

Swiss interest rate and currency outlook

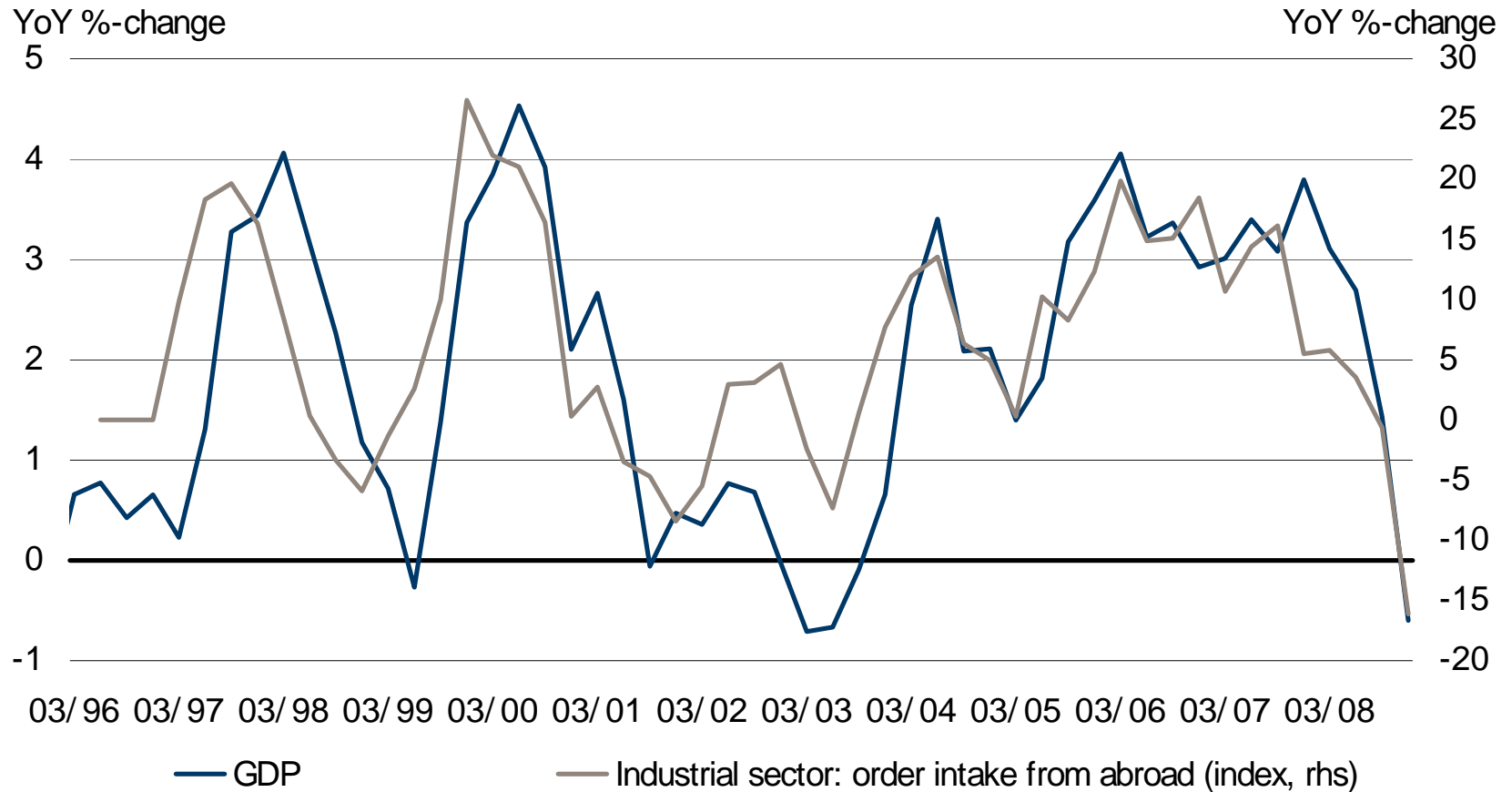
June 2009

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Exports and Swiss GDP



Source: BfS, Bloomberg, Credit Suisse

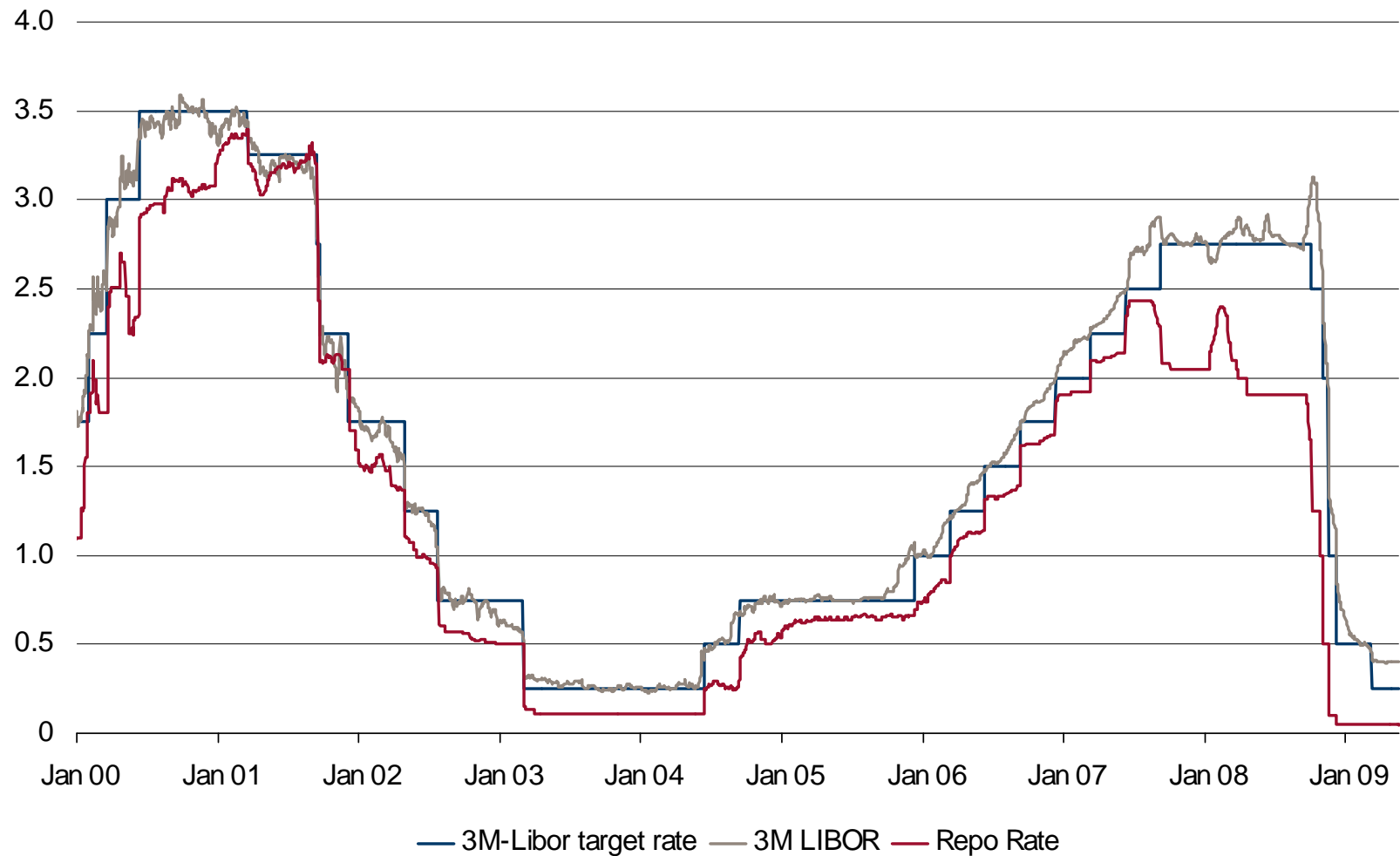
Real GDP growth in %

| Real GDP growth in % | | | |
|----------------------|-------|-------|-------|
| | 2008 | 2009E | 2010E |
| CH | 1.60 | -2.00 | 0.60 |
| EMU | 0.70 | -3.10 | 0.90 |
| USA | 1.10 | -2.10 | 1.90 |
| UK | 0.70 | -3.40 | 1.40 |
| Japan | -0.70 | -4.50 | 1.10 |

