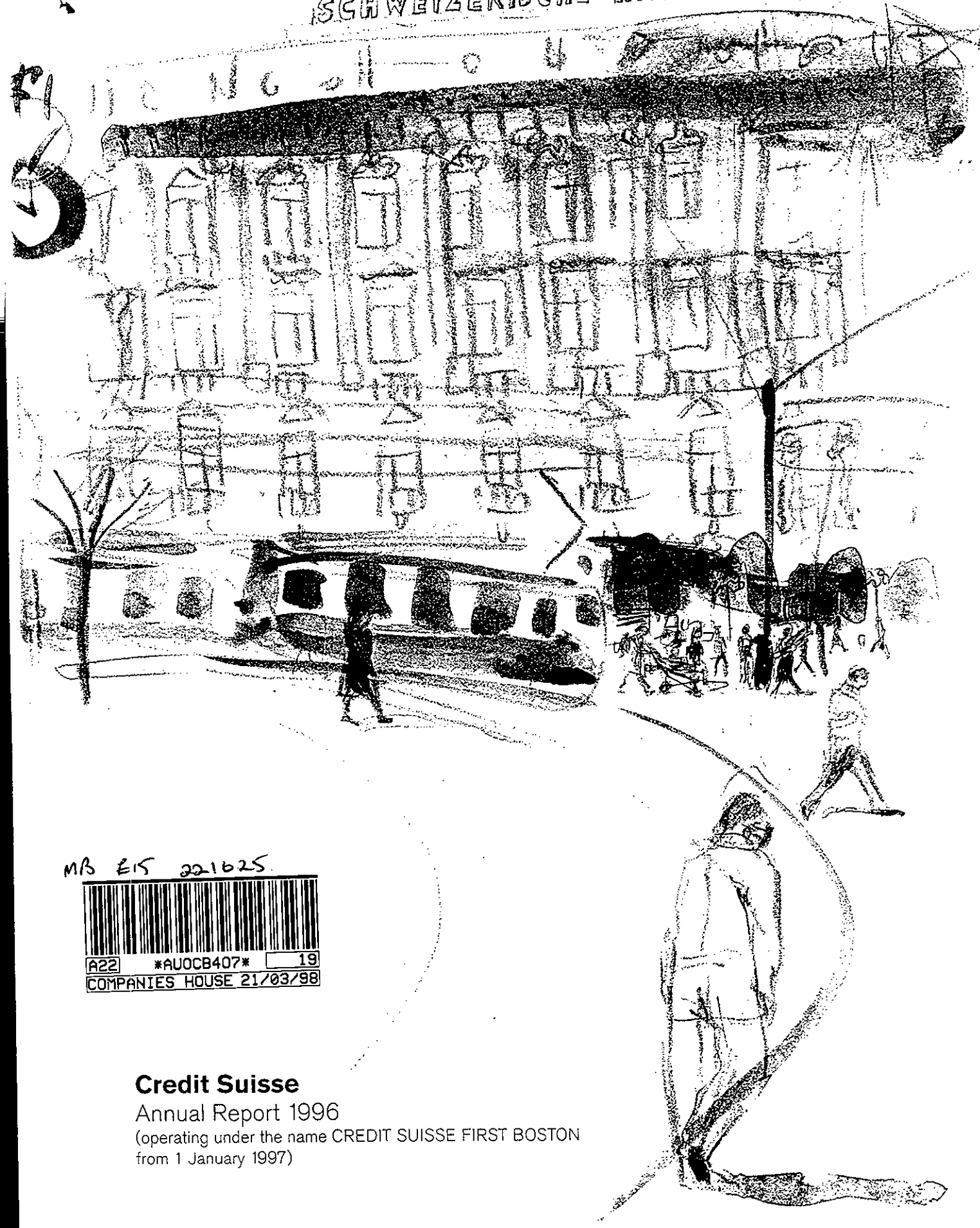


SCHWEIZERISCHE KREDITANSTALT



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COMPANIES HOUSE 21/03/98

Credit Suisse

Annual Report 1996

(operating under the name CREDIT SUISSE FIRST BOSTON
from 1 January 1997)

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Review of 1996 results: CS Group

In 1996 the CS Group posted satisfactory operating results.

Total income was up 9.3% to Sfr 8.7 billion. Operating expenditure grew 12.7% to Sfr 5.2 billion, due in part to increases in performance-related pay and to the restructuring of Credit Suisse Group. Gross profit before tax climbed 4.7% to Sfr 3.5 billion. Owing to a drop in capital spending, write-downs on fixed assets fell by 6.8% to Sfr 521 million. Write-downs on property repossessed as a result of counterparty default came to Sfr 158 million. Ordinary write-downs, provisions and losses climbed 15.4% to Sfr 1,026 million. Profit before tax and extraordinary items fell by 5.0% to Sfr 1,770 million. Extraordinary provisions announced by the Group's parent company, CS Holding, changes in credit risk management and the cost of implementing the new Group structure produced net extraordinary expenditure of around Sfr 2.8 billion. After deducting tax of around Sfr 0.4 billion, the Group recorded a loss of roughly Sfr 1.4 billion. The Group's risk-weighted equity capital ratio (BIS equity ratio) fell to 11.2% from 11.4% in the previous year, and our core capital ratio (BIS tier 1) stood at 7.5% (1995: 8.0%).

