security, the relevant issuer or the guarantor, as applicable, shall indemnify it against any resulting loss sustained by the recipient. In any event, the relevant issuer, failing whom, the guarantor, shall indemnify the recipient against the cost of making any such purchase. For the purposes of this condition, it will be sufficient for a holder to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the relevant issuer’s and the guarantor’s other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any waiver granted by any holder of the contingent convertible securities and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under the contingent convertible securities or any other judgment or order.

Information Concerning the Trustee for the Contingent Convertible Securities

HSBC Bank USA, N.A., with its corporate trust office at 10 East 40th Street, New York, New York 10016, will be the trustee for the contingent convertible securities. The trustee will be required to perform only those duties that are specifically set forth in the applicable contingent convertible indenture, except when certain defaults have occurred and are continuing with respect to the contingent convertible securities. After certain defaults, the trustee must exercise the same degree of care that a prudent person would exercise under the circumstances in the conduct of her or his own affairs. Subject to these requirements, the trustee will be under no obligation to exercise any of the powers vested in it by the applicable contingent convertible indenture at the request of any holder of contingent convertible securities unless the holder offers the trustee reasonable indemnity against the costs, expenses and liabilities that might be incurred by exercising those powers. The trustee may conclusively rely and shall be fully protected in acting or refraining from acting upon any Officers’ Certificate, Opinion of Counsel (or both), resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper person or persons. The relevant issuer is obliged to furnish to the trustee annually a list of the names and addresses of the holders of registered securities.

HSBC Bank USA, N.A. has provided financial and other services to Credit Suisse Group and certain of its subsidiaries and affiliates in the past and may do so in the future as a part of its regular business.
Governing Law

The contingent convertible securities and the related contingent convertible indentures and any non-contractual obligations arising out of, or in connection with, them are governed by, and shall be construed in accordance with, the laws of England, save that the provisions relating to the status and degree of subordination of the contingent convertible securities and the related guarantee shall be governed by the laws of the Island of Guernsey in the case of the finance subsidiaries and the laws of Switzerland in the case of Credit Suisse Group, and save that with respect to each of the contingent convertible indentures, such provisions of the Trust Indenture Act as are deemed to be part of and to govern the applicable contingent convertible indenture, shall govern such contingent convertible indenture.
DESCRIPTION OF CERTAIN PROVISIONS RELATING TO DEBT SECURITIES AND CONTINGENT CONVERTIBLE SECURITIES

Payment and Transfer

Unless otherwise provided for in the applicable prospectus supplement, the debt securities and contingent convertible securities will be issued only as registered securities, which means that the name of the holder will be entered in a register that will be kept by the applicable trustee or another agent appointed by the relevant issuer. Unless stated otherwise in a prospectus supplement, and except as described under “—Book-Entry System” below, principal and interest payments will be made at the office of the paying agent or agents named in the prospectus supplement or by check mailed to you at your address as it appears in the register.

Unless other procedures are described in a prospectus supplement, and except as described under “—Book-Entry System” below, you will be able to transfer registered debt securities or contingent convertible securities, as applicable, at the office of the transfer agent or agents named in the prospectus supplement. You may also exchange registered debt securities or contingent convertible securities at the office of the transfer agent for an equal aggregate principal amount of registered debt securities or contingent convertible securities, as applicable, of the same series having the same maturity date, interest rate and other terms as long as the debt securities or contingent convertible securities, as applicable, are issued in authorized denominations.

Neither the relevant issuer nor the applicable trustee will impose any service charge for any transfer or exchange of a debt security or contingent convertible security. The relevant issuer may, however, ask you to pay any taxes or other governmental charges in connection with a transfer or exchange of debt securities or contingent convertible securities.

Book-Entry System

Debt securities and contingent convertible securities may be issued under a book-entry system in the form of one or more global securities. The global securities will be registered in the name of a depositary or its nominee and deposited with that depositary or its custodian. Unless stated otherwise in the prospectus supplement, The Depository Trust Company, New York, New York, or DTC, will be the depositary if a depositary is used.

Following the issuance of a global security in registered form, the depositary will credit the accounts of its participants with the debt securities or contingent convertible securities, as applicable, upon the relevant issuer’s instructions. Only persons who hold directly or indirectly through financial institutions that are participants in the depositary can hold beneficial interests in the global securities. Since the laws of some jurisdictions require certain types of purchasers to take physical delivery of such securities in definitive form, you may encounter difficulties in your ability to own, transfer or pledge beneficial interests in a global security.

So long as the depositary or its nominee is the registered owner of a global security, the relevant issuer, the guarantor (if applicable) and the applicable trustee will treat the depositary as the sole owner or holder of the debt securities or contingent convertible securities, as applicable, for purposes of the applicable indenture or contingent convertible indenture. Therefore, except as set forth below, you will not be entitled to have debt securities or contingent convertible securities registered in your name or to receive physical delivery of certificates representing the debt securities or contingent convertible securities, as applicable. Accordingly, you will have to rely on the procedures of the depositary and the participant in the depositary through whom you hold your beneficial interest in order to exercise any rights of a holder under the applicable indenture or contingent convertible indenture. We understand that under existing practices, the depositary would act upon the instructions of a participant or authorize that participant to take any action that a holder is entitled to take.
Unless stated otherwise in an applicable prospectus supplement, you may elect to hold interests in the global securities through either DTC (in the United States) or Clearstream Banking, société anonyme, which we refer to as Clearstream, Luxembourg, or Euroclear Bank, S.A./N.V., or its successor, as operator of the Euroclear System, which we refer to as Euroclear (outside of the United States), if you are participants of such systems, or indirectly through organizations which are participants in such systems. Interests held through Clearstream, Luxembourg and Euroclear will be recorded on DTC's books as being held by the U.S. depositary for each of Clearstream, Luxembourg and Euroclear, which U.S. depositaries will in turn hold interests on behalf of their participants' customers' securities accounts.

As long as the debt securities or contingent convertible securities of a series are represented by global securities, the relevant issuer will pay principal of and interest and premium on those securities to, or as directed by, DTC as the registered holder of the global securities. Payments to DTC will be in immediately available funds by wire transfer. DTC, Clearstream, Luxembourg or Euroclear, as applicable, will credit the relevant accounts of their participants on the applicable date. Neither the relevant issuer nor the applicable trustee will be responsible for making any payments to participants or customers of participants or for maintaining any records relating to the holdings of participants and their customers, and you will have to rely on the procedures of the depositary and its participants. If an issue of debt securities or contingent convertible securities is denominated in a currency other than the U.S. dollar, the relevant issuer will make payments of principal and any interest in the foreign currency in which the debt securities or contingent convertible securities, as applicable, are denominated, or in U.S. dollars. DTC has elected to have all payments of principal and interest paid in U.S. dollars unless notified by any of its participants through which an interest in the debt securities or contingent convertible securities is held that it elects, in accordance with, and to the extent permitted by, the applicable supplement and the relevant debt security or contingent convertible security, to receive payment of principal or interest in the foreign currency. On or prior to the third business day after the record date for payment of interest and 12 days prior to the date for payment of principal, a participant will be required to notify DTC of (a) its election to receive all, or the specified portion, of payment in the foreign currency and (b) its instructions for wire transfer of payment to a foreign currency account.

DTC, Clearstream, Luxembourg and Euroclear have, respectively, advised us as follows:

- **As to DTC**: DTC has advised us that it is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities deposited with it by its participants and facilitates the settlement of transactions among its participants in such securities through electronic computerized book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities certificates. DTC’s participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations, some of whom (and/or their representatives) own DTC. Access to DTC’s book-entry system is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly.

According to DTC, the foregoing information with respect to DTC has been provided to the financial community for informational purposes only and is not intended to serve as a representation, warranty or contract modification of any kind.

- **As to Clearstream, Luxembourg**: Clearstream, Luxembourg has advised us that it was incorporated as a limited liability company under Luxembourg law. Clearstream, Luxembourg is
owned by Cedel International, société anonyme, and Deutsche Börse AG. The shareholders of these two entities are banks, securities dealers and financial institutions.

Clearstream, Luxembourg holds securities for its customers and facilitates the clearance and settlement of securities transactions between Clearstream, Luxembourg customers through electronic book-entry changes in accounts of Clearstream, Luxembourg customers, thus eliminating the need for physical movement of certificates. Transactions may be settled by Clearstream, Luxembourg in many currencies, including U.S. dollars. Clearstream, Luxembourg provides to its customers, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities, securities lending and borrowing. Clearstream, Luxembourg also deals with domestic securities markets in over 30 countries through established depository and custodial relationships. Clearstream, Luxembourg interfaces with domestic markets in a number of countries. Clearstream, Luxembourg has established an electronic bridge with Euroclear Bank S.A./N.V., the operator of Euroclear, or the Euroclear operator, to facilitate settlement of trades between Clearstream, Luxembourg and Euroclear.

As a registered bank in Luxembourg, Clearstream, Luxembourg is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector. Clearstream, Luxembourg customers are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. In the United States, Clearstream, Luxembourg customers are limited to securities brokers and dealers and banks, and may include any underwriters or agents for the debt securities or contingent convertible securities. Other institutions that maintain a custodial relationship with a Clearstream, Luxembourg customer may obtain indirect access to Clearstream, Luxembourg. Clearstream, Luxembourg is an indirect participant in DTC.

Distributions with respect to the debt securities or contingent convertible securities held beneficially through Clearstream, Luxembourg will be credited to cash accounts of Clearstream, Luxembourg customers in accordance with its rules and procedures, to the extent received by Clearstream, Luxembourg.

- **As to Euroclear:** Euroclear has advised us that it was created in 1968 to hold securities for participants of Euroclear and to clear and settle transactions between Euroclear participants through simultaneous electronic book-entry delivery against payment, thus eliminating the need for physical movement of certificates and risk from lack of simultaneous transfers of securities and cash. Transactions may now be settled in many currencies, including U.S. dollars and Japanese Yen. Euroclear provides various other services, including securities lending and borrowing and interfaces with domestic markets in several countries generally similar to the arrangements for cross-market transfers with DTC described below.

Euroclear is operated by the Euroclear operator, under contract with Euroclear plc, a U.K. corporation. The Euroclear operator conducts all operations, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear operator, not Euroclear plc. Euroclear plc establishes policy for Euroclear on behalf of Euroclear participants. Euroclear participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include any underwriters for the debt securities or contingent convertible securities. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly. Euroclear is an indirect participant in DTC.

The Euroclear operator is a Belgian bank. The Belgian Banking Commission and the National Bank of Belgium regulate and examine the Euroclear operator.
The Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, or the Euroclear Terms and Conditions, and applicable Belgian law govern securities clearance accounts and cash accounts with the Euroclear operator. Specifically, these terms and conditions govern:

- transfers of securities and cash within Euroclear;
- withdrawal of securities and cash from Euroclear; and
- receipt of payments with respect to securities in Euroclear.

All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear operator acts under the terms and conditions only on behalf of Euroclear participants and has no record of or relationship with persons holding securities through Euroclear participants.

Distributions with respect to debt securities or contingent convertible securities held beneficially through Euroclear will be credited to the cash accounts of Euroclear participants in accordance with the Euroclear Terms and Conditions, to the extent received by the Euroclear operator.

Global certificates generally are not transferable. Physical certificates will be issued to beneficial owners of a global security if:

- the depositary notifies the relevant issuer that it is unwilling or unable to continue as depositary and the relevant issuer does not appoint a successor within 90 days;
- the depositary ceases to be a clearing agency registered under the Exchange Act and the relevant issuer does not appoint a successor within 90 days;
- the relevant issuer decides in its sole discretion (subject to the procedures of the depositary) that it does not want to have the debt securities or contingent convertible securities of the applicable series represented by global certificates; or
- an event of default has occurred with regard to those debt securities or contingent convertible securities, as applicable, and has not been cured or waived.

If any of the events described in the preceding paragraph occurs, the relevant issuer will issue definitive securities in certificated form in an amount equal to a holder’s beneficial interest in the debt securities or contingent convertible securities, as applicable. Unless otherwise specified in the applicable prospectus supplement, definitive securities will be issued in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof, and will be registered in the name of the person DTC specifies in a written instruction to the registrar of the debt securities or contingent convertible securities, as applicable.

In the event definitive securities are issued:

- holders of definitive securities will be able to receive payments of principal and interest on their debt securities or contingent convertible securities, as applicable, at the office of the relevant issuer’s paying agent maintained in the Borough of Manhattan;
- holders of definitive securities will be able to transfer their debt securities or contingent convertible securities, as applicable, in whole or in part, by surrendering the debt securities for registration of transfer at the office of The Bank of New York Mellon, formerly known as The Bank of New York (as successor to JPMorgan Chase, N.A., in the case of the senior and subordinated indentures with Credit Suisse Group), the trustee under the applicable indenture, and by surrendering the contingent convertible securities for registration of transfer at the office of HSBC Bank USA, N.A., the trustee under the applicable contingent convertible indenture. The relevant issuer will not charge any fee for the registration or transfer or exchange, except
that it may require the payment of a sum sufficient to cover any applicable tax or other governmental charge payable in connection with the registration, transfer or exchange; and

- any moneys the relevant issuer pays to its paying agents for the payment of principal and interest on the debt securities or contingent convertible securities, as applicable, which remain unclaimed at the second anniversary of the date such payment was due will be returned to the relevant issuer, and thereafter holders of definitive securities may look only to the relevant issuer, as general unsecured creditors, for payment, provided, however, that the paying agents must first publish notice in an authorized newspaper that such money remains unclaimed.

Global Clearance and Settlement Procedures

You will be required to make your initial payment for the debt securities or contingent convertible securities, as applicable, in immediately available funds. Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled in immediately available funds using DTC’s Same-Day Funds Settlement System, or any successor thereto. Secondary market trading between Clearstream, Luxembourg customers and/or Euroclear participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream, Luxembourg and Euroclear and will be settled using the procedures applicable to conventional eurobonds in immediately available funds.

Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg customers or Euroclear participants, on the other, will be effected in DTC in accordance with DTC rules on behalf of the relevant European international clearing system by a U.S. depositary; however, such cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (based on European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to the U.S. depositary to take action to effect final settlement on its behalf by delivering or receiving debt securities or contingent convertible securities, as applicable, in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream, Luxembourg customers and Euroclear participants may not deliver instructions directly to their respective U.S. depositaries.

