Credit Suisse International
Unaudited Interim Report 2008

CREDIT SUISSE INTERNATIONAL
INTERIM MANAGEMENT REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2008

The directors present their Interim Management Report and the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2008.

International Financial Reporting Standards

Credit Suisse International's 2008 Condensed Consolidated Interim Financial Statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted for use in the European Union ('EU').

The Condensed Consolidated Interim Financial Statements were authorised for issue by the Directors on 22 August 2008.

Transparency Directive

During the interim period Credit Suisse International has adopted the Financial Services Authority's new rules implementing the provisions of the EU Transparency Directive. The objective of the Transparency Directive is to achieve greater harmonisation within the member states relating to the provision of periodic and ongoing information requirements for securities issuers. One of the new provisions of the Transparency Directive is the requirement for an Interim Management Report.

BUSINESS REVIEW

Profile

Credit Suisse Group ('CSG'), a company domiciled in Switzerland, is the ultimate parent of a worldwide group of companies (collectively referred to as the 'CS group') specialising in Investment Banking, Private Banking and Asset Management. Credit Suisse International ('CSi') is an unlimited liability company and an indirect wholly owned subsidiary of CSG. CSi is authorised under the Financial Services and Markets Act 2000 by the Financial Services Authority ('FSA').

As a leading financial services provider, CS group is committed to delivering its combined financial experience and expertise to corporate, institutional and government clients and high-net-worth individuals worldwide, as well as to retail clients in Switzerland. CS group serves its diverse clients through three divisions, Investment Banking, Private Banking and Asset Management, which co-operate closely to provide holistic financial solutions based on innovative products and specially tailored advice. Founded in 1856, CS group has a truly global reach today, with operations in over 50 countries and a team of more than 49,000 employees from approximately 100 different nations.

CSG prepares financial statements under US Generally Accepted Accounting Principles ('US GAAP'). These accounts are publicly available and can be found at www.credit-suisse.com.

CSi is a bank domiciled in the United Kingdom. It is a global market leader in over-the-counter ('OTC') derivative products from the standpoints of counterparty service, innovation, product range and geographic scope of operations. CSi offers a range of interest rate, currency, equity, commodity and credit-related OTC derivatives and certain securitised products. CSi's business is primarily client-driven, focusing on transactions that address the broad financing, risk management and investment concerns of its worldwide client base. The Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2008 comprise CSi and its subsidiaries (together referred to as the 'Group'). CSi has two principal business departments: Fixed Income and Equities. These are managed as a part of the Investment Banking Division of CS group in the Europe, Middle East and Africa region.

Economic environment

During the interim period, there were further signs of a decoupling of the US and other economic regions. Concern about inflationary pressure again increased, driven by higher commodity prices. Major equity markets experienced high volatility and most stock prices declined amid slower economic growth prospects and a general risk aversion by investors with European and Asian stocks generally performing worse than markets in North America and Latin America. Financial institutions traded lower on the back of a further deterioration in the mortgage and credit markets, continued economic uncertainty and liquidity concerns. Credit standards tightened, with adverse impacts on the US real estate sector. In emerging markets, the demand for commodities remained strong given continued solid growth.

Sector environment

Some hedge funds and investment banks were seriously challenged during the interim period by the continued dislocation in the mortgage and credit markets, leading to intense funding pressure and reduced leverage. During the period, investor focus moved from short-term systemic credit risk to concern about the longer-term effects of the credit turmoil and the commodities price shock. Inflation concerns increased volatility in the bond and equity markets. Falling housing prices and rising non-performing loans contributed to an economic slowdown in the US. Significant writedowns and increased credit provisions drove capital increases in the banking sector and this put additional pressure on the sector's share valuations. Regulators have acted and continue to discuss potential regulatory changes for the banking sector, focusing on capital, balance sheet leverage ratios and increased transparency of risk positions and off-balance sheet exposures. Investor sentiment remained defensive due to the ongoing uncertain economic and financial market outlook.

Performance

The Group's interim period 2008 consolidated net operating income decreased to a loss of US$738m (2007: profit US$1,766m). The loss attributable to shareholders for the interim period 2008 was US$1,225m (2007: profit US$383m), which includes a litigation charge of US$267m relating to an agreement with the Parmalat Group to settle all claims between the parties in Italy. As at 30 June 2008, the Group had total assets of US$623,581m (31 December 2007: US$491,839m) and total shareholders' equity of US$11,190m (31 December 2007: US$11,015m).

The operating environment remained difficult over the interim period 2008 as the credit crisis continued to have far reaching effects on global capital markets and the financial industry. The Group has seen performance deteriorate significantly for the interim period 2008, driven by weak results in the Fixed Income business, as discussed in more detail below. Notwithstanding challenges in certain sectors, CSi has returned solid performance in the Equities business and strong growth in the Commodities business in the interim period 2008.