CS GROUP

On the one hand, the results reflect the Group's satisfactory operational performance. On the other, they are impaired by extraordinary provisions for Swiss credit business, extraordinary write-downs and restructuring costs stemming from the Group's reorganisation into the new Credit Suisse Group.

Since 1 January 1997 the holding company Credit Suisse Group (formerly CS Holding) has been operating with a new structure, based on four business units.

Credit Suisse, which focuses on business with individual and corporate customers in Switzerland, and Credit Suisse Private Banking, which serves private investors worldwide under the existing brand name, form the Credit Suisse legal entity.

Institutional asset management is carried out under the brand name Credit Suisse Asset Management, while corporate and investment banking is handled by Credit Suisse First Boston. These two areas form the Credit Suisse First Boston legal entity.

The various stages of the restructuring are detailed on pages 59/60 under 'Events since the balance sheet date' in the consolidation and accounting policies.

Outlook

Although conditions on the financial markets are favourable, the underlying economic climate in Switzerland remains unpropitious. In view of this, loan loss provisions are likely to remain high. Furthermore, conditions on the Swiss property market look set to remain difficult. In implementing the new Group structure, cost control and risk management have been accorded a high priority.

RESULTS OF THE CS GROUP

Income

At Sfr 8.7 billion, total income was 9.3% higher than in 1995. Income trends were positive in all business areas of the Group.

Earnings from interest business were only slightly up, posting a 0.8% increase to Sfr 2,856 million. Credit commissions and other fee income rose by 12.4%. Net commissions from securities and investment business amounted to Sfr 2,567 million, an increase of 17.4% on the year-back figure. Transaction-related commission income rose thanks to a greater volume of business. Investment fund business, in particular, made a substantial contribution to the business section's very good results. Non-transaction-related commission income also increased.

Income from trading in securities, foreign exchange, precious metals and banknotes (including derivatives) climbed by 15.3%, or Sfr 310 million, to Sfr 2,332 million. Income from securities trading grew by 21.3%. Although earnings from foreign exchange, precious metal and banknote trading slipped by Sfr 53 million to Sfr 774 million, they remained high thanks to a trading strategy which is closely geared to customer needs.

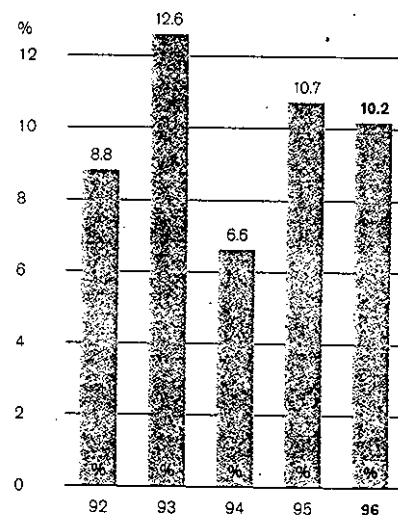
Revenue from trading in interest rate instruments was Sfr 587 million, 13.1% up on the year-back figure.

Expenditure

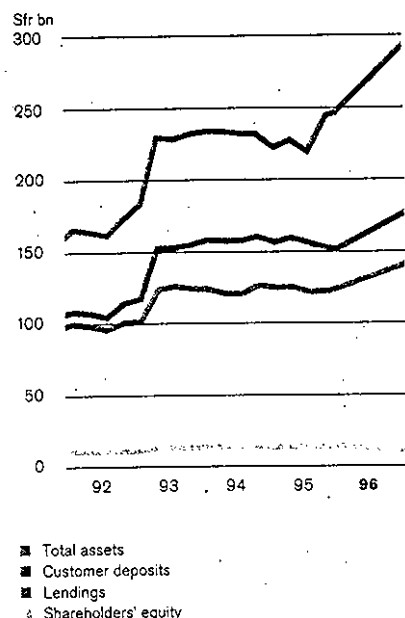
Expenditure posted a substantial increase, climbing by 12.7% to Sfr 5,206 million. This Sfr 586 million advance on 1995 was due in part to increases in performance-related pay and the restructuring of Credit Suisse Group.

RETURN ON EQUITY

Group profit before extraordinary items and after tax as percentage of average shareholders' equity



**TOTAL ASSETS, LENDINGS,
CUSTOMER DEPOSITS,
SHAREHOLDERS' EQUITY**



Staff numbers/staff costs

The number of staff working for the CS Group grew by 245 on the previous year's total to 26,409 at 31 December 1996. Whereas staff numbers in Switzerland decreased by 58, the number of people working in our offices outside Switzerland grew by 303. Staff costs went up by 11.7%, largely owing to increases in performance-related pay and greater contributions to staff welfare schemes.