Because of time-zone differences, credits of debt securities or contingent convertible securities, as applicable, received in Clearstream, Luxembourg or Euroclear as a result of a transaction with a DTC participant will be made during subsequent securities settlement processing and dated the business day following the DTC settlement date. Such credits or any transactions in such debt securities or contingent convertible securities, as applicable, settled during such processing will be reported to the relevant Clearstream, Luxembourg customers or Euroclear participants on such business day. Cash received in Clearstream, Luxembourg or Euroclear as a result of sales of debt securities or contingent convertible securities, as applicable, by or through a Clearstream, Luxembourg customer or a Euroclear participant to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Clearstream, Luxembourg or Euroclear cash account only as of the business day following settlement in DTC.

Although DTC, Clearstream, Luxembourg and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of debt securities or contingent convertible securities, as applicable, among participants of DTC, Clearstream, Luxembourg and Euroclear, they are under no obligation to perform or continue to perform such procedures and such procedures may be discontinued at any time.
SPECIAL PROVISIONS RELATING TO DEBT SECURITIES OR CONTINGENT CONVERTIBLE SECURITIES DENOMINATED IN A FOREIGN CURRENCY

Unless otherwise specified in the applicable prospectus supplement, the following additional provisions will apply to debt securities or contingent convertible securities denominated in a foreign currency.

Payment Currency

Unless otherwise indicated in the applicable prospectus supplement, you will be required to pay for debt securities or contingent convertible securities in the specified currency. Currently, there are limited facilities in the United States for the conversion of U.S. dollars into foreign currencies. Therefore, unless otherwise indicated in the applicable prospectus supplement, the exchange rate agent the relevant issuer appoints and identifies in the applicable prospectus supplement will arrange for the conversion of U.S. dollars into the specified currency on behalf of any purchaser of a debt security or contingent convertible security denominated in a foreign currency to enable a prospective purchaser to deliver the specified currency in payment for a debt security or contingent convertible security denominated in a foreign currency. The exchange rate agent must receive a request for any conversion on or prior to the third business day preceding the date of delivery of the debt security or contingent convertible security denominated in a foreign currency. You must pay all costs of currency exchange.

Unless otherwise specified in the applicable prospectus supplement or unless the holder of a debt security or contingent convertible security denominated in a foreign currency elects to receive payments in the specified currency, payments made by the relevant issuer of principal of, premium, if any, and interest, if any, on a debt security or contingent convertible security denominated in a foreign currency will be made in U.S. dollars. The U.S. dollar amount to be received by a holder will be based on the highest bid quotation in The City of New York received by the exchange rate agent at approximately 11:00 a.m., New York City time, on the second business day preceding the applicable payment date from three recognized foreign exchange dealers (one of which may be the exchange rate agent) for the purchase by the quoting dealer of the specified currency for U.S. dollars for settlement on the payment date in the aggregate amount of the specified currency payable to the holders of debt securities or contingent convertible securities scheduled to receive U.S. dollar payments and at which the applicable dealer commits to execute a contract. If these bid quotations are not available, payments to holders will be made in the specified currency.

Unless otherwise specified in the applicable prospectus supplement, a holder of a debt security or contingent convertible security denominated in a foreign currency may elect to receive payment in the specified currency for all payments and need not file a separate election for each payment, and such election will remain in effect until revoked by written notice to the paying agent at its corporate trust office in The City of New York received on a date prior to the record date for the relevant interest payment date or at least 10 calendar days prior to the maturity date (or any redemption date, repayment date or repurchase date), as the case may be; provided, that such election is irrevocable as to the next succeeding payment to which it relates. If such election is made as to full payment on a debt security or contingent convertible security, the election may thereafter be revoked so long as the paying agent is notified of the revocation within the time period set forth above.

Banks in the United States offer non-U.S. dollar-denominated checking or savings account facilities in the United States only on a limited basis. Accordingly, unless otherwise indicated in the applicable prospectus supplement, payments of principal of, premium, if any, and interest, if any, on, debt securities or contingent convertible securities denominated in a foreign currency to be made in a specified currency other than U.S. dollars will be made to an account at a bank outside the United States, unless alternative arrangements are made.
If a specified currency (other than the U.S. dollar) in which a debt security or contingent convertible security is denominated or payable: (a) ceases to be recognized by the government of the country which issued such currency or for the settlement of transactions by public institutions or within the international banking community, (b) is a currency unit and such currency unit ceases to be used for the purposes for which it was established, or (c) is not available to the relevant issuer for making payments due to the imposition of exchange controls or other circumstances beyond its control, in each such case, as determined in good faith by the relevant issuer, then with respect to each date for the payment of principal of and interest, if any, on a debt security or contingent convertible security denominated or payable in such specified currency occurring after the last date on which such specified currency was so used, which we refer to as the conversion date, the U.S. dollar or such foreign currency or currency unit as may be specified by the relevant issuer, which we refer to as the substitute currency, will become the currency of payment for use on each such payment date (but such specified currency will, at the relevant issuer’s election, resume being the currency of payment on the first such payment date preceded by 15 business days during which the circumstances which gave rise to the change of currency no longer prevail, in each case, as determined in good faith by the relevant issuer). The substitute currency amount to be paid by the relevant issuer to the applicable trustee and by the applicable trustee or any paying agent to the holder of a debt security or contingent convertible security with respect to such payment date will be the currency equivalent or currency unit equivalent (each as defined below) of the specified currency as determined by the exchange rate agent (which determination will be delivered in writing to the applicable trustee not later than the fifth business day prior to the applicable payment date) as of the conversion date or, if later, the date most recently preceding the payment date in question on which such determination is possible of performance, but not more than 15 business days before such payment date. We refer to such conversion date or date preceding a payment date as aforesaid as the valuation date. Any payment in a substitute currency under the circumstances described above will not constitute an event of default under the applicable indenture or contingent convertible indenture or the debt securities or contingent convertible securities.

The “currency equivalent” will be determined by the exchange rate agent as of each valuation date and will be obtained by converting the specified currency (unless the specified currency is a currency unit) into the substitute currency at the market exchange rate (as defined below) on the valuation date.

The “currency unit equivalent” will be determined by the exchange rate agent as of each valuation date and will be the sum obtained by adding together the results obtained by converting the specified amount of each initial component currency into the substitute currency at the market exchange rate on the valuation date for such component currency.

“Component currency” means any currency which, on the conversion date, was a component currency of the relevant currency unit.

“Market exchange rate” means, as of any date, for any currency or currency unit, the noon U.S. dollar buying rate for that currency or currency unit, as the case may be, for cable transfers quoted in The City of New York on such date as certified for customs purposes by the Federal Reserve Bank of New York. If such rates are not available for any reason with respect to one or more currencies or currency units for which an exchange rate is required, the exchange rate agent will use, in its sole discretion and without liability on its part, such quotation of the Federal Reserve Bank of New York as of the most recent available date, or quotations from one or more major banks in The City of New York or in the country of issue of the currency or currency unit in question, or such other quotations as the exchange rate agent will deem appropriate. Unless otherwise specified by the exchange rate agent, if there is more than one market for dealing in any currency or currency unit by reason of foreign exchange regulations or otherwise, the market to be used in respect of such currency or currency unit will be that upon which a non-resident issuer of securities designated in such currency or currency unit would, as determined in its sole discretion and without liability on the part of the exchange rate agent, purchase such currency or currency unit in order to make payments in respect of such securities.
“Specified amount” of a component currency means the number of units (including decimals) which such component currency represented in the relevant currency unit, on the conversion date or the valuation date or the last date the currency unit was so used, whichever is later. If after such date the official unit of any component currency is altered by way of combination or subdivision, the specified amount of such component currency will be divided or multiplied in the same proportion. If after such date two or more component currencies are consolidated into a single currency, the respective specified amounts of such component currencies will be replaced by an amount in such single currency equal to the sum of the respective specified amounts of such consolidated component currencies expressed in such single currency, and such amount will thereafter be a specified amount and such single currency will thereafter be a component currency. If after such date any component currency will be divided into two or more currencies, the specified amount of such component currency will be replaced by specified amounts of such two or more currencies, the sum of which, at the market exchange rate of such two or more currencies on the date of such replacement, will be equal to the specified amount of such former component currency and such amounts will thereafter be specified amounts and such currencies will thereafter be component currencies.

All determinations referred to above made by the relevant issuer or its agents will be at its or their sole discretion and will, in the absence of manifest error, be conclusive for all purposes and binding on you.

Specific information about the currency, currency unit or composite currency in which a particular debt security or contingent convertible security denominated in a foreign currency is denominated, including historical exchange rates and a description of the currency and any exchange controls, will be set forth in the applicable prospectus supplement. The information therein concerning exchange rates is furnished as a matter of information only and should not be regarded as indicative of the range of or trends in fluctuations in currency exchange rates that may occur in the future.

Minimum Denominations, Restrictions on Maturities, Repayment and Redemption

Debt securities or contingent convertible securities denominated in specified currencies other than U.S. dollars will have the minimum denominations and will be subject to the restrictions on maturities, repayment and redemption that are set forth in the applicable prospectus supplement. Any other restrictions applicable to debt securities or contingent convertible securities denominated in specified currencies other than U.S. dollars, including restrictions related to the distribution of such debt securities or contingent convertible securities, will be set forth in the applicable prospectus supplement.
FOREIGN CURRENCY RISKS

This prospectus does not, and any applicable prospectus supplement will not, describe all of the possible risks of an investment in debt securities or contingent convertible securities the payment on which will be made in, or affected by the value of, a foreign currency or a composite currency. You should not invest in debt securities or contingent convertible securities denominated in a foreign currency if you are not knowledgeable about foreign currency and indexed transactions. You should consult your own financial and legal advisors about such risks as such risks may change from time to time.

We are providing the following information for the benefit of U.S. residents. If you are not a U.S. resident, you should consult your own financial and legal advisors before investing in any debt securities or contingent convertible securities.

Exchange Rates and Exchange Controls

A series of debt securities or contingent convertible securities denominated in, or affected by the value of, a currency other than U.S. dollars has additional risks that do not exist for U.S. dollar denominated debt securities or contingent convertible securities. The most important risks are (a) possible changes in exchange rates between the U.S. dollar and the specified currency after the issuance of the debt securities or contingent convertible securities resulting from market changes in rates or from the official redenomination or revaluation of the specified currency and (b) imposition or modification of foreign exchange controls by either the U.S. government or foreign governments. Such risks generally depend on economic events, political events and the supply of, and demand for, the relevant currencies, over which we have no control.

Exchange rates have fluctuated greatly in recent years and are likely to continue to fluctuate in the future. These fluctuations are caused by economic forces as well as political factors. However, you cannot predict future fluctuations based on past exchange rates. If the foreign currency decreases in value relative to the U.S. dollar, the yield on a debt security or contingent convertible security denominated in a foreign currency or on a currency-linked indexed debt security for a U.S. investor will be less than the coupon rate and you may lose money at maturity if you sell such debt security or contingent convertible security. In addition, you may lose all or most of your investment in a currency-linked indexed debt-security as a result of changes in exchange rates.

Governments often impose exchange controls which can affect exchange rates or the availability of the foreign currency to make payments of principal, premium, if any, and interest on the debt securities or contingent convertible securities. We cannot assure you that exchange controls will not restrict or prohibit payments of principal, premium, if any, or interest denominated in any specified currency.

Even if there are no actual exchange controls, it is possible that the specified currency would not be available to the relevant issuer when payments on the debt securities or contingent convertible securities are due because of circumstances beyond its control. If the specified foreign currency is not available, the relevant issuer will make the required payments in U.S. dollars on the basis of the market exchange rate on the date of such payment, or if such rate of exchange is not then available, on the basis of the market exchange rate as of a recent date. We refer you to “Special Provisions Relating to Debt Securities or Contingent Convertible Securities Denominated in a Foreign Currency—Payment Currency.” You should consult your own financial and legal advisors as to the risk of an investment in debt securities or contingent convertible securities denominated in a currency other than your home currency.

Any applicable prospectus supplement relating to debt securities or contingent convertible securities having a specified currency other than U.S. dollars will contain a description of any material exchange controls affecting that currency and any other required information concerning the currency.
Foreign Currency Judgments

The debt securities and the applicable indentures, except for, in the case of the subordinated indentures and the subordinated debt securities issued by Credit Suisse Group or Credit Suisse, the subordination provisions thereof which are governed by Swiss law, are governed by New York State law. The contingent convertible securities and the applicable contingent convertible indentures and any non-contractual obligations arising out of, or in connection with, them are governed by, and shall be construed in accordance with, the laws of England, save that the provisions relating to the status and degree of subordination of the contingent convertible securities and the related guarantee shall be governed by the laws of the Island of Guernsey in the case of the finance subsidiaries and the laws of Switzerland in the case of Credit Suisse Group, and save that with respect to the contingent convertible indenture, such provisions of the Trust Indenture Act as are deemed to be part of and to govern the applicable contingent convertible indenture, shall govern such contingent convertible indenture. Courts in the United States customarily have not rendered judgments for money damages denominated in any currency other than the U.S. dollar. A 1987 amendment to the Judiciary Law of New York State provides, however, that an action based upon an obligation denominated in a currency other than U.S. dollars will be rendered in the foreign currency of the underlying obligation. Accordingly, if you bring a lawsuit in a New York state court or in a federal court located in New York State for payment of a debt security or contingent convertible security denominated in a foreign currency, the court would award a judgment in the foreign currency and convert the judgment into U.S. dollars, on the date of the judgment. U.S. courts located outside New York State would probably award a judgment in U.S. dollars but it is unclear what rate of exchange they would use.

Enforcement of claims or court judgments under Swiss debt collection or bankruptcy proceedings may only be made in Swiss francs. Thus, the amount of any claim or court judgment denominated in a currency other than Swiss francs would be converted into Swiss francs at the rate obtained on (i) the date the enforcement proceedings are instituted or (ii) the date of the filing for the continuation of the bankruptcy procedure (Fortsetzungsbegehren), with respect to enforcing creditors, and at the rate obtained at the time of adjudication of bankruptcy (Konkurseröffnung), with respect to non-enforcing creditors.
DESCRIPTION OF WARRANTS

General

Credit Suisse Group and Credit Suisse, directly or through any branch, may issue warrants, including warrants or warrants in the form of subscription rights to purchase equity or debt securities, as well as other types of warrants. If Credit Suisse issues warrants to purchase equity securities, those equity securities will not be shares of Credit Suisse Group or Credit Suisse. Credit Suisse Group or Credit Suisse may issue warrants in such amounts or in as many distinct series as we wish. Warrants may be issued independently or together with any equity or debt securities and may be attached to or separate from such equity or debt securities. Each series of warrants will be issued under a separate warrant agreement to be entered into between us and a warrant agent. The forms of each of the warrant agreements will be filed as exhibits to the registration statement of which this prospectus forms a part or will be furnished to the SEC on a Form 6-K that is incorporated by reference in the registration statement of which this prospectus forms a part. This prospectus briefly outlines certain general terms and provisions of the warrants we may issue. Further terms of the warrants and applicable warrant agreement will be set forth in the applicable prospectus supplement. The specific terms of a warrant as described in the applicable prospectus supplement will supplement and, if applicable, may modify or replace the general terms described in this section. If there are differences between the applicable prospectus supplement and this prospectus, the prospectus supplement will control.