CS group expects challenging market conditions to persist in the near to medium term. Accordingly, the business will continue to be managed conservatively. CS group is, however, in a strong position financially and competitively, therefore a disciplined risk management approach will enable opportunities to be seized and realised as they emerge. CS group continues to benefit from a conservative funding structure and a position as one of the world's best capitalised banks.

IMPACT OF THE EVENTS IN THE MORTGAGE AND CREDIT MARKETS

Continued dislocation in the mortgage and credit markets has resulted in significantly weaker performance in certain Fixed Income businesses. In particular, included in the 2008 interim results were losses of US$2,020m (2007: profit US$291m) in Structured Products, and losses of US$365m (2007: profit US$101m) in Leveraged Finance. Structured Products includes the Collateralised Debt Obligation ('CDO'), Commercial Mortgage Backed Securities ('CMBS'), and Residential Mortgage Backed Securities ('RMBS') businesses.

CDO Trading business

The Group purchases interests in CDOs and enters into derivative contracts with ABS CDOs and other counterparties. CDOs provide credit risk exposure to a portfolio of Asset Backed Securities ('ABS') (cash CDOs) or a reference portfolio of securities (synthetic CDOs) through, for example, credit default swaps.

The Group's cash CDO business includes warehouse financing of a portfolio of assets selected by clients for packaging and distribution as CDOs, where the Group sells the warehoused assets to the CDO vehicle for cash raised in the CDO issuance. The Group's primary CDO US subprime exposure is to bonds with ratings of AAA or AA. In synthetic CDOs, the Group may be required under credit default swaps to make payments in the event that securities in the reference portfolios default or experience other credit events such as rating agency downgrades.

The CDO trading business had net US subprime exposure of US$304m at 30 June 2008 (US$2.4 billion as at 31 December 2007).

Remediation developments on certain internal control matters

As announced on 19 February 2008, in connection with ongoing internal control processes, CS group identified mismarking and pricing errors by a small number of traders in certain ABS positions in the CDO trading business and immediately undertook an internal review of the business. These traders ran global portfolios of positions, some portions of which were entered into by CSi. Consequently findings from this review directly impact CSi.

The remediation plan with respect to internal controls over the valuation of certain ABS positions in the CDO trading business continues to be implemented. While this remediation plan is being implemented, alternative additional control procedures have been performed with regard to the pricing of the remaining positions. Additionally, CSi has initiated the transfer of certain CDO positions and risks from CSi to US based CS group entities to facilitate closer oversight by Trading Management.

On 13 August 2008 CSi incurred a financial penalty of £5.6m levied by the FSA in connection with the mismarking and pricing errors.

CMBS business

CMBS are bonds backed by a pool of mortgage loans on commercial real estate properties. Cash flows generated by the underlying pool of commercial mortgages are the primary source of repayment for the principal and interest on the bonds. Various types of income-producing properties serve as collateral for the commercial mortgages. The collateral is typically sold to a special purpose entity which then issues CMBS. A typical deal will include the issuance of multiple classes of bonds. Principal payments are generally made to the bond classes on a sequential basis, beginning with the class with the highest priority and ending with the class with the lowest priority. The credit ratings on the bond classes will vary based on payment priority and can range from AAA to unrated. Most CMBS are issued by private entities and, as a result, the credit quality of the underlying commercial mortgages will have a direct bearing on the performance of the bonds. The Group has risk exposure to the underlying commercial loans from the time the loans are made until they are packaged as CMBS and distributed.

The fair value of the CMBS loan inventory at 30 June 2008 was US$4.3 billion (31 December 2007 approximately US$6 billion), of which 80% was investment grade.

RMBS business

The Group's exposure to RMBS inventory is de minimis.

Leveraged Finance business

The Group's leveraged finance business provides capital raising and advisory services and core leveraged credit products such as bank loans, bridge loans and mezzanine and high-yield debt to corporate and financial sponsor-backed companies. Leveraged finance is commonly employed to achieve a specific objective, for example to make an acquisition, to complete a buy-out or to repurchase shares.

Leveraged finance risk exposure takes the form of both funded and unfunded commitments. An unfunded commitment exists from the time a commitment is made to a client to extend a leveraged loan, to the time the loan is closed and funded. The Group typically endeavours to distribute the loan prior to the closing and funding of the loan. Once a loan has closed, whatever portion the Group continues to hold is a funded commitment. The Group's total funded and unfunded exposure was US$4 billion as at 30 June 2008 and US$3 billion as at 31 December 2007.

Hedging

As part of the Group's overall risk management, the Group holds a portfolio of hedges, including single name hedges and index hedges in non-investment grade, cross-over credit and mortgage indices. Hedges are impacted by market movements, similar to other trading securities, and may result in gains or losses on the hedges which offset losses or gains on the portfolios they were designed to hedge.

CSi does not rely on monoline insurers in its subprime hedging. The risk in any inventory of monoline-wrapped paper is fully hedged with credit derivatives and other forms of protection.