Last data point: 12.05.2009

Source: Bloomberg, Credit Suisse / IDC

3M Libor target rate vs. repo rate

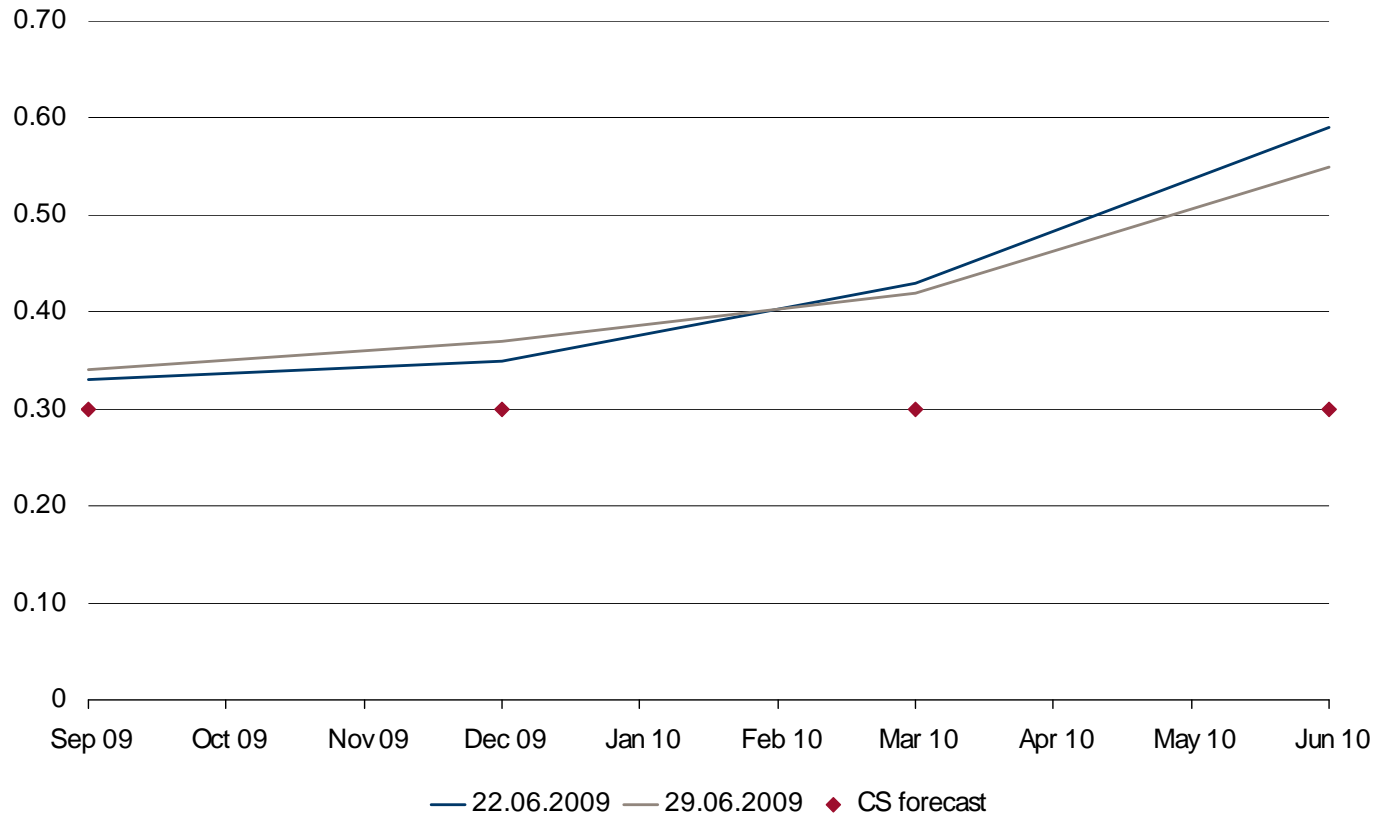


Last data point: 22.05.2009

Source: Bloomberg, Credit Suisse / IDC

Interest rate futures vs CS Forecasts

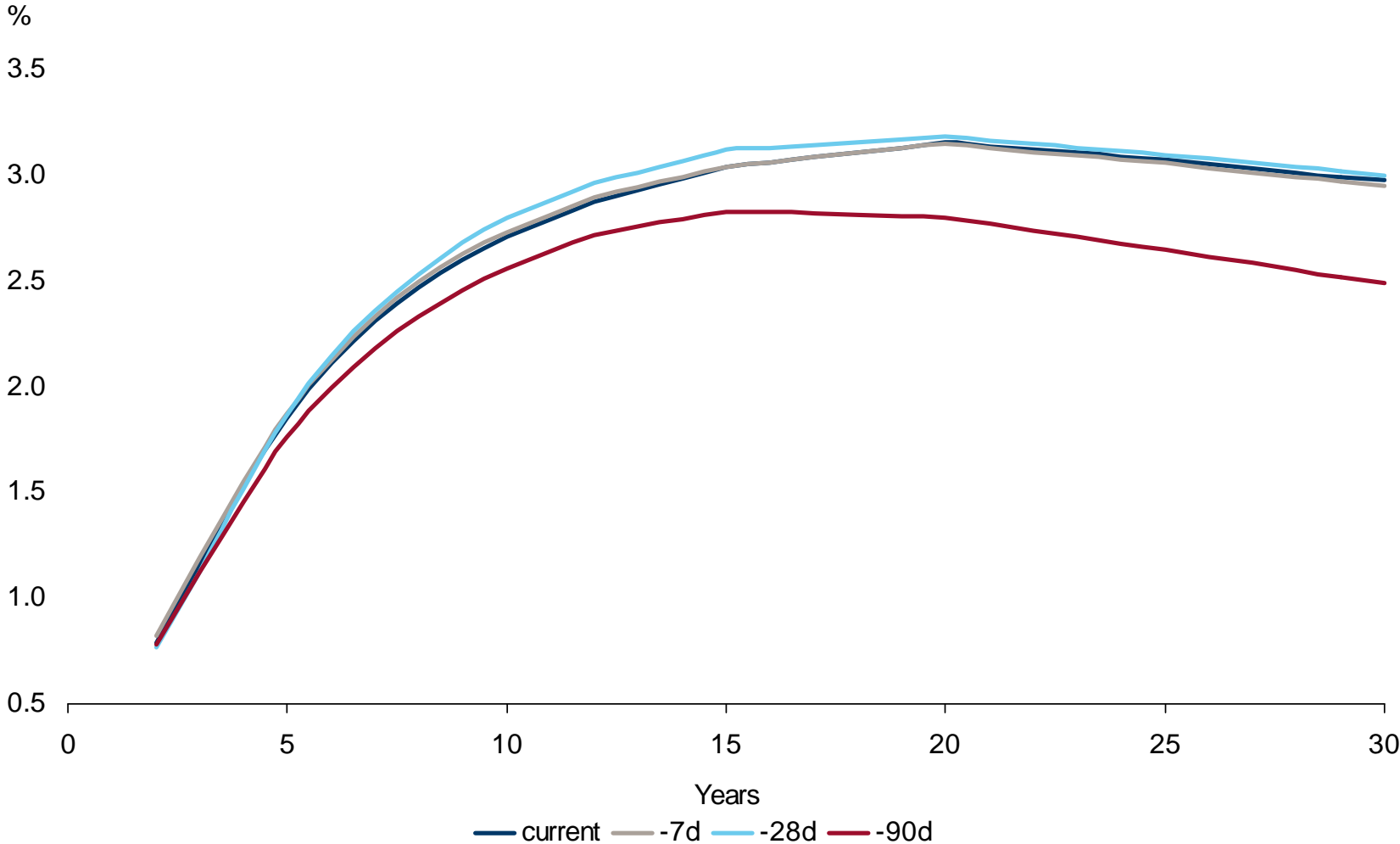
In addition to aggressive rate cuts the Swiss National Bank announced further measures to keep monetary settings expansionary, including buying CHF bonds from private issuers.