Warrants to Purchase Equity Securities

We will describe the terms of any warrants, or warrants in the form of subscription rights, to purchase equity securities that we are authorized to issue in a prospectus supplement. These terms may include:

- the title of such warrants;
- the aggregate number of such warrants and whether such warrants may be settled in cash or by means of net share settlement;
- the price or prices at which such warrants will be issued;
- the currency or currencies (including composite currencies) in which the price of such warrants may be payable;
- the terms of the equity securities purchasable upon exercise of such warrants, which, in the case of Credit Suisse Group, may include shares or American depositary shares of Credit Suisse Group;
- the price at which and currency or currencies (including composite currencies) in which the equity securities purchasable upon exercise of such warrants may be purchased;
- the date on which the right to exercise such warrants will commence and the date on which such right shall expire or, if you may not continuously exercise the warrants throughout that period, the specific date or dates on which you may exercise the warrants;
- if applicable, the minimum or maximum amount of such warrants that may be exercised at any one time;
- if applicable, the designation and terms of the equity securities with which such warrants are issued and the number of such warrants issued with each such equity security;
- if applicable, the date on and after which such warrants and the related equity securities will be separately transferable;
anti-dilution provisions, if any;

- selling restrictions, if any;

- information with respect to book-entry procedures, if any; and

- any other terms of such warrants, including terms, procedures and limitations relating to the exchange or exercise of such warrants.

The prospectus supplement relating to any warrants to purchase equity securities may also include, if applicable, a discussion of certain U.S. federal income tax and ERISA considerations.

**Warrants to Purchase Debt Securities**

We will describe in a prospectus supplement the terms of any warrants, or warrants in the form of subscription rights, that we are authorized to issue for the purchase of our debt securities or the debt securities of third-party issuers. These terms may include:

- the title of such warrants;

- the aggregate number of such warrants and whether such warrants may be settled in cash;

- the price or prices at which such warrants will be issued;

- the currency or currencies (including composite currencies) in which the price of such warrants may be payable;

- the aggregate principal amount and terms of the debt securities purchasable upon exercise of such warrants;

- the price at which and currency or currencies (including composite currencies) in which the debt securities purchasable upon exercise of such warrants may be purchased;

- the date on which the right to exercise such warrants will commence and the date on which such right shall expire or, if you may not continuously exercise the warrants throughout that period, the specific date or dates on which you may exercise the warrants;

- if applicable, the minimum or maximum amount of such warrants that may be exercised at any one time;

- if applicable, the designation and terms of the debt securities with which such warrants are issued and the number of such warrants issued with each such debt security;

- if applicable, the date on and after which such warrants and the related debt securities will be separately transferable;

- selling restrictions, if any;

- information with respect to book-entry procedures, if any; and

- any other terms of such warrants, including terms, procedures and limitations relating to the exchange or exercise of such warrants.

The prospectus supplement relating to any warrants to purchase debt securities may also include, if applicable, a discussion of certain U.S. federal income tax and ERISA considerations.

**Other Warrants**

We may also issue other warrants to purchase or sell, on terms to be determined at the time of sale,

- securities of any entity unaffiliated with us, a basket of such securities, an index or indices of such securities or any combination of the foregoing;

- currencies or composite currencies; or
commodities.

We may satisfy our obligations, if any, with respect to any such warrants by delivering the underlying securities, currencies or commodities or, in the case of underlying securities or commodities, the cash value thereof, as set forth in the applicable prospectus supplement. We will describe the terms of any such warrants that we are authorized to issue in a prospectus supplement. These terms may include:

- the title of such warrants;
- the aggregate number of such warrants;
- the price or prices at which such warrants will be issued;
- the currency or currencies (including composite currencies) in which the price of such warrants may be payable;
- whether such warrants are put warrants or call warrants;
- (a) the specific security, basket of securities, index or indices of securities or any combination of the foregoing and the amount thereof, (b) currencies or composite currencies or (c) commodities (and, in each case, the amount thereof or the method for determining the same) to be purchased or sold upon exercise of such warrants;
- the purchase price at which and the currency or currencies (including composite currencies) with which such underlying securities, currencies or commodities may be purchased or sold upon such exercise (or the method of determining the same);
- whether such exercise price may be paid in cash, by the exchange of any other security offered with such warrants or both and the method of such exercise;
- whether the exercise of such warrants is to be settled in cash or by the delivery of the underlying securities or commodities or both;
- the date on which the right to exercise such warrants will commence and when such right will expire or, if you may not continuously exercise the warrants throughout that period, the specific date or dates on which you may exercise the warrants;
- if applicable, the minimum or maximum number of such warrants that may be exercised at any one time;
- if applicable, the designation and terms of the securities with which such warrants are issued and the number of warrants issued with each such security;
- if applicable, the date on and after which such warrants and the related securities will be separately transferable;
- selling restrictions, if any;
- information with respect to book-entry procedures, if any; and
- any other terms of such warrants, including terms, procedures and limitations relating to the exchange and exercise of such warrants.

The prospectus supplement relating to any such warrants may also include, if applicable, a discussion of certain U.S. federal income tax and ERISA considerations.
DESCRIPTION OF SHARES

The following summary describes the material terms of the shares of common stock of Credit Suisse Group, par value CHF 0.04 per share, which we refer to as the “shares.” A detailed description of the terms of the shares is incorporated by reference into this prospectus from Credit Suisse Group’s annual report on Form 20-F for the year ended December 31, 2011, filed with the SEC on March 23, 2012, which you may obtain as described under “Where You Can Find More Information.” We will issue shares, which may be in the form of American depositary shares, under this prospectus and any applicable prospectus supplement in connection with (i) the exercise of warrants on our shares or (ii) the conversion or exchange of (a) debt securities of Credit Suisse Group that are convertible into or exchangeable for our shares, (b) contingent convertible securities or (c) other securities with terms similar to the securities described in this registration statement issued in transactions exempt from registration under the Securities Act, as amended, that are convertible into or exchangeable for our shares.

As of December 31, 2011, we had fully paid and issued share capital of CHF 48,973,322.48, consisting of 1,224,333,062 registered shares (inclusive of 247,671 treasury shares) with a par value of CHF 0.04 each. As of December 31, 2011, we had additional authorized share capital in the amount of CHF 4,000,000, authorizing the Board of Directors of Credit Suisse Group (the Board of Directors) to issue at any time until April 29, 2013 up to 100,000,000 registered shares to be fully paid in, with a nominal value of CHF 0.04 per share.

Additionally, as of December 31, 2011, we had conditional share capital in the amount of CHF 21,953,643, consisting of 548,841,073 registered shares with a par value of CHF 0.04 each. Conditional share capital in the amount of CHF 19,340,245.08 through the issue of a maximum of 483,506,127 registered shares with a par value of CHF 0.04 pursuant to Article 26 of the Articles of Association of Credit Suisse Group (Articles of Association) is reserved for the purpose of increasing share capital through the conversion of bonds or other financial market instruments of Credit Suisse Group, or any of its affiliates, that allow for contingent compulsory conversion into Credit Suisse Group’s shares and that are issued in order to fulfill or maintain compliance with regulatory requirements of Credit Suisse Group and/or any of its affiliates (contingent convertible bonds), of which 400,000,000 registered shares are reserved for issuance upon conversion of the Tier 1 or Tier 2 Buffer Capital Notes. Moreover, up to CHF 4,000,000 of the conditional capital pursuant to Article 26 of our Articles of Association was available for share capital increases executed through the voluntary or compulsory exercise of conversion rights and/or warrants granted in connection with bonds or other financial market instruments of Credit Suisse Group or any of its affiliates (equity-related financial market instruments). Furthermore, as of December 31, 2011 our conditional share capital included (i) CHF 2,411,794.00 through the issue of a maximum of 60,294,850 registered shares with a par value of CHF 0.04 reserved for employees and (ii) CHF 201,603.84 through the issue of a maximum of 5,040,096 shares reserved for the exercise of option rights granted to employees of all levels of Donaldson, Lufkin & Jenrette, Inc. and its group companies, which were rolled over in the merger of Donaldson, Lufkin & Jenrette, Inc. with an indirect, wholly-owned subsidiary of Credit Suisse Group. On February 8, 2012 we revised our Articles of Association such that there are no longer any shares reserved for the exercise of option rights granted to employees of Donaldson, Lufkin & Jenrette, Inc. and its group companies.

Shares issued as a result of the conversion of conditional capital and the corresponding increase in share capital are generally recorded only once a year, and this recording entails a revision of our Articles of Association and new registration of the total share capital in the Commercial Register. Our Articles of Association were last revised on February 8, 2012 and are included as an exhibit to our annual report on Form 20-F for the year ended December 31, 2011, which is incorporated by reference into this prospectus and registration statement.
Our registered shares are listed on the SIX Swiss Exchange under the symbol “CSGN” and, in the form of American depositary shares, on the New York Stock Exchange under the symbol “CS.” The last reported sale price of our shares on March 22, 2012 was CHF 26.08 and the last reported sale price of our American depositary shares on March 22, 2012 was USD 28.50.

Shareholder Rights

Under Swiss law, dividends may be paid out only if and to the extent a corporation has distributable profits from previous business years, or if the free reserves of the corporation are sufficient to allow distribution of a dividend. In addition, at least 5% of the annual net profits must be retained and booked as general legal reserves for so long as these reserves amount to less than 20% of the paid-in share capital. Our reserves currently exceed this 20% threshold. In any event, dividends may be paid out only after approval of the shareholders. The Board of Directors may propose that a dividend be paid out, but cannot itself set the dividend. The auditors must confirm that the dividend proposal of the Board of Directors conforms to statutory law. In practice, the shareholders usually approve the dividend proposal of the Board of Directors. Dividends are usually due and payable after the shareholders’ resolution relating to the allocation of profits has been passed. Under Swiss law, the statute of limitations in respect of dividend payments is five years.

Voting and Transfer

There is no limitation under Swiss law or our Articles of Association on the right of non-Swiss residents or nationals to own or vote our shares.

Each share carries one vote at our shareholders’ meetings. Voting rights may be exercised only after a shareholder has been recorded in the share register as a shareholder with voting rights. Registration with voting rights is subject to certain restrictions that we describe below.

Credit Suisse Group may issue its shares in the form of single certificates, global certificates or uncertificated securities. Credit Suisse Group may convert the shares it has issued in one form into another form at any time, without the approval of the shareholders. Shareholders have no right to demand that shares issued in one form be converted into another form. Shareholders may, however, at any time request that Credit Suisse Group issue a certificate for the registered shares that they hold according to the share register.

The transfer of shares is effected by corresponding entry in the books of a bank, depositary institution or other financial intermediary and notification of such transfer to us by the transferee, the bank, the depositary institution or financial intermediary. The transfer of shares further requires that the purchaser file a share registration form to be registered in our share register as a shareholder. Failing such registration, the purchaser may not vote at, or participate in, shareholders’ meetings. Pursuant to our Articles of Association, the transfer, or pledging as collateral, of shares by means of written assignment is not permitted.

A purchaser of shares will be recorded in the share register with voting rights upon disclosure of its name, citizenship and address, and upon confirmation that it acquired the shares in its own name for its own account. Any person not expressly stating in its application for registration that the relevant shares have been acquired for its own account, which person we refer to as a nominee, may be entered for a maximum of 2% of the total outstanding share capital with voting rights in the share register. In excess of this limit, registered shares held by a nominee will be granted voting rights only if such nominee discloses in writing the name, address and shareholding of any person for whose account it is holding 0.5% or more of the outstanding share capital.

Legal entities, partnerships or groups of joint owners or other groups in which individuals or legal entities are related to one another through capital ownership or voting rights or have a common
management or are otherwise interrelated, as well as individuals, legal entities or partnerships that act in concert (especially as a syndicate) with intent to evade the limitation on voting rights are considered as one shareholder or nominee.

Each shareholder, whether registered in our share register or not, is entitled to receive the dividends approved by the shareholders. The same principle applies for capital repayments in the event of a reduction of the share capital, and for liquidation proceeds in the event we are dissolved or liquidated. Under Swiss law, a shareholder has no liability for capital calls, but is also not entitled to reclaim its capital contribution. Swiss law further requires us to apply the principle of equal treatment to all shareholders.

Pre-Emptive Rights

Our Articles of Association provide that the Board of Directors is authorized to exclude shareholders’ subscription rights (Bezugsrechte) in favor of third parties with regard to new registered shares issued out of authorized capital if such shares are used for (a) the acquisition of companies, segments of companies or participations in the banking, finance, asset management or insurance industries through an exchange of shares or (b) for financing/refinancing the acquisition of companies, segments of companies or participations in these industries, or new investment plans. Shareholders’ subscription rights relating to a maximum of 15,000,000 registered shares issued out of authorized capital are excluded in favor of Credit Suisse so that Credit Suisse can fulfill its obligation to deliver shares in Credit Suisse Group in accordance with the terms of the USD 3.5 billion 11% Tier 1 Capital Notes and CHF 2.5 billion 10% Tier 1 Capital Notes issued in October 2008. If commitments to service convertible bonds or bonds with warrants are assumed in connection with company takeovers or investment plans, the Board of Directors is authorized, for the purpose of fulfilling delivery commitments under such bonds, to issue new shares out of authorized capital excluding the subscription rights of shareholders.

Further, our Articles of Association provide that the shareholders’ subscription rights (Bezugsrechte) are excluded if new shares are issued out of our conditional share capital through the voluntary or compulsory exercise of conversion rights and/or warrants granted in connection with bonds or other financial market instruments of Credit Suisse Group, or any of its affiliates, or through compulsory conversion of contingent compulsory convertible bonds or other financial market instruments of Credit Suisse Group, or any of its affiliates, that allow for contingent compulsory conversion into shares of Credit Suisse Group. Holders of financial market instruments with conversion features and/or of warrants are entitled to subscribe to the new shares. The Board of Directors fixes the conversion/warrant conditions.