INVOLVEMENT WITH SPECIAL PURPOSE ENTITIES ('SPEs')

The Group enters into transactions with, and makes use of, SPEs in the normal course of business. Transactions with SPEs are generally executed to facilitate securitization activities or to meet specific client needs, such as providing liquidity or investment opportunities, and, as part of these activities, CSi may hold interests in the SPEs. Securitization-related transactions with SPEs involve selling or purchasing assets and entering into related derivatives with those SPEs, providing liquidity, credit or other support. Other transactions with SPEs include derivative transactions in CSi's capacity as the prime broker for entities qualifying as SPEs. CSi also enters into lending arrangements with SPEs for the purpose of financing client projects or the acquisition of assets. Further, CSi is involved with SPEs which were formed for the purpose of offering alternative investment solutions to clients. Such SPEs relate primarily to fund-linked vehicles or fund of funds, where CSi acts as structurer, manager, distributor, broker, market maker or liquidity provider. The economic risks associated with SPE exposures held by CSi, together with all relevant risk mitigation initiatives, are included in the CS group risk management framework.

Investing or financing needs, or those of the Group's clients, determine the structure of each transaction, which in turn determines whether sale accounting and subsequent derecognition of the transferred assets under IAS 39 applies. In addition, SPEs are entities which typically either lack sufficient equity to finance their activities without additional subordinated financial support or are structured such that the holders of the voting rights do not substantively participate in the gains and losses of the entity. Such entities are required to be assessed for consolidation under IAS 27 and its associated interpretation, SIC-12. Application of the accounting requirements for consolidation of SPEs may require the exercise of significant management judgement.

Key information relating to SPE exposures as at 30 June 2008 is as follows:

	30 June 2008 US$M
Consolidated SPEs	
CDO	1,725
Financial intermediation	8,871
Total assets of consolidated SPEs	**10,596**
Non-consolidated SPEs	
CDO	3,991
Financial intermediation	16,198
Total assets of non-consolidated SPEs	**20,189**
Total maximum exposure to loss of non-consolidated SPEs	
CDO	1,240
Financial intermediation	8,421

Structured Investment Vehicles ('SIVs')

SIVs are unconsolidated entities that issue various capital notes and debt instruments to fund the purchase of assets. We do not sponsor or serve as asset manager to any SIVs.

FAIR VALUE MEASUREMENT

Fair Value is considered the most relevant measurement for many financial instruments as it provides more transparency than historic cost based valuations and aligns the accounting for these financial instruments with how the business is managed. The Group determines Fair Value using the IFRS two level hierarchy of 'Active Market' and 'No Active Market'. The No Active Market level of the IFRS fair value hierarchy includes more complex OTC derivatives, illiquid loans and certain structured bonds, the so-called 'Level 3' Instruments. Instruments classified in Level 3 have one or more parameter inputs which are unobservable and which have a significant impact on either the fair value or the profit and loss of the instrument.

Total Level 3 assets were US$51 billion as at 30 June 2008, which was equivalent to 10% of total fair value assets.

Total Level 3 liabilities were US$45 billion as at 30 June 2008, which was equivalent to 10% of total fair value liabilities.

As the valuation models are based upon entity specific assumptions, changing the assumptions within a reasonable range amends the resultant estimate of fair value. The potential effect of using reasonably possible alternative assumptions in valuation models lies in a range of US$(1,068m) and US$1,068m as at 30 June 2008.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

We confirm that to the best of our knowledge:

- The condensed set of financial statements has been prepared in accordance with IAS *34 Interim Financial Reporting* as adopted by the EU; and

- The Interim Management Report includes a fair review of the information required by DTR 4.2.7R of the *Disclosure and Transparency Rules*, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the year.

Costas P. Michaelides
Director

CREDIT SUISSE INTERNATIONAL
CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2008 (UNAUDITED)

	Note	30 June 2008 US$M	30 June 2007 US$M
Interest income	4	1,887	1,300
Interest expense	4	(3,173)	(2,373)
Net interest expense		**(1,286)**	**(1,073)**
Net commissions and fees	5	104	29
Net trading revenues	6	869	3,065
Other charges	5	(425)	(255)
Total non-interest revenues		**548**	**2,839**
Net operating (loss)/income		**(738)**	**1,766**
Compensation and benefits	5	(153)	(609)
Impairment charge on loans and receivables	5	(17)	(51)
Other expenses	5	(912)	(510)
Total operating expenses		**(1,082)**	**(1,170)**
(Loss)/profit before tax		**(1,820)**	**596**
Income tax credit/(expense)	7	595	(213)
(Loss)/profit after tax		**(1,225)**	**383**

All profits and losses for both 2008 and 2007 are from Continuing Operations.

The notes on pages 11 to 20 form an integral part of these Condensed Consolidated Interim Financial Statements.