Last data point: 29.06.2009

Source: Bloomberg, Credit Suisse / IDC

CHF Swap Curve Current - t



Last data point: 26.06.2009

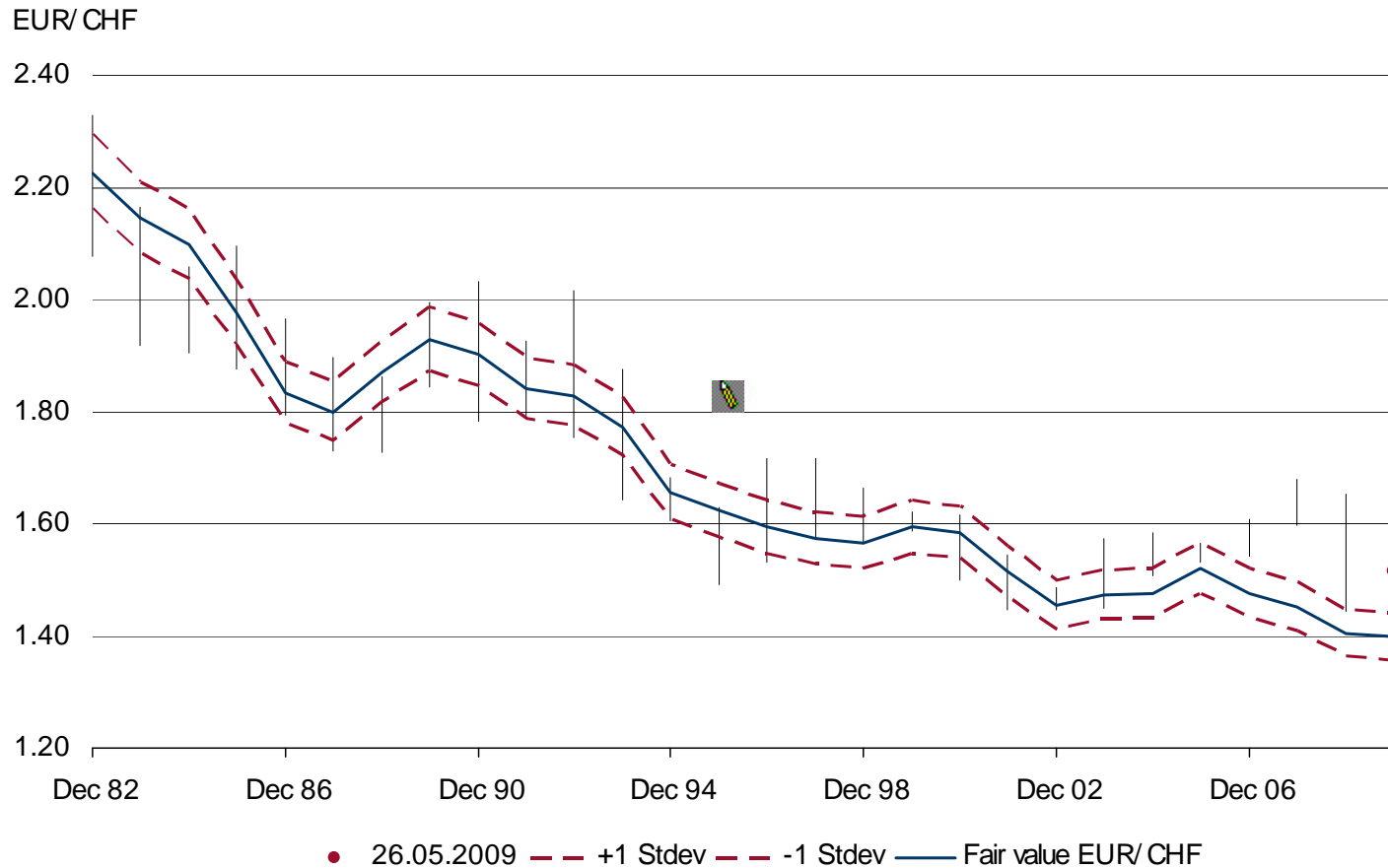
Source: Datastream, Credit Suisse / IDC



Produced by: Dr. Nannette
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Date: June 2009 Slide 6