Additionally, our Articles of Association provide that when issuing contingent compulsory convertible bonds, the Board of Directors is authorized to exclude shareholders’ preferential subscription rights (Vorwegzeichnungsrechte) if these bonds are issued on the national or international capital markets (including private placements with selected strategic investors). If preferential subscription rights are restricted or excluded by resolution of the Board of Directors when contingent compulsory convertible bonds are issued: (i) the contingent compulsory convertible bonds must be issued at prevailing market conditions, (ii) the setting of the issue price of the new shares must take due account of the stock market price of the shares and/or comparable instruments priced by the market at the time of issue or time of conversion, and (iii) conditional conversion features may remain in place indefinitely.

Furthermore, the Board of Directors is also authorized to exclude shareholders’ preferential subscription rights (Vorwegzeichnungsrechte) when other equity-related financial market instruments are issued provided these instruments are being issued to finance or refinance the acquisition of companies, parts of companies, participations or new investment projects, and/or if the instruments are issued on
the national or international capital markets. If shareholders’ preferential subscription rights are restricted or excluded for such equity-related financial market instruments: (i) these equity-related financial market instruments must be issued at prevailing market conditions, (ii) the issue price of the new shares must be set at market conditions taking due account of the stock market price of the shares and/or comparable instruments priced by the market, and (iii) it should be possible to exercise the conversion rights for a maximum of fifteen years and to exercise warrants for a maximum of seven years from the relevant issue date.

The acquisition of shares through the exercise of conversion rights and/or warrants, or through the conversion of financial market instruments with conversion features, and any subsequent transfer of the shares, are subject to the restrictions on voting rights set out above.

Liquidation

Under Swiss law and our Articles of Association, we may be dissolved at any time by a shareholders’ resolution, which must be passed by (1) a representation at the meeting of at least half of the share capital, and (2) a supermajority of at least three-quarters of the votes cast at the meeting. Dissolution by court order is possible if we become bankrupt. Under Swiss law, any surplus arising out of liquidation (after the settlement of all claims of all creditors) is distributed to shareholders in proportion to the paid up par value of shares held.
DESCRIPTION OF THE GUARANTEED SENIOR DEBT SECURITIES OF CREDIT SUISSE (USA)

Description of Debt Securities

The Guaranteed Senior Debt Securities of Credit Suisse (USA) consist of the following debt securities as well as any other debt securities issued pursuant to the indentures listed under “—Description of Indentures,” below:

$1,383,000 5.625% Notes due February 15, 2016
$1,000,000,000 7 1/8% Notes due July 15, 2032
$1,000,000,000 5 1/8% Notes due August 15, 2013
$1,000,000,000 5 1/8% Notes due January 15, 2014
$2,000,000,000 4 3/8% Notes due January 15, 2015
$1,750,000,000 5 1/8% Notes due August 15, 2015
$1,000,000,000 5 3/8% Notes due March 2, 2016
$1,000,000,000 Floating Rate Notes due April 12, 2013
$313,000 ProNotes Linked to the Value of the S&P 500 Index due April 29, 2013
$80,596,413.46 8.82% Senior Notes due May 15, 2016
$500,000,000 5.85% Notes Due August 16, 2016

The description of these debt securities is incorporated in the registration statement of which this prospectus forms a part by reference to the relevant prospectus, prospectus supplement, product supplement, if any, and pricing supplement, if any, filed by Credit Suisse (USA) in connection with the initial issuance of the Guaranteed Senior Debt Securities. A prospectus, prospectus supplement, product supplement, if any, and pricing supplement, if any, describing each such security (each, a “disclosure document”) have been filed with the SEC by Credit Suisse (USA) under Registration Statement numbers 333-131970, 333-116241; 333-71850; 333-62422; 333-07657; 333-34149; 333-53499; 333-73405; 333-30928 and each of these disclosure documents is incorporated by reference herein in its entirety, except for any portion of each disclosure document that incorporates by reference Credit Suisse (USA)’s prior and future filings made with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act.

Description of Indentures

Each of the Guaranteed Senior Debt Securities of Credit Suisse (USA) listed in “—Description of Debt Securities” above was issued under one of the following indentures:

• Senior Indenture, dated as of June 1, 2001, between Credit Suisse (USA), formerly known as Credit Suisse First Boston (USA), Inc., and The Bank of New York Mellon, formerly known as The Bank of New York, as successor to The Chase Manhattan Bank, as trustee;
• Senior Indenture, dated as of June 8, 1998, between Credit Suisse (USA), as successor to Donaldson, Lufkin & Jenrette, Inc., and The Bank of New York Mellon, formerly known as The Bank of New York, as successor to The Chase Manhattan Bank, as trustee;
• Indenture, dated as of September 3, 1997, between Credit Suisse (USA), as successor to Donaldson, Lufkin & Jenrette, Inc., and The Bank of New York Mellon, formerly known as The Bank of New York, as successor to The Chase Manhattan Bank, as trustee; and
• Indenture, dated as of October 25, 1995, between Credit Suisse (USA), as successor to Donaldson, Lufkin & Jenrette, Inc., and The Bank of New York Mellon, formerly known as The Bank of New York, as trustee.

Each of the indentures above has been filed with the Securities and Exchange Commission and is incorporated by reference in the registration statement of which this prospectus forms a part. The description of these indentures is incorporated in the registration statement by reference to the relevant prospectus and prospectus supplement filed by Credit Suisse (USA) in connection with the initial issuance of the Guaranteed Senior Debt Securities.
DESCRIPTION OF THE GUARANTEES OF THE GUARANTEED SENIOR DEBT SECURITIES OF CREDIT SUISSE (USA)

Credit Suisse (USA)’s Guaranteed Senior Debt Securities have been fully and unconditionally guaranteed by Credit Suisse Group and Credit Suisse on a several basis. If Credit Suisse (USA), for any reason, does not make a required payment in respect of these securities when due, whether on the normal due date, on acceleration, redemption or otherwise, either or both of Credit Suisse Group and Credit Suisse will cause the payment to be made to or to the order of the trustee. The Credit Suisse Group guarantees are on a subordinated basis as described below. The holder of a Guaranteed Senior Debt Security will be entitled to payment under the relevant guarantees of Credit Suisse Group and Credit Suisse without taking any action whatsoever against Credit Suisse (USA).

The terms of the guarantees have been set forth in a supplemental indenture to each of the indentures under which Guaranteed Senior Debt Securities of Credit Suisse (USA) have been issued. The indentures, as so supplemented, have been qualified under the Trust Indenture Act.

Subordination of Credit Suisse Group Guarantee

The discussion of subordination in this section applies only to the guarantees by Credit Suisse Group of the Guaranteed Senior Debt Securities of Credit Suisse (USA).

When the term “senior indebtedness” is used in the context of these guarantees, it means:

- any money Credit Suisse Group has borrowed, including any senior debt securities or guarantees of senior debt securities issued under the relevant senior indenture of Credit Suisse Group;
- any money borrowed by someone else where Credit Suisse Group has assumed or guaranteed the obligations, directly or indirectly;
- any letters of credit and acceptances made by banks on Credit Suisse Group's behalf;
- indebtedness that Credit Suisse Group has incurred or assumed in connection with the acquisition of any property; and
- all deferrals, renewals, extensions and refundings of, and amendments, modifications and supplements to, any of the above.

Senior indebtedness does not include any indebtedness that is expressed to be subordinated to or on par with the Credit Suisse Group guarantees or any money owed to Credit Suisse Group’s subsidiaries.

The indentures, as supplemented, provide that Credit Suisse Group cannot:

- make any payments of principal or interest on the Guaranteed Senior Debt Securities of Credit Suisse (USA);
- redeem any Guaranteed Senior Debt Securities;
- acquire any Guaranteed Senior Debt Securities; or
- defease any Guaranteed Senior Debt Securities;

if

- any senior indebtedness in an aggregate principal amount of more than $100 million has become due either on maturity or as a result of acceleration or otherwise and the principal, premium and interest on that senior indebtedness has not yet been paid in full by Credit Suisse Group; or
- Credit Suisse Group has defaulted in the payment of any principal, premium or interest on any senior indebtedness in an aggregate principal amount of more than $100 million at the time the
payment was due, unless and until the payment default is cured by such entity or waived by the holders of the senior indebtedness.

If Credit Suisse Group is liquidated, the holders of senior indebtedness will be entitled to receive payment in full in cash or cash equivalents for principal, premium and interest on the senior indebtedness before the holders of Guaranteed Senior Debt Securities receive any of Credit Suisse Group’s assets. As a result, holders of Guaranteed Senior Debt Securities may receive a smaller proportion of Credit Suisse Group’s assets in liquidation than holders of senior indebtedness.

Even if the subordination provisions prevent Credit Suisse Group from making any payment when due on the Guaranteed Senior Debt Securities or the relevant guarantee, Credit Suisse Group will be in default on its obligations under the relevant indenture, as supplemented, if it does not make the payment when due. This means that the trustee and the holders of Guaranteed Senior Debt Securities can take action against Credit Suisse Group, but they would not receive any money until the claims of the senior indebtedness have been fully satisfied.

The indentures allow the holders of senior indebtedness to obtain specific performance of the subordination provisions from Credit Suisse Group.
ERISA

ERISA and Section 4975 of the Internal Revenue Code of 1986, as amended, or the Code, impose certain restrictions on (a) employee benefit plans, including entities such as collective investment funds and separate accounts, that are subject to Title I of ERISA, (b) plans described in Section 4975(e)(1) of the Code, including individual retirement accounts and Keogh plans, subject to Section 4975 of the Code and (c) any entities whose underlying assets include “plan assets” by reason of the Plan Asset Regulation (as defined below) or otherwise. Each of (a), (b) and (c) is herein referred to as a Plan. ERISA also imposes certain duties on persons who are fiduciaries with respect to Plans subject to ERISA. In accordance with ERISA’s general fiduciary requirements, a fiduciary with respect to any such Plan who is considering the purchase of securities on behalf of such Plan should determine whether such purchase is permitted under the governing plan documents and is prudent and appropriate for the Plan in view of its overall investment policy and the composition and diversification of its portfolio.

The Department of Labor has issued a regulation (29 C.F.R. Section 2510.3-101) concerning the definition of what constitutes the assets of a Plan for purposes of ERISA and Section 4975 of the Code, or the Plan Asset Regulation. The Plan Asset Regulation, as modified by Section 3(42) of ERISA, provides that, as a general rule, the underlying assets and properties of corporations, partnerships, trusts and certain other entities that are not “operating companies” in which a Plan purchases an equity interest will be deemed for purposes of ERISA and Section 4975 of the Code to be assets of the investing Plan unless certain exceptions apply. Under one such exception, the assets of such an entity are not considered to be plan assets where a Plan makes an investment in an equity interest that is a “publicly-offered security.” A “publicly-offered security” is a security that is (a) “freely transferable,” (b) part of a class of securities that is “widely held” and (c) either part of a class of securities that is registered under Section 12(b) or 12(g) of the Exchange Act or sold to the Plan as part of an offering of securities to the public pursuant to an effective registration statement under the Securities Act and the class of securities of which such security is a part is registered under the Exchange Act within 120 days (or such later time as may be allowed by the SEC) after the end of the fiscal year of the issuer during which the offering of such securities to the public occurred.

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving Plans, and certain persons, referred to as “parties in interest” under ERISA or “disqualified persons” under the Code, having certain relationships with such Plans. We and certain of our subsidiaries, controlling shareholders and other affiliates may each be considered a “party in interest” or “disqualified person” with respect to many Plans. Prohibited transactions within the meaning of ERISA or the Code may arise, for example, if these securities are acquired by or with the assets of a Plan with respect to which one of these entities is a service provider, unless the securities are acquired pursuant to a statutory or an administrative exemption.

The acquisition of the securities may be eligible for one of the exemptions noted below if the acquisition:

• is made solely with the assets of a bank collective investment fund and satisfies the requirements and conditions of Prohibited Transaction Class Exemption, or PTCE, 91-38 issued by the Department of Labor;

• is made solely with assets of an insurance company pooled separate account and satisfies the requirements and conditions of PTCE 90-1 issued by the Department of Labor;

• is made solely with assets managed by a qualified professional asset manager and satisfies the requirements and conditions of PTCE 84-14 issued by the Department of Labor;

• is made solely with assets of an insurance company general account and satisfies the requirements and conditions of PTCE 95-60 issued by the Department of Labor;
• is made solely with assets managed by an in-house asset manager and satisfies the requirements and conditions of PTCE 96-23 issued by the Department of Labor; or

• is made by a Plan with respect to which the issuing entity is a party in interest solely by virtue of it being a service provider and satisfies the requirements and conditions of Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code; such exemption is herein referred to as the Service Provider Exemption.

Governmental plans, non-US plans and certain church plans, or Similar Law Plans, while not subject to the fiduciary responsibility provisions of ERISA or the prohibited transaction provisions of ERISA or Section 4975 of the Code, may nevertheless be subject to local, state or other federal laws that are substantially similar to the foregoing provisions of ERISA and the Code, which we refer to as Similar Law. Fiduciaries of any such plan should consult legal counsel before purchasing these securities.

Each person that acquires securities will, by its acquisition and holding, be deemed to have represented and agreed that on each day from the date of acquisition of the securities through and including the date of disposition of such securities either (A) is not, and is not or acting on behalf of or investing the assets of, any Plan or Similar Law Plan or (B) is eligible for the exemptive relief available under PTCE 91-38, 90-1, 84-14, 95-60 or 96-23 or the Service Provider Exemption (or, if a Similar Law Plan, similar exemption from Similar Law) with respect to the purchase, holding and disposition of the securities. Any fiduciary that proposes to cause a Plan or Similar Law Plan to acquire securities should consult with its counsel with respect to the potential applicability of ERISA, the Code or Similar Law to such investment and whether any exemption would be applicable and determine on its own whether all conditions of such exemption or exemptions have been satisfied such that the acquisition, holding and disposition of securities by the purchaser are entitled to the full exemptive relief thereunder.