CREDIT SUISSE INTERNATIONAL
CONDENSED CONSOLIDATED INTERIM BALANCE SHEET AS AT 30 JUNE 2008 (UNAUDITED)

	Note	**30 June 2008 US$M**	**31 December 2007 US$M**
Assets			
Cash and cash equivalents		41,922	26,713
Interest-bearing deposits with banks		501	148
Securities purchased under resale agreements and securities borrowing transactions		14,758	22,240
Trading assets	6	484,103	381,152
Other financial assets designated at fair value through profit and loss		34,814	22,628
Loans and receivables		9,399	11,377
Repossessed collateral		47	55
Current tax assets		711	601
Deferred tax assets		631	218
Other assets		36,153	26,184
Intangible assets		162	136
Property, plant and equipment		380	387
Total assets		**623,581**	**491,839**
Liabilities			
Deposits		5,848	4,817
Securities sold under repurchase agreements and securities lending transactions		22,378	25,397
Trading liabilities	6	403,320	291,119
Other financial liabilities designated at fair value through profit and loss		56,182	45,885
Short-term borrowings		49,116	46,578
Current tax liabilities		-	71
Long-term debt	8	16,748	12,230
Other liabilities		58,784	54,711
Provisions		15	16
Total liabilities		**612,391**	**480,824**
Shareholders' equity			
Called-up share capital	10	7,021	5,621
Share premium account		3,647	3,647
Retained earnings		522	1,747
Total shareholders' equity		**11,190**	**11,015**
Total liabilities and shareholders' equity		**623,581**	**491,839**

The notes on pages 11 to 20 form an integral part of these Condensed Consolidated Interim Financial Statements.

Approved by the Board of Directors on 22 August 2008 and signed on its behalf by:

Costas P. Michaelides

CREDIT SUISSE INTERNATIONAL

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2008 (UNAUDITED)

	Share Capital US$M	Share Premium US$M	Retained Earnings US$M	Total US$M
Balance at 1 January 2008	**5,621**	**3,647**	**1,747**	**11,015**
Loss for the period and total recognised income and expense for the period	-	-	(1,225)	(1,225)
Issue of shares	1,400	-	-	1,400
Balance at 30 June 2008	**7,021**	**3,647**	**522**	**11,190**

	Share Capital US$M	Share Premium US$M	Retained Earnings US$M	Total US$M
Balance at 1 January 2007	**3,242**	**433**	**1,227**	**4,902**
Profit for the period and total recognised income and expense for the period	-	-	383	383
Issue of shares	1,330	1,135	-	2,465
Redemption of shares	(1,550)	(22)	-	(1,572)
Balance at 30 June 2007	**3,022**	**1,546**	**1,610**	**6,178**

There were no dividends paid during the six months ended 30 June 2008 (30 June 2007: Nil).

The notes on pages 11 to 20 form an integral part of these Condensed Consolidated Interim Financial Statements.

CREDIT SUISSE INTERNATIONAL
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2008 (UNAUDITED)

	Note	30 June 2008 US$M	30 June 2007 US$M
Cash flows from operating activities			
(Loss)/profit before tax for the period		(1,820)	596
Adjustments to reconcile net profit to net cash provided by/(used in) operating activities			
Non-cash items included in profit before tax and other adjustments:			
Depreciation and amortisation on property, plant and equipment and intangible assets		69	72
Interest accrued on long-term debt		306	115
Impairment charge on loans and receivables		17	51
Impairment on loan commitments		(9)	-
Provisions		3	-
Net (increase)/decrease in operating assets:			
Interest bearing deposits with banks		(353)	(916)
Securities purchased under resale agreements and securities borrowing transactions		7,482	(9,397)
Trading assets		(102,951)	(66,252)
Other financial assets designated at fair value through profit and loss		(12,186)	(3,402)
Repossessed collateral		8	-
Loans and receivables		1,961	1,508
Other assets		(9,969)	(8,681)
Net increase/(decrease) in operating liabilities:			
Deposits		952	(788)
Securities sold under resale agreements and securities lending transactions		(3,019)	(6,027)
Trading liabilities		112,201	52,816
Other financial liabilities designated at fair value through profit and loss		10,297	7,503
Short-term borrowings		2,538	12,687
Other liabilities and provision		3,994	16,732
Cash generated/(used in) from operating activities		**9,521**	**(3,383)**
Income taxes refund		105	40
Income taxes paid		(8)	(32)
Net cash flow generated/(used in) from operating activities		**9,618**	**(3,375)**
Investing activities			
Capital expenditures for property, plant, equipment and intangible assets		(88)	(51)
Net cash flow used in investing activities		**(88)**	**(51)**
Financing activities			
Issue of long-term debt	8	5,044	962
Redemption of long-term debt	8	(498)	(809)
Interest paid on long-term debt		(346)	(108)
Issue of shares	10	1,400	2,465
Redemption of shares		-	(1,572)
Net cash flow from financing activities		**5,600**	**938**
Net increase/(decrease) in cash and cash equivalents		**15,130**	**(2,488)**
Cash and cash equivalents at beginning of period		21,977	5,263
Cash and cash equivalents at end of period		**37,107**	**2,775**
Cash and due from banks		41,922	8,319
Demand deposits		(4,815)	(5,544)
Cash and cash equivalents at end of period		**37,107**	**2,775**

The notes on pages 11 to 20 form an integral part of these Condensed Consolidated Interim Financial Statements.