CHF Fair values (FV) EUR/CHF

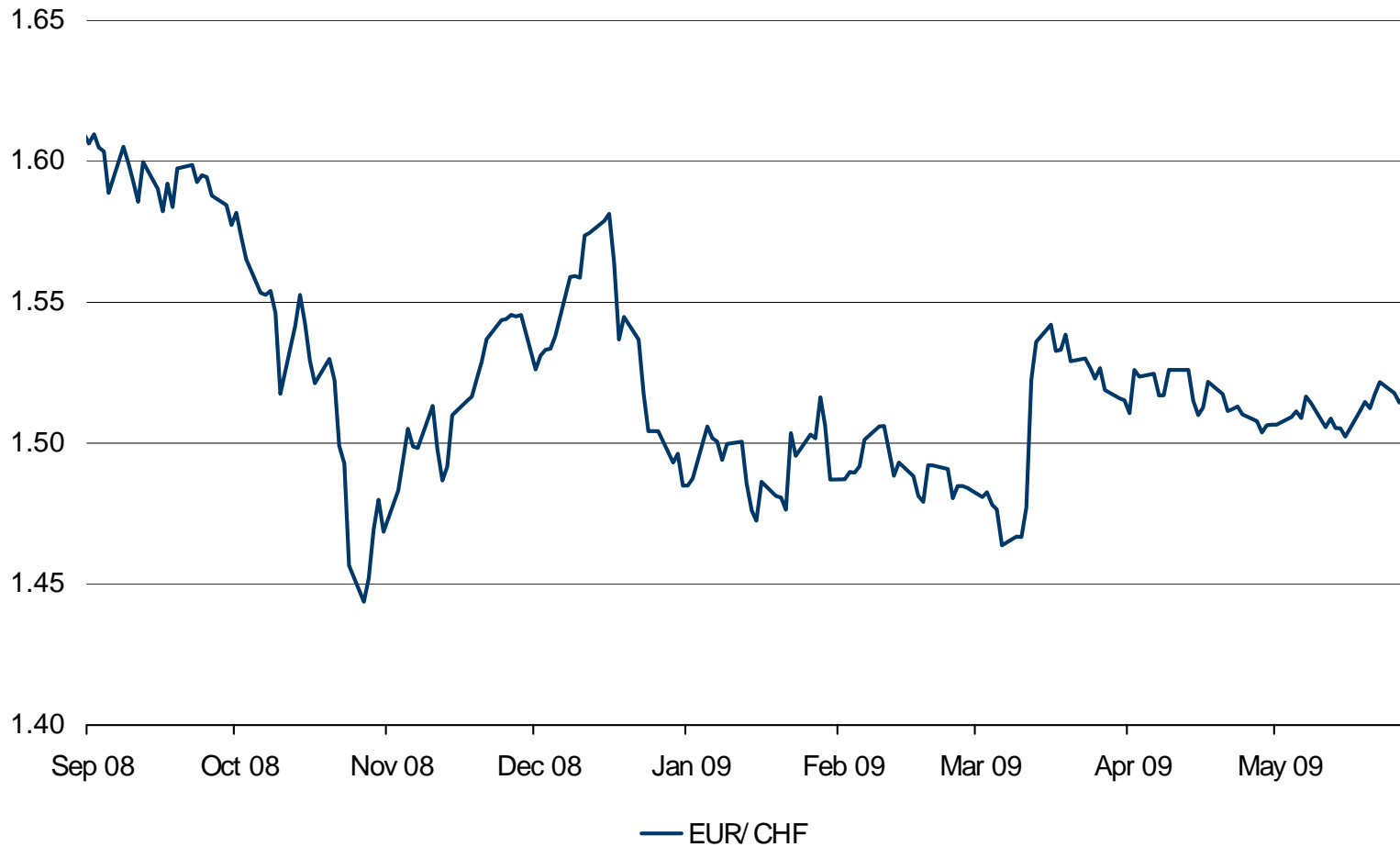
The Swiss franc is trading cheap versus EUR based on our long term CS Fair Value model.