Please consult the applicable prospectus supplement for further information with respect to a particular offering. Depending upon the security offered, restrictions on purchase or transfer to, by or on behalf of a Plan may apply.
TAXATION

United States Taxation

The following is a summary of material U.S. federal income tax considerations that may be relevant to a beneficial owner of our debt securities and our contingent convertible securities. For a discussion of material U.S. federal income tax considerations of holding convertible or exchangeable debt, warrants or capital securities we refer you to the applicable prospectus supplement. For purposes of this summary, a “U.S. holder” means a citizen or resident of the United States or a domestic corporation or a holder that is otherwise subject to U.S. federal income tax on a net income basis in respect of our securities. A “Non-U.S. holder” means a holder that is not a U.S. holder. This summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase our securities. In particular, the summary deals only with holders who will hold our securities as capital assets. This summary does not address the tax treatment of holders that may be subject to special tax rules, such as banks, insurance companies, dealers in securities or currencies, tax exempt entities, financial institutions, traders in securities that elect to use the mark-to-market method of accounting for their securities, persons subject to the alternative minimum tax, dealers in securities or currencies, partnerships that hold our securities or partners therein, or persons that hedge their exposure in our securities or will hold our securities as a position in a “straddle” or “conversion” transaction or as part of a “synthetic security” or other integrated financial transaction.

This discussion does not address U.S. state, local and non-U.S. tax consequences. You should consult your tax adviser with respect to the U.S. federal, state, local and foreign tax consequences of acquiring, owning or disposing of our securities in your particular circumstances.

Debt Securities

U.S. Holder

Payments or Accruals of Interest

Payments or accruals of “qualified stated interest” (as defined below) on a debt security will be taxable to you as ordinary interest income at the time that you receive or accrue such amounts (in accordance with your regular method of tax accounting). If you use the cash method of tax accounting and you receive payments of interest pursuant to the terms of a debt security in a currency other than U.S. dollars, which we refer to as a foreign currency, the amount of interest income you will realize will be the U.S. dollar value of the foreign currency payment based on the exchange rate in effect on the date you receive the payment, regardless of whether you convert the payment into U.S. dollars. If you are an accrual-basis U.S. holder, the amount of interest income you will realize will be based on the average exchange rate in effect during the interest accrual period (or with respect to an interest accrual period that spans two taxable years, at the average exchange rate for the partial period within the taxable year). Alternatively, as an accrual-basis U.S. holder, you may elect to translate all interest income on foreign currency-denominated debt securities at the spot rate on the last day of the accrual period (or the last day of the taxable year, in the case of an accrual period that spans more than one taxable year) or on the date that you receive the interest payment if that date is within five business days of the end of the accrual period. If you make this election, you must apply it consistently to all debt instruments from year to year and you cannot change the election without the consent of the U.S. Internal Revenue Service (the “IRS”). If you use the accrual method of accounting for tax purposes, you will recognize foreign currency gain or loss on the receipt of a foreign currency interest payment if the exchange rate in effect on the date the payment is received differs from the rate applicable to a previous accrual of that interest income. This foreign currency gain or loss will be treated as ordinary income or loss, but generally will not be treated as an adjustment to interest income received on the debt security.
Purchase, Sale and Retirement of Debt Securities

Initially, your tax basis in a debt security generally will equal the cost of the debt security to you. Your basis will increase by any amounts that you are required to include in income under the rules governing original issue discount and market discount, and will decrease by the amount of any amortized premium and any payments other than qualified stated interest made on the debt security. (The rules for determining these amounts are discussed below.) If you purchase a debt security that is denominated in a foreign currency, the cost to you (and therefore generally your initial tax basis) will be the U.S. dollar value of the foreign currency purchase price on the date of purchase calculated at the exchange rate in effect on that date. If the debt security denominated in a foreign currency is traded on an established securities market and you are a cash-basis taxpayer (or if you are an accrual-basis taxpayer that makes a special election), you will determine the U.S. dollar value of the cost of the debt security by translating the amount of the foreign currency that you paid for the debt security at the spot rate of exchange on the settlement date of your purchase. The amount of any subsequent adjustments to your tax basis in a debt security in respect of foreign currency-denominated original issue discount, market discount and premium will be determined in the manner described below. If you convert U.S. dollars into a foreign currency and then immediately use that foreign currency to purchase a debt security, you generally will not have any taxable gain or loss as a result of the conversion or purchase.

When you sell or exchange a debt security, or if a debt security that you hold is retired, you generally will recognize gain or loss equal to the difference between the amount you realize on the transaction (less any accrued qualified stated interest, which will be subject to tax in the manner described above under “—Payments or Accruals of Interest”) and your tax basis in the debt security. If you sell or exchange a debt security for a foreign currency, or receive foreign currency on the retirement of a debt security, the amount you will realize for U.S. tax purposes generally will be the U.S. dollar value of the foreign currency that you receive calculated at the exchange rate in effect on the date the debt security denominated in a foreign currency is disposed of or retired. If you dispose of a debt security denominated in a foreign currency that is traded on an established securities market and you are a cash-basis U.S. holder (or if you are an accrual-basis holder that makes a special election), you will determine the U.S. dollar value of the amount realized by translating the amount of the foreign currency that you received on the debt security at the spot rate of exchange on the settlement date of the sale, exchange or retirement.

The special election available to you if you are an accrual-basis taxpayer in respect of the purchase and sale of debt securities denominated in a foreign currency traded on an established securities market, which is discussed in the two preceding paragraphs, must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS.

Except as discussed below with respect to market discount and foreign currency gain or loss, the gain or loss that you recognize on the sale, exchange or retirement of a debt security generally will be capital gain or loss. The gain or loss on the sale, exchange or retirement of a debt security will be long-term capital gain or loss if you have held the debt security for more than one year on the date of disposition. Net long-term capital gain recognized by an individual U.S. holder generally will be subject to tax at the lower rate than net short-term capital gain or ordinary income. The ability of U.S. holders to offset capital losses against ordinary income is limited.

Despite the foregoing, the gain or loss that you recognize on the sale, exchange or retirement of a debt security denominated in a foreign currency generally will be treated as ordinary income or loss to the extent that the gain or loss is attributable to changes in exchange rates during the period in which you held the debt security. This foreign currency gain or loss will not be treated as an adjustment to interest income that you receive on the debt security.
Original Issue Discount

If we issue a series of debt securities at a discount from their stated redemption price at maturity, and the discount is equal to or more than a statutory de minimis amount (i.e., the product of one-fourth of one percent (0.25%) of the stated redemption price at maturity of the series of debt securities multiplied by the number of full years to their maturity), the series of debt securities will be original issue discount notes. The difference between the issue price and the stated redemption price at maturity of the series of debt securities will be the “original issue discount.” The “issue price” of the original discount notes will be the first price at which a substantial amount of the original issue discount notes are sold to the public (i.e., excluding sales of original issue discount notes to Credit Suisse Securities (USA) LLC, underwriters, placement agents, wholesalers, or similar persons). The “stated redemption price at maturity” will include all payments under the original issue discount notes other than payments of qualified stated interest. The term “qualified stated interest” generally means stated interest that is unconditionally payable in cash or property (other than debt instruments issued by us) at least annually during the entire term of an original issue discount note at a single fixed interest rate or, subject to certain conditions, based on one or more interest indices.

If you invest in an original issue discount note, you generally will be subject to the special tax accounting rules for original issue discount obligations provided by the Internal Revenue Code of 1986, as amended, or the Code, and certain U.S. Treasury regulations. You should be aware that, as described in greater detail below, if you invest in an original issue discount note, you generally will be required to include original issue discount in ordinary gross income for U.S. federal income tax purposes as it accrues, although you may not yet have received the cash attributable to that income.

In general, and regardless of whether you use the cash or the accrual method of tax accounting, if you are the holder of an original issue discount note with a maturity greater than one year, you will be required to include in ordinary gross income the sum of the “daily portions” of original issue discount on that original issue discount note for all days during the taxable year that you own the original issue discount note. The daily portions of original issue discount on an original issue discount note are determined by allocating to each day in any accrual period a ratable portion of the original issue discount allocable to that period. Accrual periods may be any length and may vary in length over the term of an original issue discount note, so long as no accrual period is longer than one year and each scheduled payment of principal or interest occurs on the first or last day of an accrual period. If you are the initial holder of the original issue discount note, the amount of original issue discount on an original issue discount note allocable to each accrual period is determined by (a) multiplying the “adjusted issue price” (as defined below) of the original issue discount note at the beginning of the accrual period by a fraction, the numerator of which is the annual yield to maturity (defined below) of the original issue discount note and the denominator of which is the number of accrual periods in a year; and (b) subtracting from that product the amount (if any) payable as qualified stated interest allocable to that accrual period.

In the case of an original issue discount note that is a floating rate note, both the “annual yield to maturity” and the qualified stated interest will be determined for these purposes as though the original issue discount note will bear interest in all periods at a fixed rate generally equal to the rate that would be applicable to interest payments on the original issue discount note on its date of issue or, in the case of some floating rate notes, the rate that reflects the yield that is reasonably expected for the original issue discount note. (Additional rules may apply if interest on a floating rate note is based on more than one interest index.) The “adjusted issue price” of an original issue discount note at the beginning of any accrual period will generally be the sum of its issue price (including any accrued interest) and the amount of original issue discount allocable to all prior accrual periods, reduced by the amount of all payments other than any qualified stated interest payments on the original issue discount note in all prior accrual periods. All payments on an original issue discount note (other than qualified stated interest) will generally be viewed first as payments of previously accrued original issue discount (to the
extent of the previously accrued discount and to the extent that the discount has not been allocated to
prior cash payments on the note), and then as a payment of principal. The “annual yield to maturity”
of an original issue discount note is the discount rate (appropriately adjusted to reflect the length of
accrual periods) that causes the present value on the issue date of all payments on the original issue
discount note to equal the issue price. As a result of this “constant yield” method of including original
issue discount income, the amounts you will be required to include in your gross income if you invest in
an original issue discount note denominated in U.S. dollars generally will be lesser in the early years
and greater in the later years than amounts that would be includible on a straight-line basis.

You generally may make an irrevocable election to include in income your entire return on a debt
security (i.e., the excess of all remaining payments to be received on the debt security, including
payments of qualified stated interest, over the amount you paid for the debt security) under the
constant yield method described above. If you purchase debt securities at a premium or market
discount and if you make this election, you will also be deemed to have made the election (discussed
below under “—Premium” and “—Market Discount”) to amortize premium or to accrue market
discount currently on a constant yield basis in respect of all other premium or market discount bonds
that you hold.

In the case of an original issue discount note that is also a foreign currency denominated debt
security, you should determine the U.S. dollar amount includible as original issue discount for each
accrual period by (a) calculating the amount of original issue discount allocable to each accrual period
in the foreign currency using the constant yield method described above and (b) translating that foreign
currency amount at the average exchange rate in effect during that accrual period (or, with respect to
an interest accrual period that spans two taxable years, at the average exchange rate for each partial
period). Alternatively, you may translate the foreign currency amount at the spot rate of exchange on
the last day of the accrual period (or the last day of the taxable year, for an accrual period that spans
two taxable years) or at the spot rate of exchange on the date of receipt, if that date is within five
business days of the last day of the accrual period, provided that you have made the election described
above under “—Payments or Accruals of Interest.” Because exchange rates may fluctuate, if you are
the holder of an original issue discount note that is also a foreign currency denominated debt security,
you may recognize a different amount of original issue discount income in each accrual period than
would be the case if you were the holder of an otherwise similar original issue discount note
denominated in U.S. dollars. Upon the receipt of an amount attributable to original issue discount
(whether in connection with a payment of an amount that is not qualified stated interest or the sale or
retirement of the original issue discount note), you will recognize ordinary income or loss measured by
the difference between the amount received (translated into U.S. dollars at the exchange rate in effect
on the date of receipt or on the date of disposition of the original issue discount note, as the case may
be) and the amount accrued (using the exchange rate applicable to such previous accrual).

If you purchase an original issue discount note outside of the initial offering at a cost less than its
remaining redemption amount (i.e., the total of all future payments to be made on the original issue
discount note other than payments of qualified stated interest), or if you purchase an original issue
discount note in the initial offering at a price other than the original issue discount note’s issue price,
you generally will also be required to include in gross income the daily portions of original issue
discount, calculated as described above. However, if you acquire an original issue discount note at a
price greater than its adjusted issue price, you will be required to reduce your periodic inclusions of
original issue discount to reflect the premium paid over the adjusted issue price.

Floating rate notes generally will be treated as “variable rate debt instruments” under the original
issue discount regulations. Accordingly, the stated interest on a floating rate note generally will be
treated as “qualified stated interest” and such a floating rate note will not have original issue discount
solely as a result of the fact that it provides for interest at a variable rate. If a floating rate note does
not qualify as a “variable rate debt instrument”, the floating rate note will be subject to special rules
that govern the tax treatment of debt obligations that provide for contingent payments. We will provide a detailed description of the tax considerations relevant to U.S. holders of any such debt securities in the applicable prospectus supplement.

Certain original issue discount notes may be redeemed prior to maturity, either at our option or at the option of the holder, or may have special repayment or interest rate reset features as indicated in the applicable prospectus supplement. Original issue discount notes containing these features may be subject to rules that differ from the general rules discussed above. If you purchase original issue discount notes with these features, you should carefully examine the applicable prospectus supplement and consult your tax adviser about their treatment since the tax consequences of original issue discount will depend, in part, on the particular terms and features of the original issue discount notes.

**Short-Term Notes**

The rules described above will also generally apply to original issue discount notes with maturities of one year or less, which we refer to as short-term notes, but with some modifications.

First, the original issue discount rules treat none of the interest on a short-term note as qualified stated interest, but treat a short-term note as having original issue discount. Thus, all short-term notes will be original issue discount notes. Except as noted below, if you are a cash-basis holder of a short-term note and you do not identify the short-term note as part of a hedging transaction you will generally not be required to accrue original issue discount currently, but you will be required to treat any gain realized on a sale, exchange or retirement of the short-term note as ordinary income to the extent such gain does not exceed the original issue discount accrued with respect to the short-term note during the period you held the short-term note. You may not be allowed to deduct all of the interest paid or accrued on any indebtedness incurred or maintained to purchase or carry a short-term note until the maturity of the short-term note or its earlier disposition in a taxable transaction. Notwithstanding the foregoing, if you are a cash-basis U.S. holder of a short-term note, you may elect to accrue original issue discount on a current basis (in which case the limitation on the deductibility of interest described above will not apply). A U.S. holder using the accrual method of tax accounting and some cash method holders (including banks, securities dealers, regulated investment companies and certain trust funds) generally will be required to include original issue discount on a short-term note in gross income on a current basis. Original issue discount will be treated as accruing for these purposes on a ratable basis or, at the election of the holder, on a constant yield basis based on daily compounding.