Property, equipment and administrative costs

Property, equipment and administrative costs rose by 15.0% to Sfr 1,644 million. Our operations outside Switzerland accounted for 29.0% of costs under this heading (1995: 26.6%).

Write-downs on fixed assets

Owing to lower capital spending in 1996, write-downs on fixed assets fell to Sfr 521 million, a drop of Sfr 39 million from the 1995 figure. Sfr 435 million was accounted for by our operations within Switzerland (1995: Sfr 458 million) and Sfr 86 million by our operations outside Switzerland (1995: Sfr 102 million).

Ordinary write-downs on property acquired as a result of counterparty default amounted to Sfr 158 million (1995: Sfr 7 million). These corrections in valuation were carried out using the same accounting policies as the previous year. Market values, construction and purchase values and net income values are taken into consideration when determining risk in accordance with the principle of prudent accounting.

Write-downs, provisions and losses

Write-downs and provisions, including losses and write-downs for other business risks, increased by 15.4% to Sfr 1,026 million. Domestic lending business accounted for 90% of this amount (1995: 89%). Large amounts had to be set aside against exposures in respect of the Swiss property market and small and medium-sized businesses.

Group profit before tax and extraordinary items

At Sfr 1,770 million, the Group's profit before tax and extraordinary items was down 5.0% on 1995.

Extraordinary items

In view of changes in credit risk management and the difficult risk situation in Switzerland, the CS Group formed the following extraordinary provisions:

- Sfr 630 million of provisions against credit risk
- Sfr 600 million of provisions against credit risks on the books of Vertika
- Sfr 400 million write-down on property repossessions.

In addition, the following extraordinary write-downs were formed:

- Sfr 290 million write-down on bank premises
- Sfr 100 million write-down on fixed assets
- Sfr 155 million reserve for trading positions in emerging markets
- Sfr 435 million restructuring costs in connection with the new Credit Suisse Group
- Sfr 74 million restructuring costs arising from the union between Credit Suisse and Swiss Volksbank

Taxes

The Group's tax bill fell by Sfr 12 million to Sfr 405 million, a drop of 2.9%. Of this total, around Sfr 325 million (80%) was paid by our operations outside Switzerland, compared with Sfr 364 million (87%) in 1995.

Total assets

Total assets rose by Sfr 48.8 billion on the previous year to Sfr 293.4 billion. Replacement values for derivatives were up Sfr 8.0 billion. The rising dollar exchange rate added some Sfr 10 billion to the balance sheet total. The volume of securities lending and borrowing business and repurchase transactions was Sfr 14 billion higher than in 1995.

Due to/from banks

Money due from banks fell by Sfr 1.2 billion to Sfr 42.4 billion, while money due to banks climbed to Sfr 56.5 billion, up Sfr 11.6 billion. Interbank claims arising from securities lending came to around Sfr 4.7 billion, an increase of Sfr 1.7 billion on the 1995 figures. Liabilities in respect of securities borrowing operations rose by around Sfr 1.0 billion to Sfr 1.7 billion. Claims arising from reverse repurchase agreements amounted to approximately Sfr 4.6 billion; liabilities in respect of repurchase agreements stood at Sfr 1.6 billion.

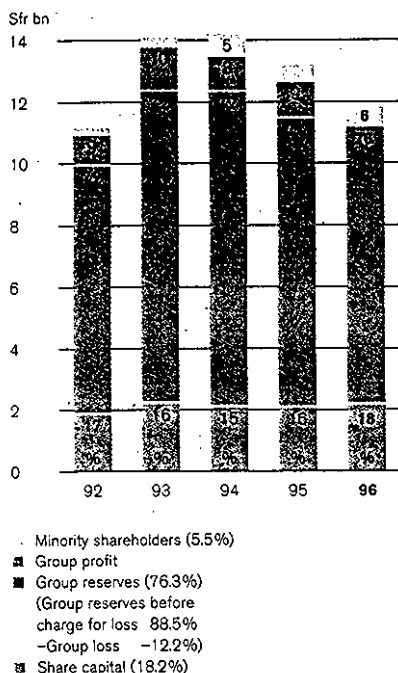
Due from customers

Claims on customers (including mortgages) rose by Sfr 20.3 billion to Sfr 142.8 billion, the increased volume of securities, lending and borrowing and repurchase transactions accounting for Sfr 8.8 billion of this expansion. The strengthening of the US dollar added Sfr 3.0 billion to the value of claims on customers. Mortgages edged up Sfr 1.6 billion (2.7%) to Sfr 60.2 billion. Prompted primarily by interest rate trends, borrowers in 1996 continued to switch from normal to fixed-rate mortgages, the latter climbing from Sfr 22.9 billion to Sfr 29.9 billion. Hence, fixed-rate mortgages constituted 51.2% of all mortgage business, up from 39.1% the previous year.