Last data point: 27.05.2009

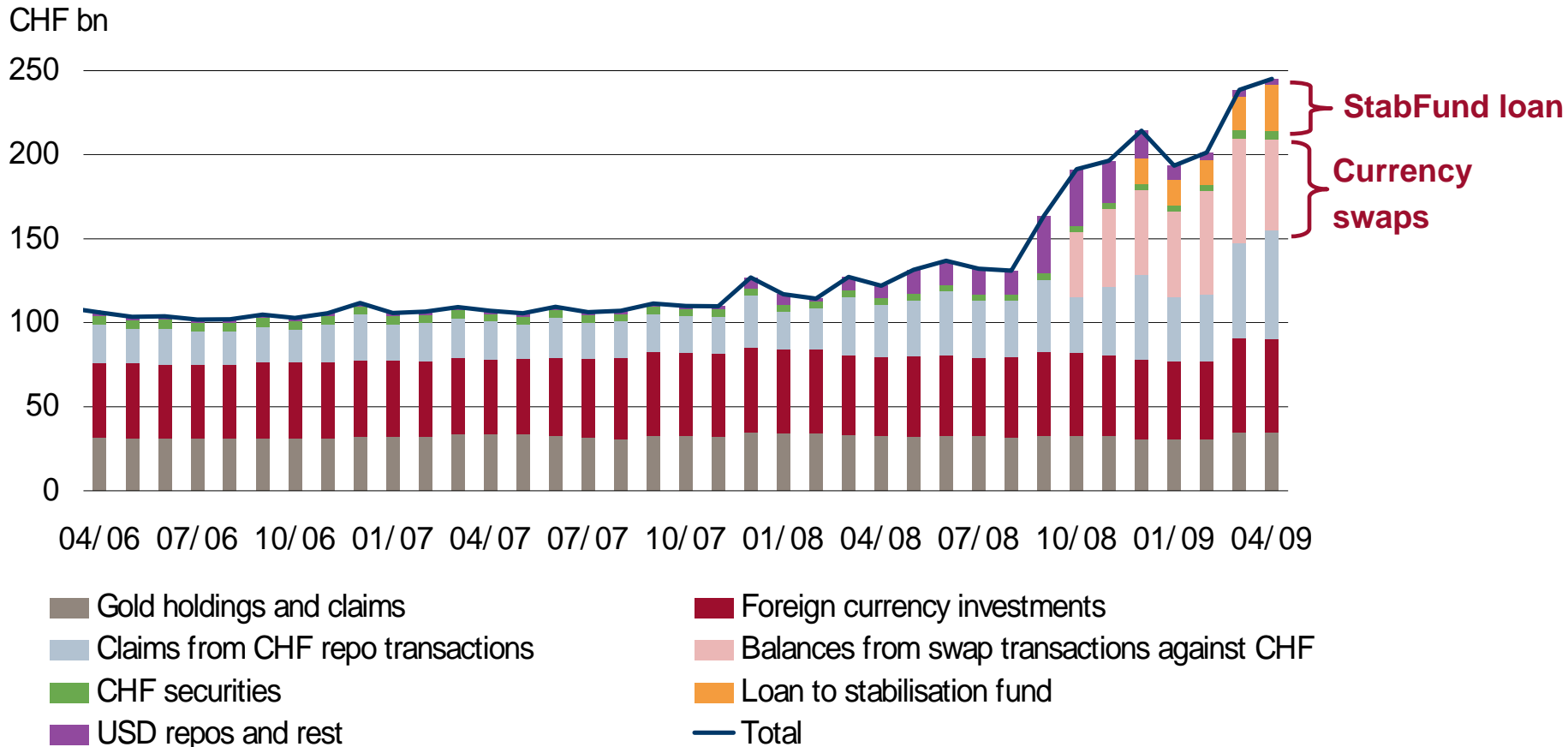
Source: Bloomberg, Credit Suisse / IDC

Exchange rate policy



Source: Datastream, Credit Suisse

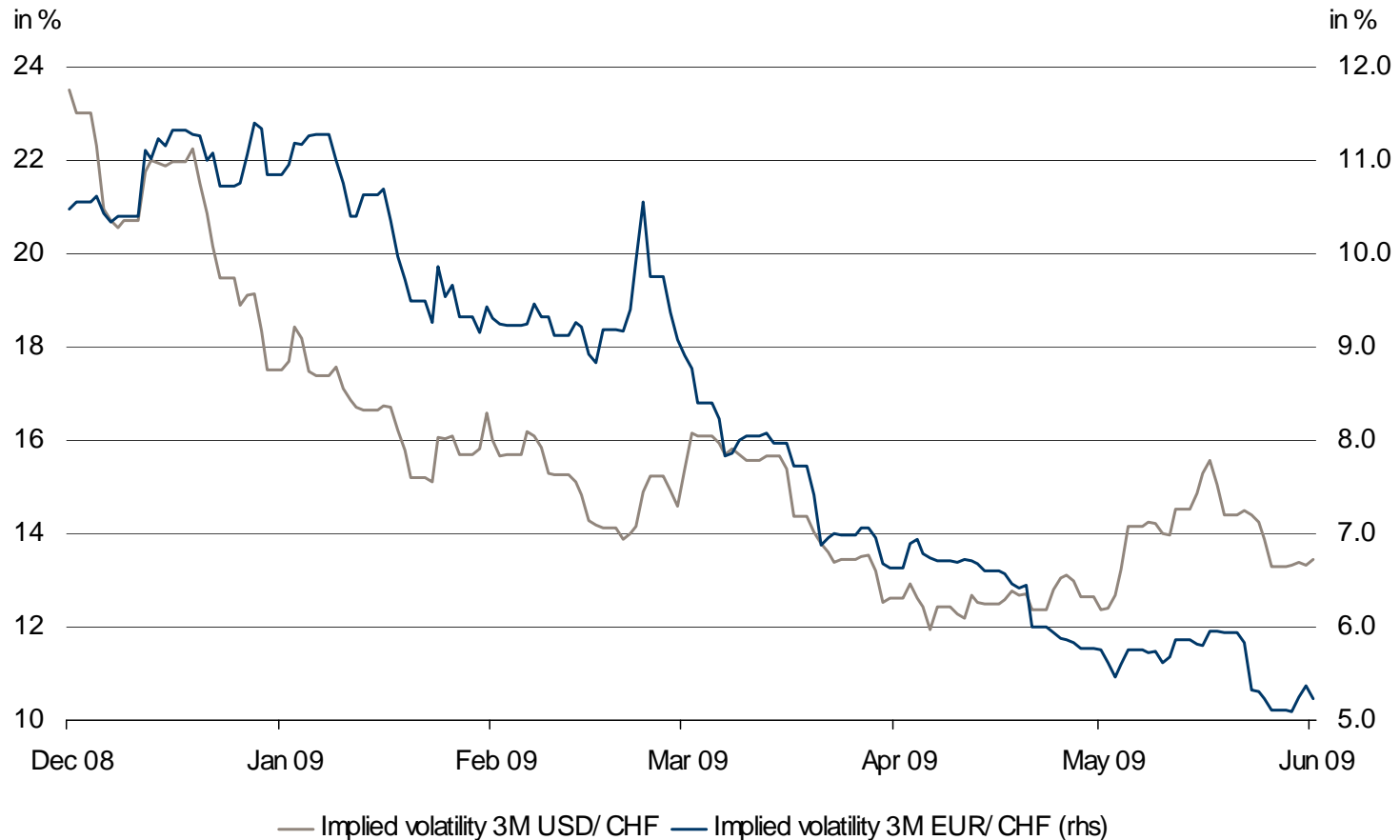
Swiss National Bank assets



Source: SNB, Credit Suisse

CHF Implied Volatility

Volatility has risen due to the financial market turmoil but retreated to lower levels in early 2009.



Last data point: 18.06.2009

Source: Bloomberg, Credit Suisse / IDC

FX Forecasts Majors vs CHF

| Currency | | | |
|-----------------|-------------------|------------|-------------|
| vs CHF | 01.07.2009 | 3M* | 12M* |
| USD/ CHF | 1.07 | 1.02 | 0.94 |
| EUR/ CHF | 1.52 | 1.53 | 1.50 |
| GBP/ CHF | 1.77 | 1.70 | 1.56 |
| JPY/ CHF | 1.11 | 1.07 | 1.00 |
| SEK/ CHF | 14.17 | 15.30 | 15.79 |
| NOK/ CHF | 16.95 | 18.00 | 18.07 |
| AUD/ CHF | 0.87 | 0.81 | 0.75 |
| CAD/ CHF | 0.93 | 0.93 | 0.88 |
| NZD/ CHF | 0.69 | 0.63 | 0.59 |