Second, regardless of whether you are a cash-basis or accrual-basis holder, if you are the holder of a short-term note you may elect to accrue any “acquisition discount” with respect to the short-term note on a current basis. Acquisition discount is the excess of the remaining redemption amount of the short-term note at the time of acquisition over the purchase price. Acquisition discount will be treated as accruing ratably or, at the election of the holder, under a constant yield method based on daily compounding. If you elect to accrue acquisition discount, the original issue discount rules will not apply.

Finally, the market discount rules described below will not apply to short-term notes.

**Premium**

If you purchase a debt security at a cost greater than the debt security's remaining redemption amount, you will be considered to have purchased the debt security at a premium, and you may elect to amortize the premium as an offset to interest income, using a constant yield method, over the remaining term of the debt security. If you make this election, it generally will apply to all debt instruments that you hold at the time of the election, as well as any debt instruments that you subsequently acquire. In addition, you may not revoke the election without the consent of the IRS.
you elect to amortize the premium, you will be required to reduce your tax basis in the debt security by
the amount of the premium amortized during your holding period. Original issue discount notes
purchased at a premium will not be subject to the original issue discount rules described above. In the
case of premium on a foreign currency denominated debt security, you should calculate the
amortization of the premium in the foreign currency. Premium amortization deductions attributable to
a period reduce interest income in respect of that period, and therefore are translated into U.S. dollars
at the rate that you use for interest payments in respect of that period. Exchange gain or loss will be
realized with respect to amortized premium on a foreign currency denominated debt security based on
the difference between the exchange rate computed on the date or dates the premium is amortized
against interest payments on the debt security and the exchange rate on the date the holder acquired
the debt security. If you do not elect to amortize premium, the amount of premium will be included in
your tax basis in the debt security. Therefore, if you do not elect to amortize premium and you hold
the debt security to maturity, you generally will be required to treat the premium as capital loss when
the debt security matures.

Market Discount

If you purchase a debt security at a price that is lower than the debt security’s remaining
redemption amount (or in the case of an original issue discount note, the original issue discount note’s
adjusted issue price), by 0.25% or more of the remaining redemption amount (or adjusted issue price),
multiplied by the number of remaining whole years to maturity, the debt security will be considered to
bear “market discount” in your hands. In this case, any gain that you realize on the disposition of the
debt security generally will be treated as ordinary interest income to the extent of the market discount
that accrued on the debt security during your holding period. In addition, you may be required to defer
the deduction of a portion of the interest paid on any indebtedness that you incurred or maintained to
purchase or carry the debt security. In general, market discount will be treated as accruing ratably over
the term of the debt security, or, at your election, under a constant yield method. You must accrue
market discount on a foreign currency denominated debt security in the specified currency. The amount
that you will be required to include in income in respect of accrued market discount will be the U.S.
dollar value of the accrued amount, generally calculated at the exchange rate in effect on the date that
you dispose of the debt security.

You may elect to include market discount in gross income currently as it accrues (on either a
ratable or constant yield basis), in lieu of treating a portion of any gain realized on a sale of the debt
security as ordinary income. If you elect to include market discount on a current basis, the interest
deduction deferral rule described above will not apply. If you do make such an election, it will apply to
all market discount debt instruments that you acquire on or after the first day of the first taxable year
to which the election applies. The election may not be revoked without the consent of the IRS. Any
accrued market discount on a foreign currency denominated debt security that is currently includible in
income will be translated into U.S. dollars at the average exchange rate for the accrual period (or
portion thereof within the holder’s taxable year).

Indexed Notes and Other Debt Securities Providing for Contingent Payments

Special rules govern the tax treatment of debt obligations that provide for contingent payments,
which we refer to as contingent debt obligations. These rules generally require accrual of interest
income on a constant yield basis in respect of contingent debt obligations at a yield determined at the
time of issuance of the obligation, and may require adjustments to these accruals when any contingent
payments are made. We will provide a detailed description of the tax considerations relevant to U.S.
holders of any contingent debt obligations in the applicable prospectus supplement.
**Non-U.S. Holder**

Under present United States federal tax law, and subject to the discussion below concerning backup withholding:

(a) Payments of interest (including original issue discount) on a debt security to you will not be subject to the 30% U.S. federal withholding tax, provided that:

1. you do not actually or constructively own 10% or more of the total combined voting power of all classes of our stock entitled to vote and are not a controlled foreign corporation related to us through stock ownership; and

2. you provide a statement signed under penalties of perjury that includes your name and address and certify that you are a non-U.S. holder in compliance with applicable requirements by completing a Form W-8BEN, or otherwise satisfy documentary evidence requirements for establishing that you are a non-U.S. holder.

Payments of interest (including original issue discount) on the debt security that do not qualify for the portfolio interest exception and that are not effectively connected with your conduct of a trade or business in the United States will be subject to the 30% U.S. federal withholding tax, unless a U.S. income tax treaty applies to reduce or eliminate withholding. Interest effectively connected with the active conduct of a trade or business in the United States will be subject to U.S. federal income tax on a net income basis (although exempt from the 30% U.S. federal withholding tax if you provide us with a Form W-8ECI (or successor form)) in the same manner as if you were a U.S. holder as defined above.

(b) You will not be subject to U.S. federal income tax on any gain realized on the sale, exchange or retirement of the debt security unless the gain is effectively connected with your trade or business in the United States or, in the case of an individual, the holder is present in the United States for 183 days or more in the taxable year in which the sale, exchange or retirement occurs and certain other conditions are met. In the case that you are subject to U.S. federal income taxation on a net basis in respect of the debt security, you will generally be taxable under the same rules that govern the taxation of a U.S. holder.

**Information Reporting and Backup Withholding**

Information returns will be required to be filed with the IRS in connection with debt security payments made to certain United States persons. If you are a United States person, you generally will not be subject to a United States backup withholding tax (currently at a rate of 28%) on such payments if you provide your taxpayer identification number to the paying agent. You may also be subject to information reporting and backup withholding tax requirements with respect to the proceeds from a sale of the debt securities. If you are a non-U.S. holder, you may have to comply with certification procedures to establish that you are a non-U.S. holder in order to avoid information reporting and backup withholding tax requirements. Any amounts withheld under the backup withholding rules may be allowed as a credit against the holder’s U.S. federal income tax liability and may entitle the holder to a refund, provided that the required information is furnished to the IRS.

Individual U.S. holders who, during any taxable year, hold any interest in any “specified foreign financial asset” generally will be required to file with their U.S. federal income tax returns a statement setting forth certain information if the aggregate value of all such assets exceeds $50,000. A “specified foreign financial asset” generally includes any financial account maintained with a foreign financial institution and may include the debt securities if they are not held in an account maintained with a U.S. financial institution. A U.S. holder who fails to file any such form could be required to pay a penalty of $10,000, or a penalty of up to $50,000 for ongoing failure to file.
Pursuant to the U.S. Foreign Account Tax Compliance rules ("FATCA"), in order to avoid adverse U.S. federal tax consequences, “foreign financial institutions” will be required, for years beginning after December 31, 2013, to collect information on certain financial accounts held by U.S. persons and submit such information to the IRS. It is likely that the relevant issuer will qualify as a “foreign financial institution” under these rules. However, the application of these rules to amounts paid on or with respect to the debt securities is not clear. By purchasing the debt securities, U.S. holders agree to provide whatever information is necessary for us to comply with these reporting obligations.

The relevant issuer may be required, pursuant to FATCA, to withhold U.S. tax on a portion of payments made after December 31, 2012 on certain types of securities issued by the relevant issuer after January 1, 2013 to an investor who does not provide information sufficient for the relevant issuer to determine whether the investor is a U.S. person or should otherwise be treated as holding a “United States account” of the relevant issuer, or to an investor that is a non-U.S. financial institution that is not in compliance with FATCA, as well as under certain other circumstances. The application of these rules to amounts paid on or with respect to the debt securities is not clear. Holders should consult their own tax advisors on how these rules may apply to payments they receive under the debt securities.

If any amount of, or in respect of, U.S. withholding tax were to be deducted or withheld from payments on the debt securities as a result of a failure by an investor (or by an institution through which an investor holds the debt securities) to comply with FATCA, neither the relevant issuer nor the guarantor nor any paying agent nor any other person would, pursuant to the terms of the debt securities, be required to pay additional amounts with respect to any debt securities as a result of the deduction or withholding of such tax.

Contingent Convertible Securities

This discussion applies only to holders of registered contingent convertible securities. Contingent convertible securities in bearer form are not being offered to U.S. persons. A U.S. holder who owns contingent convertible securities in bearer form characterized as indebtedness may be subject to limitations under U.S. federal income tax laws, including the limitations provided in Sections 165(j) and 1287 of the Code. Prospective holders should consult their tax advisors with respect to the U.S. federal income tax consequences of investing in contingent convertible securities in bearer form.

The U.S. federal income tax treatment of the contingent convertible securities offered pursuant to this prospectus will depend on the specific terms of the contingent convertible securities, and may depend on the nature of the assets held by the relevant finance subsidiary. This discussion deals only with holders that will acquire contingent convertible securities as part of the initial offering of the contingent convertible securities and who do not hold other securities of the relevant finance subsidiary. Additionally, special rules apply to foreign currency-denominated instruments. The prospectus supplement applicable to a particular issue of contingent convertible securities may add or modify information contained in this disclosure, depending on the specific terms of the contingent convertible securities being offered, and on the assets held by the relevant finance subsidiary at that time.

Characterization of the Contingent Convertible Securities

No statutory, judicial or administrative authority directly addresses the characterization of the contingent convertible securities or instruments similar to the contingent convertible securities for U.S. federal income tax purposes. As a result, significant aspects of the U.S. federal income tax consequences of an investment in the contingent convertible securities are not certain. We anticipate that the contingent convertible securities will be treated as equity of the relevant issuer (whether the relevant issuer is a finance subsidiary or, as a result of a substitution, Credit Suisse Group) for U.S. federal income tax purposes. However, no assurance can be given that the IRS will not assert that the contingent convertible securities should be treated in a different manner, for example as indebtedness.
for U.S. federal income tax purposes. If the contingent convertible securities were treated other than as
equity of the relevant issuer for U.S. federal income tax purposes, the timing and character of income,
gain and loss recognized by you could differ from the description herein. The following discussion
assumes treatment of the contingent convertible securities as equity of the relevant issuer for U.S.
federal income tax purposes.

The tax treatment of any contingent convertible securities that we believe should be characterized
other than as equity of the relevant issuer for U.S. federal income tax purposes will be discussed in the
applicable prospectus supplement.

Characterization of the Finance Subsidiaries

The finance subsidiaries have each made an election to be treated as a pass-through entity for U.S.
federal income tax purposes. Based on the assumption that contingent convertible securities will be
treated as equity interests in the relevant finance subsidiary, holders of the contingent convertible
securities will be treated as partners in the relevant finance subsidiary. A partnership generally is not
itself subject to U.S. federal income tax, unless the partnership constitutes a publicly traded partnership
taxable as a corporation. Instead, each partner is required to take into account its allocable share of
items of income, gain, loss, and deduction of the partnership in computing its U.S. federal income tax
liability, regardless of whether distributions are made to the partner. Such income will be treated as if
it were realized by the partner directly from the same source from which it was realized by the
partnership. Accordingly, each U.S. holder will be required to include in gross income and expense its
allocable share of the income and expense of the relevant finance subsidiary in respect of the
underlying assets. U.S. holders who are individuals may be subject to limitations on their ability to
deduct expenses of the finance subsidiary allocable to them. Under certain circumstances, the relevant
finance subsidiary may be required to file a U.S. partnership return on maturity or conversion of the
contingent convertible securities, and to provide Schedule K-1 forms to direct, and certain indirect, U.S.
investors.

We anticipate that the finance subsidiaries will not be treated as publicly traded partnerships
taxable as corporations. The terms of the assets held by the finance subsidiaries have not yet been
determined. It is anticipated that they will be instruments of a kind for which no statutory, judicial or
administrative authority directly addresses the characterization for U.S. federal income tax purposes. As
a result, significant aspects of the U.S. federal income tax consequences of an investment in the
contingent convertible securities may not be certain. We anticipate however that we will treat the assets
of the finance subsidiaries as equity of Credit Suisse Group or a subsidiary thereof for U.S. federal
income tax purposes, and the following discussion assumes such treatment. The applicable prospectus
supplement for an issuance of contingent convertible securities will provide additional information on
the U.S. federal income tax treatment of the finance subsidiaries and the assets held by the finance
subsidiaries, to the extent relevant to the tax treatment of a U.S. holder of the contingent convertible
securities.

U.S. Holders

Payments of Interest and Additional Amounts

In accordance with our expectation that the contingent convertible securities will be treated as
partnership interests in the relevant finance subsidiary (as discussed above), payments of gross interest
and additional amounts, if any, in respect of such contingent convertible securities will constitute
distributions of your distributable share of income generated by the relevant underlying assets held by
the relevant finance subsidiary. Assuming such underlying assets will be securities that are characterized
for U.S. federal income tax purposes as equity of Credit Suisse Group or a subsidiary thereof, the tax
treatment of such income, which will consist of payments on these securities, is described in the three
paragraphs below. If, contrary to our expectations, the underlying assets held by the relevant finance
subsidiary do not qualify for treatment as equity of Credit Suisse Group or a subsidiary thereof, the prospectus supplement for an issuance of contingent convertible securities will describe the U.S. federal income tax treatment of payments in respect of such contingent convertible securities.

Subject to the discussion below under “Passive Foreign Investment Company Rules,” payments of gross interest and additional amounts in respect of securities which are characterized for U.S. federal income tax purposes as equity of Credit Suisse Group or a subsidiary thereof will constitute dividend income to the extent of current or accumulated earnings and profits of Credit Suisse Group or a subsidiary thereof (as applicable), as determined under U.S. federal income tax principles. Payments of interest will be foreign source income and will not be eligible for the dividends-received deduction generally allowed to corporate U.S. holders.

To the extent, if any, that the amount of any payment of gross interest and additional amounts exceeds current and accumulated earnings and profits of Credit Suisse Group or a subsidiary thereof (as applicable), as determined under U.S. federal income tax principles, it will be treated first as a tax-free return of capital to the extent of the relevant finance subsidiary’s adjusted tax basis in the securities, and to the extent it exceeds the adjusted tax basis, it will be treated as capital gain. Potential purchasers should note, however, that neither Credit Suisse Group nor any subsidiary thereof, will maintain calculations of its earnings and profits under U.S. federal income tax principles and therefore you should expect that the entire amount of a payment of interest will generally be characterized as dividend income to you.