Securities and precious metal trading portfolios/financial assets

Securities and precious metal trading portfolios ended the year Sfr 7.8 billion up on 1995 at Sfr 35.8 billion as a result of our systematic expansion of derivatives business and the associated hedging transactions. Financial assets advanced by Sfr 4.7 billion to Sfr 8.4 billion. This growth was largely due to the transfer of 'Other securities and precious metal holdings'.

SHAREHOLDERS' EQUITY: GROUP



Due to customers

Total liabilities in respect of customers rose by Sfr 25 billion to Sfr 177.0 billion. Exchange rate movements caused a Sfr 4.7 billion increase in the book value of customer deposits. Liabilities arising from securities lending and borrowing and repurchase transactions rose by around Sfr 2.5 billion to Sfr 6.5 billion. Customer savings and investment deposits were up Sfr 3.2 billion, or 7.8%, at Sfr 44.3 billion. Medium-term notes decreased by Sfr 1.9 billion to Sfr 8.0 billion. Bonds and mortgage bonds rose by Sfr 1.5 billion to Sfr 17.9 billion.

Write-downs and provisions/ reserves for general bank risks

The reserve for general bank risks remained unchanged at Sfr 432 million. Write-downs and provisions not offset against the relevant specific assets rose by Sfr 0.8 billion to Sfr 2.2 billion.

Shareholders' equity

CS Group equity capital fell from Sfr 13.7 billion to Sfr 11.8 billion owing to extraordinary write-downs and provisions and to the resultant net loss incurred by the Group. This drop in shareholders' equity is the result of adding the Group loss of Sfr 1,444 million and dividend payments of Sfr 773 million and subtracting Sfr 349 million in positive currency differences and other influences.

Together with the classifiable subordinated liabilities of Sfr 5.6 billion, the

Group's equity capital base stands at Sfr 17.4 billion. Both the CS Group and Credit Suisse (parent company) have sizeable equity capital surpluses as at 31 December 1996. Following the restructuring of Credit Suisse Group, the new units also enjoy healthy surpluses.

Off-balance-sheet business

Selected expansion of our derivatives operations in 1996 led to further growth in this area. Credit Suisse Financial Products posted particularly vigorous increases in contract volume.

The total volume of financial derivative contracts (traded and OTC) expanded by 37.5% to Sfr 3,099 billion.

The aggregate volume of OTC contracts registered a 42.4% year-on-year rise to Sfr 2,853 billion (1995: Sfr 2,003 billion). The gross positive replacement values at the end of 1996 amounted to Sfr 63.5 billion or 2.2% of total OTC contract volume, up from 2.1% in 1995. After taking account of legally enforceable netting agreements and following the deduction of deposits pledged as security, the credit risk at end-1996 stood at Sfr 31.1 billion (end-1995: Sfr 23.1 billion) or just 1.1% of the OTC contract volume (1995: 1.2%). No positive replacement value has been calculated for OTC option sales, since the associated credit risk is essentially limited to the outstanding premium payments which are shown under 'Due from banks' and 'Due from customers'. The same applies to exchange-traded options

and futures where the replacement value is covered by margin payments. Around 52% (1995: 54%) of the volume of all derivative contracts open at end-1996 had a maturity of no longer than one year.

1996 saw interest rate swaps grow by Sfr 363 billion to Sfr 1,134 billion, a rise of 47.2%. The volume of forward rate agreements and other interest rate futures increased by 41.0% year-on-year to Sfr 161 billion. The total volume of interest rate instruments expanded by Sfr 484 billion, or 36.5%, to Sfr 1,810 billion. The main reason for this advance was the heavy demand amongst our customers for hedging transactions.

The contract volume of currency derivatives grew by Sfr 328 billion from Sfr 798 billion to Sfr 1,126 billion. Roughly half of this rise is the result of increased trade in forward contracts (up Sfr 161 billion), swaps (Sfr 49 billion) and option purchases/sales (Sfr 118 billion) and reflects burgeoning demand for customer-specific solutions which hedge against market risks associated with foreign exchange fluctuations.

The contract volume for precious metals derivatives climbed Sfr 15 billion to approximately Sfr 33 billion. The aggregate notional value of equity/index contracts was up Sfr 17 billion at around Sfr 124 billion.

Contingent liabilities and pending transactions increased by Sfr 1.7 billion to around Sfr 22.7 billion, due mainly to a Sfr 3.5 billion rise in bid bonds, delivery and performance bonds and other guarantees to Sfr 7.0 billion. By contrast, irrevocable commitments in respect of documentary credits contracted by 43.1% to Sfr 3.3 billion.

Irrevocable credit guarantees rose by 33.2% to Sfr 59.3 billion largely on the back of strong demand from outside Switzerland.