*Forecast date: 03.06.2009

Last data point: 01.07.2009

Source: Bloomberg, Credit Suisse / IDC



Financial system stability



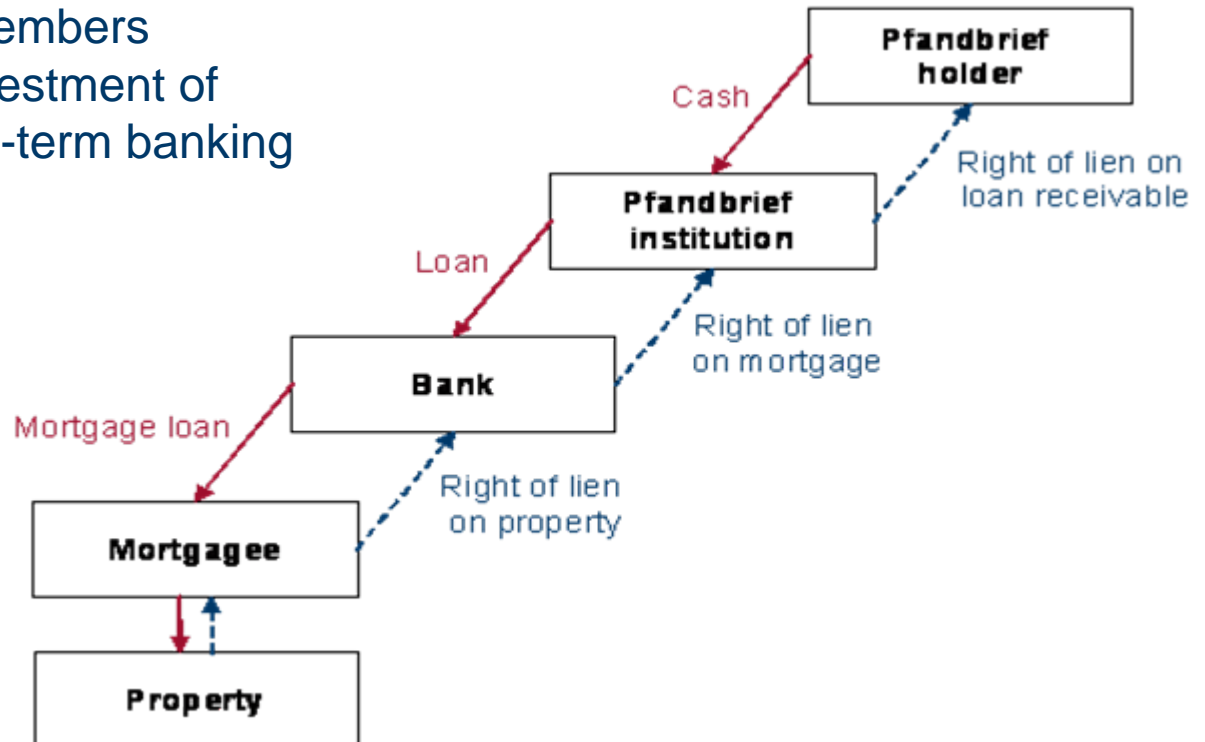
Financial system stability

- Swiss financial sector:
 - 12% of Swiss GDP
 - 6% of Swiss employment
 - Banking sector total assets more than 800% of Swiss GDP

- Measures taken:
 - SNB first central bank to implement the „bad bank“ model with the creation of the SNB-administrated StabFund so as to allow rapid balance sheet repair by systemic UBS
 - Facilitating private-sector solutions to build confidence and enhance liquidity (Pfandbrief transaction)
 - Regulation reform (bank capital adequacy)
 - Strengthening of financial supervision (FINMA, stress-tests)

The Swiss Pfandbrief model

- A duopole: PBB and PBZ
- Business activity limited to issuance of Pfandbriefe, granting of loans to members and non-members against collateral, investment of own assets and short-term banking activities