Subject to certain exceptions for short-term and hedged positions, the U.S. dollar amount of dividends received by an individual prior to January 1, 2013 will be subject to taxation at a maximum rate of 15% if the dividends are “qualified dividends.” The applicability of “qualified dividend” treatment to payments on these securities will be discussed in the applicable prospectus supplement.

The relevant finance subsidiary may substitute Credit Suisse Group for itself as the issuer of the contingent convertible securities. The discussion in the preceding three paragraphs of the tax treatment of payments made in respect of securities which are characterized for U.S. federal income tax purposes as equity of Credit Suisse Group or a subsidiary thereof applies equally to payments made in respect of such contingent convertible securities.

**Sale or Exchange of the Contingent Convertible Securities**

Subject to the discussion below under “Passive Foreign Investment Company Rules,” upon the sale, exchange or other disposition of the contingent convertible securities, a U.S. holder will generally recognize U.S source capital gain or loss. The amount of the gain or loss will equal the difference between the amount realized on the sale or exchange and the holder’s adjusted tax basis in the contingent convertible securities. Such gain or loss will generally be long-term capital gain or loss if the U.S. holder has held the contingent convertible securities for more than one year. The deductibility of capital losses is subject to limitations.

**Conversion of the Contingent Convertible Securities**

Under the circumstances described above under “Description of Contingent Convertible Securities—Redemption, Substitution, Variation, Repurchase and Conversion—Conversion,” we will convert the contingent convertible securities into common shares or American depositary shares (“ADSs”) of Credit Suisse Group. In the case where a finance subsidiary is the issuer of the contingent convertible securities, and a U.S. holder realizes any loss on the conversion of contingent convertible securities into common shares or ADSs of Credit Suisse Group, we believe such U.S. holder generally would not recognize such loss. In that case, the U.S. holder’s tax basis in the common shares or ADSs received upon conversion generally will equal its aggregate tax basis in the contingent convertible securities converted, and the holding period of the common shares or ADSs received upon conversion...
may not include the period during which the U.S. holder held the contingent convertible securities prior to the conversion.

If a U.S. holder realizes any gain on the conversion of contingent convertible securities issued by a finance subsidiary for common shares or ADSs of Credit Suisse Group, the U.S. federal income tax treatment of the conversion is uncertain, but it is possible such U.S. holder would recognize such gain. Such U.S. holders should consult their own tax advisors with respect to the tax consequences of such a conversion.

In the case where Credit Suisse Group has been substituted as the issuer of the contingent convertible securities, a U.S. holder will generally not recognize gain or loss on the conversion of contingent convertible securities into common shares or ADSs of Credit Suisse Group. The tax basis of the common shares or ADSs a U.S. holder will receive upon such conversion generally will equal its aggregate tax basis in the contingent convertible securities converted. The holding period of the common shares or ADSs a U.S. holder will receive upon conversion will generally include the period during which the U.S. holder held contingent convertible securities after the substitution and prior to the conversion.

Dividends paid with respect to the common shares or ADSs a U.S. holder will receive upon conversion will be subject to the same tax treatment as described above in “Payments of Interest and Additional Amounts,” and a sale or other disposition of the common shares or ADSs will be subject to the same tax treatment as described above in “Sale or Exchange of the Contingent Convertible Securities,” except that a U.S. holder’s adjusted tax basis and holding period in the common shares or ADSs will be determined pursuant to the preceding paragraphs.

Substitution of Issuer

The U.S. federal income tax treatment of a substitution of contingent convertible securities issued by a finance subsidiary for contingent convertible securities issued by Credit Suisse Group is uncertain. Although the matter is not free from doubt, U.S. holders should recognize gain, if any, if Credit Suisse Group contingent convertible securities are treated as differing materially in kind or extent from contingent convertible securities issued by a finance subsidiary. Deductibility of loss, if any, may be limited pursuant to, among other things, the wash sale rules. U.S. holders should consult their own tax advisors with respect to the tax consequences of such a substitution.

Passive Foreign Investment Company Rules

Special U.S. federal income tax rules apply to U.S. persons owning shares of a “passive foreign investment company,” or “PFIC.” If Credit Suisse Group is treated as a PFIC for any year, U.S. holders of contingent convertible securities, common shares or ADSs received upon conversion, (together, the “CSG Equity Instruments”) may be subject to adverse tax consequences upon a sale, exchange or other disposition of the CSG Equity Instruments or upon the receipt of certain “excess distributions” in respect of the CSG Equity Instruments. Based on audited consolidated financial statements, we believe that Credit Suisse Group was not treated as a PFIC for U.S. federal income tax purposes with respect to the 2011 taxable year. In addition, based on the audited consolidated financial statements of Credit Suisse Group and our current expectations regarding the value and nature of its assets and the sources and nature of its income, we do not anticipate Credit Suisse Group becoming a PFIC for the 2012 taxable year.

Backup Withholding and Information Reporting

Payments of interest and sales proceeds that are made within the United States or through certain U.S.-related financial intermediaries generally are subject to information reporting and to backup withholding unless (1) you are a corporation or other exempt recipient or (2) in the case of backup withholding
withholding, you provide a correct taxpayer identification number and certify that you are not subject to backup withholding. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against your U.S. federal income tax liability, provided the required information is furnished to the IRS.

In order to avoid adverse U.S. federal tax consequences, “foreign financial institutions” will be required, for years beginning after December 31, 2012, to collect information on certain financial accounts held by U.S. persons and submit such information to the IRS. It is likely that the relevant issuer will qualify as a “foreign financial institution” under these rules. However, the application of these rules to amounts paid on or with respect to the contingent convertible securities is not clear. By purchasing the contingent convertible securities, U.S. holders agree to provide whatever information is necessary for us to comply with these reporting obligations. If an amount of, or in respect of, U.S. withholding tax were to be deducted or withheld from payments on the contingent convertible securities as a result of an investor’s failure to comply with these rules, neither the relevant issuer nor the guarantor nor any paying agent nor any other person would, pursuant to the terms of the contingent convertible securities, be required to pay additional amounts with respect to any contingent convertible securities as a result of the deduction or withholding of such tax.

Individual U.S. holders who, during any taxable year, hold any interest in any “specified foreign financial asset” generally will be required to file with their U.S. federal income tax returns a statement setting forth certain information if the aggregate value of all such assets exceeds $50,000. A “specified foreign financial asset” generally includes any financial account maintained with a foreign financial institution and may include the contingent convertible securities if they are not held in an account maintained with a U.S. financial institution. A U.S. holder who fails to file any such form could be required to pay a penalty of $10,000, or a penalty of up to $50,000 for ongoing failure to file.

**Additional Reporting Requirements for Certain Holders of Contingent Convertible Securities**

A U.S. holder that is a partner in a foreign partnership such as the finance subsidiaries may be subject to special foreign partnership information reporting requirements with respect to the acquisition, holding or disposition of an investment in contingent convertible securities issued by a finance subsidiary.

A U.S. holder generally will be required to file Form 8865 (or similar form) with the IRS, if its purchase of contingent convertible securities in the aggregate during any twelve month period exceeds $100,000. A U.S. holder will also be required to file Form 8865 for any year in which it becomes a “10 Percent holder,” meaning a holder who at any time owns a 10 percent or greater share of all outstanding contingent convertible securities.

For a year when a U.S. holder becomes a 10 Percent holder, or purchases more than $100,000 of contingent convertible securities, the U.S. holder will generally be required to provide on Form 8865 the names and addresses of all U.S. holders that were 10 Percent holders in that year, among other matters. A U.S. holder who fails to file Form 8865 when required is subject to a penalty equal to 10 percent of the gross amount paid for the contingent convertible securities (subject to a maximum penalty of $100,000, except in cases of intentional disregard).

A 10 Percent holder also will generally be required to file Form 8865 for any year in which more than 50% of all outstanding contingent convertible securities are held by 10 Percent holders. Finally, a 10 Percent holder will generally be required to file Form 8865 for any year in which it ceases to be a 10 Percent holder. A U.S. holder who fails to file in such circumstances is subject to a penalty of $10,000, or a penalty of up to $50,000 for ongoing failure to file.

Special rules apply to combine the purchases and ownership interests of certain related persons in determining whether a holder meets the foregoing reporting thresholds. U.S. holders should consult
their own tax advisors with respect to this or any other reporting requirement that may apply to an acquisition of the contingent convertible securities.

**Non-U.S. Holders**

Subject to the discussion below, assuming that the contingent convertible securities are treated as equity in a partnership holding equity securities of Credit Suisse Group or a subsidiary thereof, a Non-U.S. holder of a contingent convertible security will not be subject to U.S. federal income tax by withholding or otherwise on payments of interest (including additional amounts) on a contingent convertible security, or gain realized in connection with the sale, or other disposition of a contingent convertible security, unless the Non-U.S. holder is an individual present in the U.S. for 183 days or more in the taxable year of a disposition of the contingent convertible security in which gain was realized and certain other conditions are satisfied. Non-U.S. holders should consult their U.S. tax advisors with respect to the characterization of the contingent convertible securities and of the relevant issuer’s assets for U.S. federal income tax purposes.

The relevant issuer may be required pursuant to the U.S. Foreign Account Tax Compliance rules (“FATCA”) to withhold U.S. tax on a portion of payments made after December 31, 2013 on certain types of securities issued by the relevant issuer after January 1, 2013 to an investor who does not provide information sufficient for the relevant issuer to determine whether the investor is a U.S. person or should otherwise be treated as holding a “United States account” of the relevant issuer, or to an investor that is a non-U.S. financial institution that is not in compliance with FATCA, as well as under certain other circumstances. The application of these rules to amounts paid on or with respect to the contingent convertible securities is not clear. If any amount of, or in respect of, U.S. withholding tax were to be deducted or withheld from payments on the contingent convertible securities as a result of a failure by an investor (or by an institution through which an investor holds the contingent convertible securities) to comply with these rules, neither the relevant issuer nor the guarantor nor any paying agent nor any other person would, pursuant to the terms of the contingent convertible securities, be required to pay additional amounts with respect to any contingent convertible securities as a result of the deduction or withholding of such tax. Holders should consult their own tax advisors on how these rules may apply to payments they receive under the contingent convertible securities.

**Swiss Taxation**

The following is a summary of the principal tax consequences for holding debt securities or contingent convertible securities, as applicable, issued by a company or finance subsidiary under the laws of Switzerland for investors who are not residents of Switzerland for tax purposes and have no Swiss permanent establishment and do not conduct a Swiss-based trade or business. It does not address the tax treatment of holders of debt securities or contingent convertible securities, as applicable, who are residents of Switzerland for tax purposes or who are subject to Swiss taxes for other reasons. This summary is based on legislation as of the date of this prospectus and does not aim to be a comprehensive description of all the Swiss tax considerations that may be relevant to a decision to invest in debt securities or contingent convertible securities, as applicable.

**Witholding Tax**

According to the present practice of the Swiss Federal Tax Administration, payments of interest on the debt securities or contingent convertible securities, as applicable, issued by a company or finance subsidiary (other than Credit Suisse Group and Credit Suisse) or by a branch of Credit Suisse Group or Credit Suisse outside Switzerland are not subject to Swiss withholding tax, even if guaranteed by Credit Suisse Group, provided, however, that the net proceeds from the issue of the debt securities or contingent convertible securities, as applicable, are used outside of Switzerland.
Payments of interest on debt securities or on contingent convertible securities, as applicable, issued by Credit Suisse Group or Credit Suisse (but not through a branch outside Switzerland) may be subject to Swiss withholding tax at a rate of 35% regardless of whether such interest is paid regularly in coupons or in a one-time payment upon redemption.

On August 24, 2011 the Swiss Federal Council issued a draft legislation which, if enacted, may require a paying agent in Switzerland to deduct Swiss withholding tax at a rate of 35% on any payment of interest (i) in respect of a debt security or a contingent convertible security, as applicable, issued by a non-Swiss issuer directly (or in certain cases indirectly) to an individual resident in Switzerland or (ii) in respect of a debt security or a contingent convertible security, as applicable, issued by a Swiss issuer directly (or in certain cases indirectly) to an individual resident in Switzerland or to a person resident outside of Switzerland unless certain requirements are met. If this legislation or similar legislation were enacted and an amount of, or in respect of, Swiss withholding tax were to be deducted or withheld from that payment, neither the issuer, nor the guarantor nor any paying agent nor any other person would, pursuant to the terms and conditions of the contingent convertible securities, be obliged to pay additional amounts with respect to any contingent convertible securities as a result of the deduction or imposition of such withholding tax.

The holder of debt securities or of contingent convertible securities, as applicable, issued by Credit Suisse Group or Credit Suisse (but not through a branch outside Switzerland) who is resident in Switzerland and who, at the time the payment of interest on such debt securities or contingent convertible securities, as applicable, is due, is the beneficial owner of such payment of interest and, in the case of a holder who is an individual, duly reports the gross payment of interest in his or her tax return and, in case of a holder who is an entity or an individual required to maintain accounts, includes such payments in its profit and loss statement, is entitled to a full refund of or a full tax credit for the Swiss withholding tax, as the case may be. A holder of debt securities or of contingent convertible securities, as applicable, issued by Credit Suisse Group or Credit Suisse (but not through a branch outside Switzerland) who is not resident in Switzerland at the time the interest on such debt securities or contingent convertible securities, as applicable, is due may be able to claim a full or partial refund of the Swiss withholding tax if such holder is entitled to claim the benefits with regard to such interest payment of a double taxation treaty between Switzerland and his or her country of residence.

According to article 11 of the currently applicable version of the convention signed on October 2, 1996 between the United States of America and the Swiss Confederation for the avoidance of double taxation with respect to taxes on income, together with its protocole (in this section “the Treaty”), all payment of interest on debt securities or of contingent convertible securities, as applicable, issued by Credit Suisse Group or Credit Suisse (but not through a branch outside Switzerland) and derived and beneficially owned by a non-Swiss resident holder, shall be taxable only in the state of residency of the holder, provided that such holder: (i) qualifies for benefits under the Treaty and (ii) does not conduct business through a permanent establishment or fixed base in Switzerland to which such debt securities or contingent convertible securities, as applicable, are attributable. Such eligible US holder of debt securities or contingent convertible securities, as applicable, may apply with the Swiss Federal Tax Administration for a full refund of 35% Swiss withholding tax withheld on such payments of interest.