Balance sheet

ASSETS	Notes page	31.12.96 Sfr m	31.12.95 Sfr m	Change Sfr m	Change %
Liquidity	75	2 665	1 821	844	46.3
Claims in respect of money market paper	61, 75	17 770	11 212	6 558	58.5
Due from banks	61, 75, 80	42 394	43 569	-1 175	-2.7
Due from customers	61, 62, 75, 80	82 598	63 885	18 713	29.3
Mortgages	61, 62, 75, 80	60 205	58 632	1 573	2.7
Securities and precious metal trading portfolio	63, 75	35 786	27 977	7 809	27.9
Financial assets	64, 75	8 445	3 679	4 766	129.5
Non-consolidated long-term holdings	64, 65-68, 69	507	532	-25	-4.7
Physical assets	69	5 399	6 382	-983	-15.4
Accrued and deferred items		2 247	2 310	-63	-2.7
Other assets	80	35 375	24 576	10 799	43.9
TOTAL ASSETS	70, 77, 78, 79	293 391	244 575	48 816	20.0
<i>Total subordinated claims</i>	81	315	424	-109	-25.7
<i>Total claims against non-consolidated Group companies and qualified shareholders</i>		378	461	-83	-18.0
LIABILITIES	Notes page	31.12.96 Sfr m	31.12.95 Sfr m	Change Sfr m	Change %
Liabilities in respect of money market paper	75, 80	6 907	4 300	2 607	60.6
Due to banks	75, 80	56 499	44 860	11 639	25.9
Due to customers, savings and investment deposits	75, 81	44 318	41 111	3 207	7.8
Due to customers, other	75, 80	106 749	84 557	22 192	26.2
Medium-term notes	75	8 048	9 980	-1 932	-19.4
Bonds and mortgage bonds	71-74, 75, 76	17 878	16 364	1 514	9.3
Accrued and deferred items		2 933	2 826	107	3.8
Other liabilities	80	36 040	25 481	10 559	41.4
Write-downs and provisions	75	2 182	1 387	795	57.3
Reserves for general bank risks		432	432	0	0.0
Share capital		2 149	2 149	0	0.0
Capital reserves		4 408	4 408	0	0.0
Revenue reserves		5 637	4 935	702	14.2
Minority interests in shareholders' equity		655	551	104	18.9
Group loss/profit		-1 444	1 234	-2 678	-217.0
<i>of which minority interests</i>		261	213	48	22.5
<i>Total shareholders' equity</i>	76	11 837	13 709	-1 872	-13.7
TOTAL LIABILITIES	77, 79	293 391	244 575	48 816	20.0
<i>Total subordinated liabilities</i>	81	8 796	7 900	896	11.3
<i>Total liabilities in respect of non-consolidated Group companies and qualified shareholders</i>		348	232	116	50.0

Balance sheet

OFF-BALANCE-SHEET BUSINESS	Notes page	31.12.96 Sfr m	31.12.95 Sfr m	Change Sfr m	Change %
Contingent liabilities	61, 82	22 702	21 014	1 688	8.0
Irrevocable commitments	61, 82	59 260	44 501	14 759	33.2
Call liabilities	61, 82	71	81	-10	-12.3
Confirmed credits	61, 82	510	253	257	101.6
Derivatives					
– gross positive replacement value	83	63 465	41 039	22 426	54.6
– gross negative replacement value	83	63 370	40 176	23 194	57.7
– contract volume	83	3 098 751	2 254 023	844 728	37.5
Fiduciary transactions	82	24 818	20 868	3 950	18.9

Profit and loss account

INCOME AND EXPENDITURE FROM ORDINARY BANKING BUSINESS					
	Notes page	31.12.96 Sfr m	31.12.95 Sfr m	Change Sfr m	Change %
Income from interest business					
Interest and discount income					
Interest and dividend income from financial assets	84	10 832	11 072	-240	-2.2
Interest expense	84	208	310	-102	-32.9
Sub-total, income from interest business	84	-8 184	-8 548	-364	-4.3
Commission and fee income	84, 86	2 856	2 834	22	0.8
Credit commissions					
Securities and investment commissions	84	307	280	27	9.6
Other commissions and fee income	84	2 792	2 332	460	19.7
Commission expense	84	320	282	38	13.5
Sub-total, commission and fee income	84	-273	-193	80	41.5
Income from trading	84, 86	3 146	2 701	445	16.5
Other ordinary income	84, 86	2 332	2 022	310	15.3
Income from the sale of financial assets					
Income from long-term holdings	85	172	241	-69	-28.6
<i>of which income from long-term holdings valued according to the equity method</i>	85	52	45	7	15.6
<i>of which income from other non-consolidated long-term holdings</i>	85	41	42	-1	-2.4
Income from real estate	85	11	3	8	266.7
Other ordinary income	85	27	34	-7	-20.6
Other ordinary expenditure	85	169	137	32	23.4
Sub-total, other ordinary income	85	-73	-74	-1	-1.4
	85, 86	347	383	-36	-9.4
Total income	85, 86	8 681	7 940	741	9.3
Operating expenditure					
Staff costs					
Property, equipment and administrative costs	85, 86	3 562	3 190	372	11.7
Sub-total, operating expenditure	85, 86	1 644	1 430	214	15.0
	86	5 206	4 620	586	12.7
Gross profit	86	3 475	3 320	155	4.7
GROUP LOSS/PROFIT					
Gross profit					
Write-downs on fixed assets	86	3 475	3 320	155	4.7
Write-downs, provisions and losses	85	-679	-567	112	19.8
Group profit before extraordinary items and tax (interim result)	85	-1 026	-889	137	15.4
Extraordinary income		1 770	1 864	-94	-5.0
Extraordinary expenditure	86	83	633	-550	-86.9
Tax	86	-2 892	-846	2 046	241.8
	86	-405	-417	-12	-2.9
Group loss/profit					
<i>of which minority interests</i>		-1 444	1 234	-2 678	-217.0
		261	213	48	22.5