1 General

CSi is a bank domiciled in the United Kingdom. It is a global market leader in OTC derivative products from the standpoints of counterparty service, innovation, product range and geographic scope of operations. CSi offers a range of interest rate, currency, equity, commodity and credit-related OTC derivatives and certain securitised products. CSi's business is primarily client-driven, focusing on transactions that address the broad financing, risk management and investment concerns of its worldwide client base. The Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2008 comprise CSi and its subsidiaries. CSi has three business departments: Fixed Income, Equities and Other (including Investment Banking). These are managed as a part of the Investment Banking Division of CS group in the Europe, Middle East and Africa region.

The Condensed Consolidated Interim Financial Statements were authorised for issue by the directors on 22 August 2008.

2 Significant Accounting Policies

Basis of preparation

The Group's Condensed Consolidated Interim Financial Statements are prepared in accordance with IAS 34 'Interim Financial Reporting'. In preparing the Condensed Consolidated Interim Financial Statements, the same accounting policies and basis of computation are applied as in the Group Annual Consolidated Financial Statements for the year ended 31 December 2007, with the adoption of IFRIC 11 'IFRS 2 - Group and Treasury Share Transactions' as of 1 January 2008. There are no other specific accounting policy changes.

The Condensed Consolidated Interim Financial Statements are unaudited. These Condensed Consolidated Interim Financial Statements should be read in conjunction with the Audited Annual Consolidated Financial Statements included in the Group's Annual report for 2007. The Audited Annual Consolidated Financial Statements are in accordance with IFRS, as adopted by the European Union.

The preparation of the Condensed Consolidated Interim Financial Statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision has a significant effect on both current and future periods.

3 Segmental Analysis

	30 June 2008 US$M	30 June 2007 US$M
Net operating (loss)/income		
Fixed Income Division	(1,086)	1,442
Equity Division	325	361
Other	23	(37)
Total net operating (loss)/income	**(738)**	**1,766**

4 Interest Income and Interest Expense

	30 June 2008 US$M	30 June 2007 US$M
Loans and receivables	402	246
Securities purchased under resale agreements and securities borrowing transactions	304	485
Cash collateral paid on OTC derivatives transactions	482	292
Cash and cash equivalents	699	277
Total interest income	**1,887**	**1,300**
Deposits	(147)	(121)
Short-term borrowings	(1,271)	(1,135)
Securities sold under resale agreements and securities lending transactions	(674)	(472)
Long-term debt	(306)	(151)
Cash collateral received on OTC derivatives transactions	(775)	(494)
Total interest expense	**(3,173)**	**(2,373)**
Net interest expense	**(1,286)**	**(1,073)**

5 Non-Interest Revenues and Total Operating Expenses

The following table sets forth the details of commissions and fees:

	30 June 2008 US$M	30 June 2007 US$M
Commissions from lending business:		
Investment and portfolio management activities	151	80
Fees for other customer services	-	1
Commission and fee income	**151**	**81**
Commissions from lending business:		
Investment and portfolio management activities	(17)	(28)
Fees for other customer services	(30)	(24)
Commission and fee expense	**(47)**	**(52)**
Net commissions and fee income	**104**	**29**

Other charges of US$425m (2007: US$255m) principally relate to amounts allocated to CSi from other companies in the CS group mainly due to revenue sharing arrangements.

5 Non-Interest Revenues and Total Operating Expenses (continued)

The following table sets forth the details of compensation and benefits:

	30 June 2008 US$M	30 June 2007 US$M
Salaries and bonuses	119	558
Social security	6	41
Pensions	25	7
Other	3	3
Compensation and benefits	**153**	**609**

The impairment charge on loans and receivables of US$17m (2007: US$51m) comprises additional allowances for loan losses of US$48m (2007: US$62m) and a release of allowances for loan losses of US$31m (2007: US$11m).

The following table sets forth the details of other expenses:

	30 June 2008 US$M	30 June 2007 US$M
Occupancy expenses	7	7
IT and machinery	32	40
Depreciation expenses	69	72
Provisions	3	8
Commission expenses	159	108
Travel and entertainment	7	6
Audit fees of CSi	2	2
Professional services	41	26
Overheads allocated from other CS group entities	242	198
Litigation	267	-
Other	83	43
Other expenses	**912**	**510**

The litigation charge above relates to an agreement with the Parmalat Group to settle all claims between the parties in Italy.

6 Trading Activities

The following table sets forth the details of trading-related revenues:

	30 June 2008 US$M	30 June 2007 US$M
Interest rate-related products	561	2,227
Equity/indexed-related products	545	496
Foreign exchange products	167	70
Credit related products	(783)	270
Energy trading and marketing products	372	1
Other products	7	1
Net trading revenues	**869**	**3,065**

The challenging market environment and reduction in market liquidity have seen performance deteriorate for the interim period 2008, specifically with regard to interest and credit related products. Increased price volatility and physical demand for commodities has driven the increased revenues from Energy trading and marketing related products.