Upon conversion of contingent convertible securities into Credit Suisse Group shares, any dividends paid and similar cash or in-kind distributions made on such shares (including bonus shares and dividends on liquidation proceeds exceeding the nominal value of such shares and, if certain conditions are met, the capital contributions paid on such shares) will be subject to Swiss withholding tax at a rate of 35%. Credit Suisse Group will be required to withhold tax at such rate from any distribution made to a shareholder. Any repayment of the nominal value of such shares and, if certain conditions are met, any distribution out of capital contribution reserves are not subject to Swiss withholding tax.
The recipient of a taxable distribution from Credit Suisse Group out of such shares who is an individual or a legal entity not resident in Switzerland for tax purposes may be entitled to a full or partial refund of Swiss withholding tax if the country in which such recipient resides for tax purposes has entered into a bilateral treaty for the avoidance of double taxation with Switzerland and if the further prerequisites of such treaty are met. Shareholders not resident in Switzerland should be aware that the procedures for claiming treaty benefits (and the time required for obtaining a refund) may differ from country to country. Shareholders not resident in Switzerland should consult their own legal, financial or tax advisors regarding receipt, ownership, purchases, sale or other dispositions of such shares and the procedures for claiming a refund of Swiss withholding tax.

According to article 10 of the Treaty, a non-Swiss resident holder of Credit Suisse Group shares is eligible for a reduced rate of withholding tax on taxable distribution equal to 15% of such taxable distribution, provided that the holder of such shares: (i) qualifies for benefits under the Treaty, (ii) holds, directly or indirectly, less than 10% of the Credit Suisse Group voting stock; and (iii) does not carry on business through a permanent establishment or fixed base in Switzerland to which the converted shares are attributable. Such an eligible US holder may apply with the Swiss Federal Tax Administration for a refund of the amount of the withholding tax in excess of the 15% Treaty rate.

Furthermore, in case of a repurchase of own shares by Credit Suisse Group, the portion of the repurchase price which exceeds the nominal value of such shares and the tax-free capital contribution reserves of Credit Suisse Group may, in some cases, be re-characterised as taxable liquidation which is subject to 35% Swiss withholding tax if certain conditions are met.

Neither the issuer, nor the guarantor nor any paying agent nor any other person may, pursuant to the terms and conditions of the contingent convertible securities, be obliged to pay additional amounts with respect to any shares issued upon conversion by Credit Suisse Group as a result of the deduction or imposition of such withholding tax.

**Issue and Transfer Stamp Tax**

The issue and redemption of debt securities or of contingent convertible securities, as applicable, (other than in the case of debt securities or of contingent convertible securities, as applicable, issued by Credit Suisse Group or Credit Suisse but not through a branch outside Switzerland) are, under applicable Swiss tax law, not subject to Swiss Issue Stamp Tax on the issue of securities.

A transfer or sale of debt securities or of contingent convertible securities, as applicable, is subject to the Swiss Transfer Stamp Tax, currently at the rate of up to 0.3% of the consideration paid in case of debt securities or of convertible securities, as applicable, issued by a company or finance subsidiary (other than Credit Suisse Group or Credit Suisse) or by a branch of Credit Suisse Group or Credit Suisse outside Switzerland or up to 0.15% of the consideration paid in case of debt securities or of contingent convertible securities, as applicable, issued by Credit Suisse Group or Credit Suisse (but not through a branch outside Switzerland), if such transfer or sale is made by or through a bank or securities dealer (as defined in the Swiss Federal Stamp Tax Act) resident in Switzerland or Liechtenstein, unless an exemption from the Transfer Stamp Tax applies. As regards Swiss Issue and Transfer Stamp Tax on Credit Suisse Group shares issued upon conversion of contingent convertible securities, the same principles as set out above in connection with debt securities and contingent convertible securities apply. In this case, the rate of such tax is up to 0.15% of the consideration paid.

**Other Taxes**

Under current Swiss law, a holder of debt securities or of contingent convertible securities, as applicable, who is not resident in Switzerland and who during the taxable year has not engaged in trade or business through a permanent establishment within Switzerland and who is not subject to taxation by Switzerland for any other reason will be exempted from any Swiss federal, cantonal or municipal
income or other tax on gains on the sale of, or payments received under, the debt securities or the contingent convertible securities, as applicable. The same holds true under the same circumstances for the holder of Credit Suisse Group shares upon conversion of contingent convertible securities into such shares.

**European Union Directive on Taxation of Certain Interest Payments**

Under European Council Directive 2003/48/EC on the taxation of savings income, or the EU Savings Tax Directive, Member States of the European Union are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries, including Switzerland, and territories have agreed to adopt similar measures (some of which involve a withholding system, such as in Switzerland). As indicated above under “Description of Debt Securities—Payment of Additional Amounts,” no additional amounts will be payable if a payment on a debt security or on a contingent convertible security, as applicable, to an individual is subject to any withholding or deduction that is required to be made pursuant to any European Union Directive on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, any such Directive.

The European Commission has recently adopted a proposal to amend the EU Savings Tax Directive, with a view to closing existing loopholes and eliminating tax evasion. These changes broadly relate to the scope of, and mechanisms implemented by, the EU Savings Tax Directive. If these changes are implemented, the position of holders of debt securities or contingent convertible securities, as applicable, in relation to the EU Savings Tax Directive could be different to that set out above.

You should consult your own tax advisors regarding the application the EU Savings Tax Directive or any similar Directive or similar measures of non-EU countries and territories.

**Guernsey Taxation**

Holders of debt securities or contingent convertible securities, as applicable, who are resident for tax purposes in Guernsey, Alderney or Herm will be liable to income tax in Guernsey at the appropriate rate on income arising from their holding of the debt securities or contingent convertible securities, as applicable. However, any tax payable will not be collected by way of deduction or withholding from any payments made to them of such income.

Holders of debt securities or contingent convertible securities, as applicable, resident outside of Guernsey, Alderney or Herm will not be subject to any tax in Guernsey in respect of any payments to them in respect of the debt securities or contingent convertible securities, as applicable, provided such payments are not to be taken into account in computing the profits of any permanent establishment situate in Guernsey through which such holder carries on a business in Guernsey.

Guernsey currently does not levy taxes upon capital inheritance, capital gains, gifts, sales or turnover (unless the vaying of investments and the turning of such investments to account is a business or part of a business). Nor are there any estate duties (save for registration fees and ad valorem duty payable upon an application for a Guernsey Grant of Representation where the deceased dies leaving assets in Guernsey, which require presentation of such a Grant). No duty will be chargeable in Guernsey on the issue, transfer or redemption of the debt securities or contingent convertible securities, as applicable.
EU Savings Tax Directive and associated arrangements with Guernsey

Although not a Member State of the European Union, Guernsey, in common with certain other jurisdictions, entered into agreements with EU Member States on the taxation of savings income. From July 1, 2011 paying agents in Guernsey must automatically report to the Director of Income Tax in Guernsey any interest payment which falls within the scope of the EU Savings Tax Directive as applied in Guernsey. The scope and operation of the EU Savings Tax Directive is currently being reviewed in accordance with the European Council’s findings published on November 13, 2008. Any review will affect EU Member States. Guernsey, along with other dependent and associated territories, will consider the effect of any proposed changes to the EU Savings Tax Directive in the context of existing bilateral treaties and domestic law, once the outcome of that review is known. If changes are implemented, the position of the holders of debt securities or contingent convertible securities, as applicable, in relation to the EU Savings Tax Directive as applied in Guernsey may be different to that set out above.
We may sell our securities through agents, underwriters, dealers or directly to purchasers.

Our agents may solicit offers to purchase our securities.

• We will name any agent involved in offering or selling our securities, and any commissions that we will pay to the agent, in the applicable prospectus supplement.

• Unless we indicate otherwise in the applicable prospectus supplement, our agents will act on a best efforts basis for the period of their appointment.

• Our agents may be deemed to be underwriters under the Securities Act of any of our securities that they offer or sell.

We may use an underwriter or underwriters in the offer or sale of our securities.

• If we use an underwriter or underwriters, we will execute an underwriting agreement with the underwriter or underwriters at the time that we reach an agreement for the sale of our securities.

• We will include the names of the specific managing underwriter or underwriters, as well as any other underwriters, and the terms of the transactions, including the compensation the underwriters and dealers will receive, in the applicable prospectus supplement.

• The underwriters will use the applicable prospectus supplement and any free writing prospectuses to sell our securities.

• If we use an underwriter or underwriters, the underwriter or underwriters will acquire our securities for their own account and may resell our securities in one or more transactions, including negotiated transactions. These sales will be made at a fixed price or at varying prices determined at the time of the sale.

We may use a dealer to sell our securities.

• If we use a dealer, we, as principal, will sell our securities to the dealer.

• The dealer will then sell our securities to the public at varying prices that the dealer will determine at the time it sells our securities.

• We will include the name of the dealer and the terms of our transactions with the dealer in the applicable prospectus supplement.

The securities we distribute by any of these methods may be sold to the public, in one or more transactions, either:

• at a fixed price or prices, which may be changed;

• at market prices prevailing at the time of sale;

• at prices related to prevailing market prices; or

• at negotiated prices.

In connection with an offering, the underwriters may purchase and sell securities in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of securities than they are required to purchase in an offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the securities while an offering is in progress. The underwriters also may impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount.
received by it because the underwriters have repurchased securities sold by or for the account of that underwriter in stabilizing or short-covering transactions.

These activities by the underwriters may stabilize, maintain or otherwise affect the market price of the securities. As a result, the price of the securities may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the underwriters at any time. These transactions may be effected on an exchange or automated quotation system, if the securities are listed on that exchange or admitted for trading on that automated quotation system, or in the over-the-counter market or otherwise.

In connection with these sales of securities, underwriters may be deemed to have received compensation from us in the form of underwriting discounts or commissions and may also receive commissions from purchasers of the securities for whom they may act as agents. Underwriters may resell the securities to or through dealers, and those dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters and/or commissions from purchasers for whom they may act as agents. The applicable prospectus supplement will include any required information about underwriting compensation we pay to underwriters, and any discounts, concessions or commissions underwriters allow to participating dealers, in connection with an offering of securities.

Conflicts of Interest

In compliance with FINRA guidelines, the maximum amount of underwriting compensation, including underwriting commissions or discounts, to be received by any FINRA member or independent broker dealer may not exceed 8% of the aggregate amount of the securities offered pursuant to this prospectus and any applicable prospectus supplement; however, it is anticipated that the maximum underwriting compensation to be received in any particular offering of our securities will be significantly less than this amount.

Credit Suisse Securities (USA) LLC is an indirect subsidiary of Credit Suisse Group. FINRA Rule 5121 imposes certain requirements when a member of FINRA, such as Credit Suisse Securities (USA) LLC, distributes an affiliated company’s securities. If Credit Suisse Securities (USA) LLC or our other U.S.-registered broker-dealer subsidiaries or affiliates participate in the distribution of our securities, we will conduct the offering in accordance with the applicable provisions of FINRA Rule 5121. In any offerings subject to FINRA Rule 5121, no underwriter will confirm initial sales to accounts over which it exercises discretionary authority without the prior written approval of the customer.

We may solicit directly offers to purchase our securities, and we may directly sell our securities to institutional or other investors. We will describe the terms of our direct sales in the applicable prospectus supplement.

We may indemnify agents, underwriters and dealers against certain liabilities, including liabilities under the Securities Act. Our agents, underwriters and dealers, or their affiliates, may be customers of, engage in transactions with or perform services for, us or our subsidiaries and affiliates in the ordinary course of business.

We may authorize our agents and underwriters to solicit offers by certain institutions to purchase our securities at the public offering price under delayed delivery contracts.

• If we use delayed delivery contracts, we will disclose that we are using them in the applicable prospectus supplement and will tell you when we will demand payment and delivery of the securities under the delayed delivery contracts.

• These delayed delivery contracts will be subject only to the conditions that we set forth in the applicable prospectus supplement.

• We will indicate in the applicable prospectus supplement the commission that underwriters and agents soliciting purchases of our securities under delayed delivery contracts will be entitled to receive.
MARKET-MAKING ACTIVITIES

Any of our broker-dealer subsidiaries or affiliates, including Credit Suisse Securities (USA) LLC, may use this prospectus and our prospectus supplements in connection with offers and sales of our securities, in connection with market-making transactions by and through our broker-dealer subsidiaries or affiliates, including Credit Suisse Securities (USA) LLC, at prices that relate to the prevailing market prices of our securities at the time of the sale or otherwise. Any of our broker-dealer subsidiaries and affiliates, including Credit Suisse Securities (USA) LLC, may act as principal or agent in these transactions. In addition, this prospectus, together with the relevant prospectus, prospectus supplement, product supplement, if any, and pricing supplement, if any, describing the terms of the specific series of securities being offered and sold, applies to market-making offers and sales of all outstanding securities of Credit Suisse (USA). None of our broker-dealer subsidiaries and affiliates has any obligation to make a market in any of our offered securities and may discontinue any market-making activities at any time without notice, at its sole discretion.
LEGAL MATTERS

Certain legal matters with respect to U.S. law relating to the offering of our securities will be passed upon for us by Cleary Gottlieb Steen & Hamilton LLP, New York, New York, our U.S. counsel. Certain legal matters with respect to Swiss law relating to the offering of our securities will be passed upon for us by Homburger AG, Zurich, Switzerland, our Swiss counsel. Certain legal matters with respect to English law relating to the offering of the contingent convertible securities will be passed upon for us and the finance subsidiaries by Linklaters LLP, London, England, our English counsel. Any agents or underwriters will be represented by Cravath, Swaine & Moore LLP, New York, New York. Cravath, Swaine & Moore LLP regularly provides legal services to us and our subsidiaries and affiliates. Certain matters of law relating to the finance subsidiaries will be passed upon for the finance subsidiaries by Carey Olsen, Guernsey, Channel Islands.
EXPERTS

The consolidated financial statements of Credit Suisse Group and Credit Suisse as of December 31, 2011 and 2010, and for each of the years in the three-year period ended December 31, 2011, and management’s assessment of the effectiveness of internal control over financial reporting as of December 31, 2011, have been incorporated by reference into this prospectus in reliance upon the reports of KPMG AG, independent registered public accounting firm, which are included in the combined Annual Report on Form 20-F of Credit Suisse Group and Credit Suisse for the year ended December 31, 2011 and incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

The audit reports on the consolidated financial statements of Credit Suisse Group and Credit Suisse as of December 31, 2010 and 2011 each contain an explanatory paragraph that states that, in 2010, Credit Suisse Group and Credit Suisse, as applicable, changed its method of accounting for variable interest entities due to the adoption of ASU 2009-17.
Credit Suisse