Source and application of funds

	1996			1995		
	Source Sfr m	Appli- cation Sfr m	Net in/ outflow Sfr m	Source Sfr m	Appli- cation Sfr m	Net in/ outflow Sfr m
OPERATIONS AND CAPITAL						
Operating activities (self-financing)			2 563			1 026
Annual Group loss/profit			3 448			2 964
Write-downs and provisions		1 444		1 234		
Losses	850			716		
Write-downs on fixed assets	176			174		
Reclassification of reserves for general bank risks	679			567		
Extraordinary write-downs and provisions					575	
Provisions for taxes	2 620			575		
Accrued items	471			417		
Deferred items	63			542		
Income from long-term holdings (equity method valuation)	107				656	
Equity offerings		74			30	
Dividend payments			-461			-907
Minority interests		773			677	
Currency difference	2					
	310				230	
Investments in fixed assets			-424			-1 031
Long-term holdings	106	29		44	23	
Goodwill		6			130	
Real estate	403	638		363	832	
Other physical assets	74	291		29	457	
Mortgages on own real estate		43			25	
BANK BUSINESS			-2 563			-1 026
Interbank business			8 863			3 578
Due to banks	11 639			2 003		
Due from banks	1 175			6 289		
Claims in respect of money market paper		6 558			2 142	
Liabilities in respect of money market paper	2 607				2 572	
Customer business			1 128			-1 510
Due to customers, savings and investment deposits	3 207			4 560		
Medium-term notes	999	2 931		2 432	4 222	
Due to customers, other deposits	22 192				6 874	
Mortgages		1 573			2 299	
Due from customers		20 766		4 893		
Capital market business			1 514			-372
Own bonds and mortgage bonds issued by the central mortgage bond institutions and the central issuing offices	2 888	1 374		1 213	1 585	
Other balance sheet items			-5 415			949
Financial assets		4 739		2		
Other assets		10 799			18 367	
Other liabilities	10 602			20 120		
Write-downs and provisions		479			806	
Liquidity			-8 653			-3 671
Cash		844			320	
Securities and precious metal trading portfolio		7 809			3 351	

1996 financial year: SLB/repurchase business has had the following impact on the source and application of funds:

Due from banks: application, Sfr 5,325 million

Due to banks: source, Sfr 1,199 million

Due from customers: application, Sfr 8,832 million

Due to customers, other: source, Sfr 2,490 million

1995 financial year: the figures given for 'Other assets' and 'Other liabilities' reflect the fact that negative and positive replacement values for open derivatives contracts have for the first time been shown in the balance sheet as at 31 December 1995.

Notes to the Group financial statement

Notes on Group operations and risk management

NOTES ON GROUP OPERATIONS

A new Group structure was introduced on 1 January 1997 and the parent company, CS Holding, renamed Credit Suisse Group. Changes arising from this reorganisation are outlined on pages 59/60 under 'Events since the balance sheet date'. The following notes on Group operations refer to the Group structure in force until 31 December 1996.

The CS Group, a company of CS Holding, is a globally active banking group. Within Switzerland, it has a nationwide branch network and a strong market position in full-service banking. At international level, the Group is present in all the leading financial centres and focuses its activities on wholesale banking and business with private and institutional investors. Within the Group, Credit Suisse and its subsidiaries are globally active and offer a comprehensive range of tailor-made products. By contrast, Swiss Volksbank and its subsidiary Neue Aargauer Bank have a strong local presence and target their range of attractive, clearly structured products at the Swiss market. The Group's investment fund operations are concentrated in Credis International Fund Holding Ltd. The bulk of its derivatives business is carried out by Credit Suisse Financial Products, in which Credit Suisse holds a majority in terms of voting rights.

The CS Group is active in all lines of business normally associated with full-service banks, e.g. lending, investment counselling and asset management, proprietary trading, etc. Important sources of earnings include interest business and service transactions. Trading also generates a major revenue stream.