	30 June 2008 US$M	31 December 2007 US$M
Trading assets		
Debt instruments	37,290	41,887
Equity instruments	41,267	43,827
Positive replacement values of derivative trading positions	395,100	279,387
Loans and other receivables	10,446	16,051
Total trading assets	**484,103**	**381,152**

	30 June 2008 US$M	31 December 2007 US$M
Trading liabilities		
Short positions	14,758	14,712
Negative replacement values of derivative trading positions	388,562	276,407
Total trading liabilities	**403,320**	**291,119**

7 Income Tax

	30 June 2008 US$M	30 June 2007 US$M
Current tax	181	(198)
Deferred tax	414	(15)
Income tax credit/(expense)	**595**	**(213)**

The income tax expense for the period can be reconciled to the loss per the income statement as follows:

	30 June 2008 US$M	30 June 2007 US$M
(Loss)/profit before tax	(1,820)	596
(Loss)/profit before tax multiplied by the UK statutory rate of corporation tax at the rate of 28.5% (30 June 2007: 30%)	519	(179)
Effect of different tax rates of operations/subsidiaries operating in other jurisdictions	37	(14)
Other permanent differences	33	1
Adjustments to current tax in respect of previous periods	-	(7)
Effect of changes to tax rates	6	(14)
Income tax credit/(expense)	**595**	**(213)**

8 Long-Term Debt

	Balance as at 1 January 2008 US$M	Issuances US$M	Repayments and other movements US$M	Translation FX and MTM adjustments US$M	Balance as at 30 June 2008 US$M
Senior debt	5,160	2,870	(498)	(14)	7,518
Subordinated debt	7,070	2,174	-	(14)	9,230
Total long-term debt	**12,230**	**5,044**	**(498)**	**(28)**	**16,748**

	Balance as at 1 January 2007 US$M	Issuances US$M	Repayments and other movements US$M	Translation, FX and MTM adjustments US$M	Balance as at 31 December 2007 US$M
Senior debt	1,237	4,688	(809)	44	5,160
Subordinated debt	3,188	3,850	-	32	7,070
Total long-term debt	**4,425**	**8,538**	**(809)**	**76**	**12,230**

On 20 March 2008, CSi effected a drawdown of US$650,000,000 from a subordinated loan facility of US$1,500,000,000 with Credit Suisse First Boston Finance B.V. dated 14 December 2007.

On 28 March 2008, CSi effected a drawdown of US$1,400,000,000 from a subordinated loan facility of US$1,400,000,000 with Credit Suisse First Boston Finance B.V. dated 28 March 2008.

On 4 April 2008, CSi effected a drawdown of US$125,000,000 from a subordinated loan facility of US$125,000,000 with Credit Suisse First Boston Finance B.V. dated 4 April 2008.

All of the above transactions were done in order to support trading operations.

9 Derivatives and Hedging Activities

As at 30 June 2008

	Trading			Hedging		
	Notional amount **US$M**	Positive fair value **US$M**	Negative fair value **US$M**	Notional amount **US$M**	Positive fair value **US$M**	Negative fair value **US$M**
Interest rate products	31,191,678	273,085	274,930	1,267	1	30
Foreign exchange products	1,451,901	43,767	41,809	-	-	-
Precious metals products	30,746	1,754	2,875	-	-	-
Equity/indexed-related products	1,398,897	35,711	32,708	-	-	-
Credit products	4,626,623	127,508	122,565	995	17	2
Commodity products	58,095	5,036	4,722	-	-	-
Other products	3,844	255	265	-	-	-
Total derivative instruments	**38,761,784**	**487,116**	**479,874**	**2,262**	**18**	**32**

The notional amount of derivative instruments (trading and hedging) was US$38,764,046m and US$30,613,350m as at 30 June 2008 and 31 December 2007 respectively.

	30 June 2008		31 December 2007	
	Positive replacement value **US$M**	Negative replacement value **US$M**	Positive replacement value **US$M**	Negative replacement value **US$M**
Fair values (trading and hedging) before netting	487,134	479,906	346,563	343,600
Fair values (trading and hedging) after netting	395,117	387,889	279,401	276,438

As at 31 December 2007

	Trading			Hedging		
	Notional amount **US$M**	Positive replacement value **US$M**	Negative replacement value **US$M**	Notional amount **US$M**	Positive replacement value **US$M**	Negative replacement value **US$M**
Interest rate products	25,276,030	207,428	206,142	1,116	-	28
Foreign exchange products	1,121,137	33,733	30,877	-	-	-
Precious metals products	19,931	1,779	3,186	-	-	-
Equity/indexed-related products	1,110,603	33,492	35,280	-	-	-
Credit products	3,064,561	68,814	67,067	997	14	3
Commodity products	15,535	1,150	876	-	-	-
Other products	3,440	153	141	-	-	-
Total derivative instruments	**30,611,237**	**346,549**	**343,569**	**2,113**	**14**	**31**