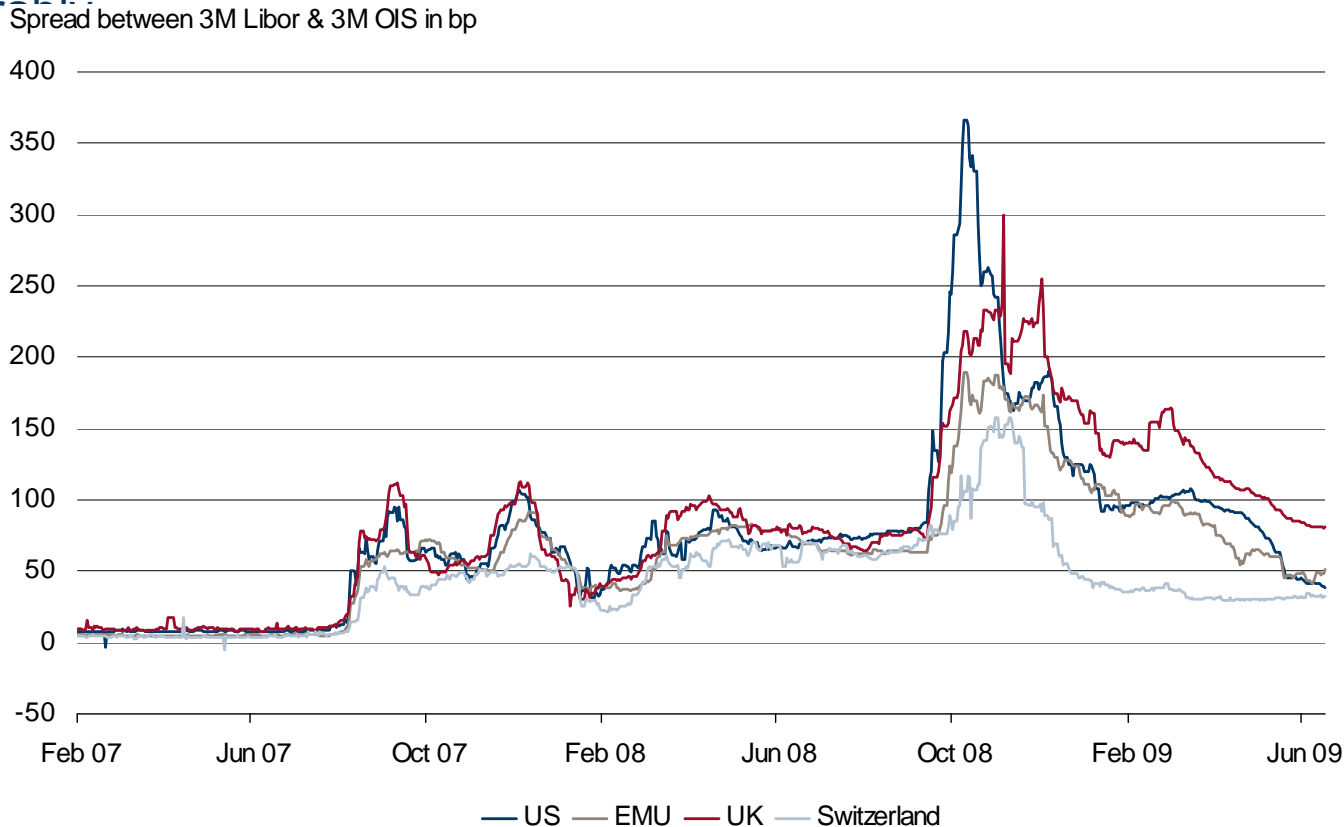


Source: Credit Suisse

Spread between 3M Libor & 3M OIS

The spread between Libor (the interest rate banks pay each other) and the overnight index swap (the expected central bank policy rate) shows the reluctance of banks to lend to each other. The spread has moderated

considerably.

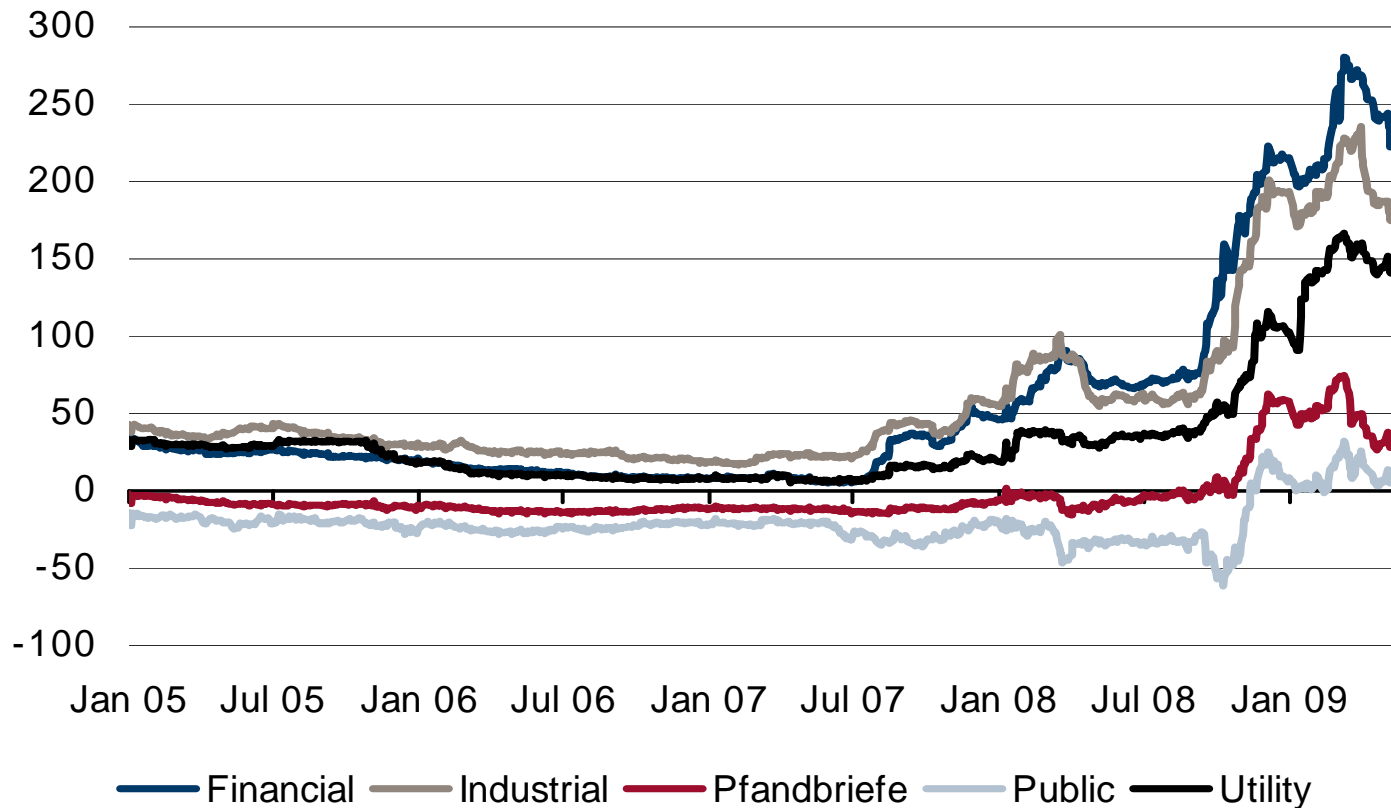


Last data point: 18.06.2009

Source: Bloomberg, Credit Suisse / IDC

Purchase of CHF securities contributes to credit spread reduction

Spreads to Swap in basis points (CS Liquid Swiss Index)



Source: Bloomberg, Credit Suisse

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