Staff numbers

On 31 December 1996 the CS Group had a total of 26,409 employees (1995: 26,164).

NOTES ON RISK MANAGEMENT

In order to secure the bank's capital base and long-term profitability and protect the assets of its shareholders, the Group has developed and implemented clear guidelines in the area of risk management.

These include risk limits, systematic internal controls and risk management systems which use a consistent underlying approach.

Risk measurement and management procedures are seen as key factors in both the daily business and the long-term operations of the Group.

The bank firmly believes that, if the international financial system is to enjoy healthy, sustained growth, it must be underpinned not only by legislation but also by efficient self-regulation.

With this in mind, the Group has in recent years invested heavily in the development and commissioning of risk measurement and monitoring systems, especially for its trading departments.

Within the Group, risk management is seen as a never-ending cycle which addresses all significant risks to which the organisation is exposed. The task begins with the formulation of business objectives and strategies and encompasses the identification, measurement, monitoring, control and valuation of all types of risk as well as the evaluation of return on risk/capital at risk and reporting to the Executive Board and the Board of Directors. The cycle is completed by the validation of current business objectives and strategies.

For these reasons the Group sees creating and sustaining a high level of risk awareness at all levels as a matter of great importance and a vital element

in promoting a proper degree of professionalism in all Group operations.

Interest rate risk

The monitoring and managing of interest rate risk in balance sheet business within the Group forms part of the responsibilities of Asset and Liability Management. For more details, refer to page 27 of this Annual Report.

Notes to the Group financial statement

Notes on Group operations and risk management

Market risk

In line with the concept of Global Risk Management, market risk is quantified, measured and monitored on a daily basis. Risk management is carried out using dedicated IT applications or product-specific, stand-alone solutions. The procedures used by the bank are described on pages 23–27 of this Annual Report.

Credit risk

The CS Group has devoted substantial resources to developing effective and efficient credit risk management mechanisms. These mechanisms are constantly being improved through the continual refinement of organisational procedures and the development of new risk management instruments. Our centralised credit and risk management ensures that we have a clear overview of the Group's credit exposure at any given time. By means of position limits, all credit risks entered into by the Group are systematically classified by reference to customer, customer group, industry, country, credit category and type of business, and managed accordingly.

The bank's recently introduced internal risk rating system allows us to calculate default probabilities on the level of each individual credit exposure. This system will enable us to gauge the credit quality of individual transactions or of an entire loan book at any point in time and hence to determine the risk cost component to be incorporated into our pricing procedure. Pricing is based on a calculation of return on equity, which permits an optimum allocation of capital resources.

We have responded to the heightening of risks associated with lendings to Swiss borrowers by standardising and centralising the Group's credit business. Credit specialists in competence centres continually monitor all credit exposures entered into. The separation of front-

line lending activities and risk management operations will enable our staff to achieve higher levels of professionalism. Regular management audits and a carefully structured hierarchy of credit approval authority ensure that all credit business is conducted in compliance with the bank's internal directives and regulations and with appropriate regard to all associated risks.

Notes on business policy with regard to the use of derivatives

The trading and use of derivative products generate various types of risk; notably market and credit risk but also operational and legal risk.

For details of the Group's business policy with regard to the recording, management and limitation of these risks and the manner in which this policy is implemented, see the notes on pages 23–27. The procedures employed by the specialist derivatives subsidiary Credit Suisse Financial Products to measure, manage and monitor market and credit risk are described in detail on pages 32–37. The company's qualitative statements are amply supplemented by the disclosure of quantitative information.

The higher standards of disclosure concerning risk management to which this Annual Report conforms are in line with the joint recommendations issued by IOSCO and the Basle Committee on Banking Supervision in November 1995. They likewise comply with the Swiss Bankers Association Risk Management Guidelines for Trading and for the Use of Derivatives, which entered into force on 1 July 1996.

As in the 1995 financial statement, detailed financial information is given for all open derivatives positions held by the CS Group at 31 December, together with information concerning credit risk. These figures, which can be found on

page 83, once again follow the classification criteria stipulated by the Institute of International Finance and by Switzerland's accounting rules for financial institutions. For the first time, this Annual Report also shows the positive replacement values, contract values and credit equivalents broken down by counterparty credit quality, together with the gross positive replacement values and credit equivalents classified according to the maturity of the relevant product (see page 82).

Notes to the Group financial statement

Consolidation and accounting policies

ACCOUNTING POLICIES

The Group's annual financial statement was drawn up in accordance with the new accounting rules incorporated into the Swiss Banking Act and with accompanying guidelines issued by the Swiss Banking Commission. The revised and new rules issued by the Swiss Banking Commission in autumn 1996 will not be implemented until the end of the transition period on 31 December 1997.

These accounts, which are based on the following consolidation and accounting policies, give a true and fair view of the Group's assets, of its financial position and of the results of its operations.