10 Called-up Share Capital

Authorised:	30 June 2008 US$	31 December 2007 US$
Ordinary voting shares of US$1 each	125	125
Participating non-voting shares of US$1 each	3,724,999,375	3,724,999,375
Class A Participating non-voting shares of US$1 each	500	500
Preference Shares of US$25,000,000 each	275,000,000	275,000,000
Class A Preference Shares of US$1 each	250,000,000	250,000,000
Class B Preference Shares of US$1 each	600,000,000	600,000,000
Class C Preference Shares of US$1 each	800,000,000	800,000,000
Class D Preference Shares of US$1 each	600,000,000	600,000,000
Class E Preference Shares of US$1 each	700,000,000	700,000,000
Class F Preference Shares of US$1 each	750,000,000	750,000,000
Class G Preference Shares of US$1 each	800,000,000	800,000,000
Class H Preference Shares of US$1 each	700,000,000	700,000,000
Class I Preference Shares of US$1 each	1,500,000,000	1,500,000,000
Class J Preference Shares of US$1 each	1,400,000,000	-
	12,100,000,000	**10,700,000,000**

Allotted, called up and fully paid:	30 June 2008 US$	31 December 2007 US$
Ordinary voting shares of US$1 each	125	125
Participating non-voting shares of US$1 each	1,611,158,997	1,611,158,997
Class A Participating non-voting shares of US$1 each	200	200
Preference Shares of US$25,000,000 each	-	-
Class A Preference Shares of US$1 each	250,000,000	250,000,000
Class B Preference Shares of US$1 each	375,000,000	375,000,000
Class C Preference Shares of US$1 each	350,000,000	350,000,000
Class D Preference Shares of US$1 each	300,000,000	300,000,000
Class E Preference Shares of US$1 each	535,000,000	535,000,000
Class F Preference Shares of US$1 each	-	-
Class G Preference Shares of US$1 each	-	-
Class H Preference Shares of US$1 each	700,000,000	700,000,000
Class I Preference Shares of US$1 each	1,500,000,000	1,500,000,000
Class J Preference Shares of US$1 each	1,400,000,000	-
	7,021,159,322	**5,621,159,322**

On 29 April 2008, the total authorised share capital of CSi increased from US$10,700,000,000 to US$12,100,000,000 by the creation of a new class of shares being 1,400,000,000 Class J Preference Shares of US$1 each, all of which were issued for cash at par to Credit Suisse (International) Holding AG.

Stock awards

Total compensation expense for stock awards, relating to Credit Suisse Group (CSG) shares, recognised during the six months ended 30 June 2008 and 2007 was (US$91m) and US$140m respectively.

The total stock award liability recorded as at 30 June 2008 was US$243m (31 December 2007: US$462m). The fair value used to calculate the stock award liability was the closing CSG share price as at 30 June 2008 CHF46.90 (31 December 2007: CHF68.10).

11 Contingent Liabilities and Commitments

The Group has contingent liabilities and commitments, entered into in the ordinary course of business, in respect of forward rate agreements, OTC futures, interest rate and currency swaps, options, spot and forward foreign exchange contracts and other OTC off-balance sheet instruments.

The following contingent liabilities and commitments were entered into since 31 December 2007:

On 13 February 2008, CSi registered a Deed of Amendment to Credit Suisse Fund Management S.A. for obligations under the charge registered on 3 October 2007 in terms of the Credit Support Deed and the 2002 ISDA Master Agreement for EUR400m funded swap due in 2022 that is linked to the performance of the MACS Total Return portfolio.

On 14 April 2008, CSi registered a charge to Credit Suisse Solutions (Lux) for obligations under the Credit Support Deed and the 1992 ISDA Master Agreement dated as of 18 March 2008 for a US$13.4m Swap due in 2023 linked to the performance of the Credit Suisse Tremont All Hedge Index.

On 14 April 2008, CSi registered a charge to Credit Suisse Solutions (Lux) under a Euroclear Pledge Agreement entered into between Credit Suisse Solutions (Lux) and CSS (Europe) Ltd, acting as the Pledgee's representative for all present and future moneys, debts, obligations and liabilities due, owing or incurred in connection with the Swap Arrangements.

On 12 May 2008, CSi registered a fixed charge to Etera Mutual Pension Insurance Company for obligations under the Deed of Fixed Charge associated with the 82,000 Class B Participating Certificates of Solon Capital Limited.

On 24 June 2008, CSi registered a fixed charge to Naganoken Shinyo Nogyo Kyodo Kumiai Rengokai for obligations arising under the Finance Documents and all direct legal and other costs associated with the amount secured by the mortgage.

On 10 July 2008, CSi registered a Charge to Caledonian Trust (Cayman) Ltd acting solely in its capacity as trustee of Magnitude International, a sub trust of The Magnitude Master Series Trust for obligations under the Letter Agreement dated 31 July 2007 as continuing security for payment of secured obligations.

12 Related Party Transactions

The Group is controlled by Credit Suisse Group, its ultimate parent, which is incorporated in Switzerland. The Group's parent company, who holds a majority of the voting rights in the undertaking, is Credit Suisse, which is incorporated in Switzerland.

The Group has significant related party balances with subsidiaries and affiliates of CSG. These transactions largely comprise derivative trades, as CSi is the principal risk taker for derivatives within the CS group, as well as funding trades via the use of loans/deposits and repurchase/resale agreements. The Group is also charged by other CS group companies for operating costs which mainly relate to employee-related services and other business expenses.

The Group generally enters into the above transactions in the ordinary course of business on market terms that could be obtained from unrelated parties.

The nature of related party transactions remained consistent for the six months ended 30 June 2008 compared to the year ended 31 December 2007.

13 Financial Instruments Risk Position

The CS group, of which CSi is a part, manages its risks under global policies. The CS group risk management process is designed to ensure that there are sufficient controls to measure, monitor and control risks in accordance with CS group's control framework and in consideration of industry best practices. The primary responsibility for risk management lies with CS group's senior business line managers. They are held accountable for all risks associated with their businesses, including counterparty risk, market risk, liquidity risk, operational risk, legal risk and reputational risk.

There have been no material changes in the risk management policies since the year ended 31 December 2007.

The following tables give an update on the VaR results, mark to market exposures and interest rate sensitivity position as at 30 June 2008.

Market risk in CSi trading portfolios (1-day, 99% Value-at-Risk) [1)]

	6 months ended 30 June 2008				12 months ended 31 December 2007			
In US$M	Min.	Max.	Average	30.06.2008	Min.	Max.	Average	31.12.2007
Interest rate & credit spread	26	60	38	26	18	40	28	29
Foreign exchange	6	23	11	7	2	27	9	14
Equity	15	46	25	35	14	47	25	23
Commodity	7	23	14	23	0	15	3	9
Diversification Benefit	[2)]	[2)]	(34)	(37)	[2)]	[2)]	(22)	(32)
Total	**37**	**90**	**54**	**54**	**31**	**64**	**43**	**43**

[1)] All figures above represent ten-day VaR scaled to a one-day holding period.

[2)] As the minimum and maximum occur on different days for different risk types, it is not meaningful to calculate a portfolio diversification benefit.

Net Counterparty Exposure before Collateral by Internal Rating

	30 June 2008		31 December 2007	
	US$M	%	US$M	%
AAA	13,232	16	8,132	11
AA+ to AA-	26,850	32	20,302	29
A+ to A-	17,100	20	13,324	19
BBB+ to BBB-	12,675	15	13,509	19
BB+ to BB-	5,169	6	7,082	10
B+ and below	8,967	11	8,728	12
	83,993	**100**	**71,077**	**100**

Net Unsecured Exposure by Internal Rating (including provisions)

	30 June 2008		31 December 2007	
	US$M	%	US$M	%
AAA	11,468	26	7,117	20
AA+ to AA-	14,310	32	10,467	28
A+ to A-	9,159	20	7,138	20
BBB+ to BBB-	3,577	8	4,415	12
BB+ to BB-	6,157	14	7,168	20
	44,671	**100**	**36,305**	**100**

13 Financial Instruments Risk Position (continued)

Interest rate sensitivity position

Interest rate sensitivity by time bands at 30 June 2008

US$ thousand gain/(loss) per basis point increase before tax		Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
CHF	Trading	(210)	432	91	(129)	(224)	(40)
	Non-trading	3	2	2	28	(3)	32
USD	Trading	(19)	(578)	(33)	(1,336)	1,757	(209)
	Non-trading	159	139	(64)	181	1,143	1,558
EUR	Trading	(40)	(573)	252	(1,058)	452	(967)
	Non-trading	14	34	(20)	129	36	193
GBP	Trading	86	(159)	(163)	3	162	(71)
	Non-trading	11	15	1	6	1	36
JPY	Trading	(102)	312	(59)	(122)	(75)	(46)
	Non-trading	1	1	(1)	(2)	(3)	(4)
Other	Trading	25	111	(5)	(732)	235	(366)
	Non-trading	2	12	(3)	2	0	13

Interest rate sensitivity position

Interest rate sensitivity by time bands at 31 December 2007

US$ thousand gain/(loss) per basis point increase before tax		Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
CHF	Trading	(21)	53	111	(373)	46	(184)
	Non-trading	3	3	1	7	1	15
USD	Trading	(137)	132	(222)	385	387	545
	Non-trading	136	397	32	(9)	(283)	273
EUR	Trading	35	(604)	(471)	(557)	1,381	(216)
	Non-trading	20	68	(44)	25	(59)	10
GBP	Trading	(4)	(95)	55	(570)	365	(249)
	Non-trading	(28)	(10)	(11)	6	3	(40)
JPY	Trading	(116)	415	168	433	(336)	564
	Non-trading	(4)	1	10	0	(3)	4
Other	Trading	35	72	(142)	(959)	369	(625)
	Non-trading	7	18	(11)	(37)	0	(23)

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