The Swiss accounting rules for banks conform in essence to the 4th and 7th EU directives and to the EU guidelines on the preparation of accounts for banking institutions. Consequently, a financial statement drawn up in accordance with Swiss accounting rules for banks is equivalent to one drawn up in accordance with the relevant EU directives and guidelines. However, the Swiss accounting rules contain no provision equivalent to Art. 37 of the EU guidelines on the preparation of accounts for banking institutions (undervaluation of certain types of asset). There are also a number of minor points of divergence between the two rulebooks (see 'Deviations from EU guidelines' below).

CONSOLIDATION POLICIES

Consolidation

The Group accounts incorporate the annual financial statements of Credit Suisse and of all banks, financial companies and real estate companies in which Credit Suisse had a direct or indirect holding of more than 50% of voting rights as at 31 December. All assets and liabilities, off-balance-sheet transactions, income and expenditure are fully consolidated (i.e. they are carried at 100% of

their value). Since the initial consolidation on 1 January 1988, the net assets of Group companies have been consolidated according to the purchase method. In line with the full consolidation method, minority interests held by third parties in the net assets and in the annual profit of individual Group companies are shown separately under shareholders' equity and Group profit. All significant claims and liabilities, off-balance-sheet transactions and items of income and expenditure between the companies consolidated within the Group are set off against each other. Unrealised profits between Group companies are likewise eliminated.

Other banks, financial and real estate companies in which Credit Suisse has a 20–50% interest, as well as majority interests in non-financial institutions where such interests enable Credit Suisse to exert a substantial influence, have been accounted for in the Group accounts by the equity method. The Group's percentage interest in the net assets of such companies is entered in the consolidated balance sheet under 'Long-term holdings' and its percentage interest in their profits appears in the profit and loss account under 'Income from long-term holdings'. In the case of certain individual companies, reference is made to the accounts of the previous financial year. These companies do not substantially affect the Group's results.

Interests of secondary importance, participations of less than 20% and those earmarked for disposal are valued at cost less necessary write-downs.

Interests which the Group intends to hold only temporarily and shareholdings of less than 10% in terms of capital or voting rights are shown under 'Financial assets' and are valued at cost less necessary write-downs. Qualifying equity interests of more than 10% in non-financial institutions are valued at cost less necessary write-downs and shown under

'Financial assets' where such interests are held only temporarily.

A chart listing the principal Group subsidiaries and associated companies (including any qualified equity interests included under 'Financial assets') appears on pages 65–68.

Changes to the scope of consolidation

Companies acquired or sold in the year under review are, as a rule, included or excluded from the consolidated accounts with effect from the date of purchase or sale.

Companies consolidated for the first time:

The following shareholdings have been acquired in connection with the business activities of Credit Suisse (Moscow) Ltd, Moscow:

- CS Custody (Moscow) A/O, Moscow (100%)

- CS Cyprus Ltd, Cyprus (100%)

Establishment of CS Investment Management (Polska), Warsaw (100%)

Acquisition of CSFB Effectenbank AG, Frankfurt, incl. Veryfinance AG, Zug, and merger with CS (Deutschland) AG, Frankfurt, to create Credit Suisse First Boston Aktiengesellschaft, Frankfurt (100%)

Companies no longer consolidated:
None

The following changes have no effect on the scope of consolidation:

Merger of Invoca and WECO
Inkasso AG

Merger of A+E Trading & Leasing Ltd
and CS Leasing Ltd

Notes to the Group financial statement

Consolidation and accounting policies

Foreign currency translations

Individual financial statements

In the financial statements of individual Group companies, income and expenditure in foreign currencies are translated at the exchange rate as at the transaction date. Assets and liabilities in foreign currencies are translated at the year-end rate or, in the case of rate-hedged transactions, at the forward hedging rate. Capital gains and losses arising from currency translations are charged to the profit and loss account.

Foreign currency translations for the purpose of consolidating individual financial statements

In the case of consolidated subsidiaries based outside Switzerland, balance sheet and off-balance-sheet items are translated into Swiss franc equivalents at the exchange rate as at the Group accounting date, with the exception of shareholders' equity invested in the Group companies, which is translated at the rate as at 31 December 1987 or, where changes have occurred since this date, at the rate as at the date of change. Items in the profit and loss accounts are translated at the average exchange rate for the year. Translation differences arising from the translation of shareholders' equity and the profit and loss account are credited or debited directly to the Group's shareholders' equity and are shown as a separate item in the breakdown of shareholders' equity.

Consolidation accounting date

The balance sheet date for the majority of fully consolidated Group companies is 31 December. Where this is not the case, companies have drawn up an interim financial statement as at 31 December, with the exception of those few companies whose balance sheet date is less than three months prior to that of the Group. Here, the financial statements for the

year ending within those three months are consolidated. These companies do not substantially affect the Group's results.

Deviations from EU guidelines

The areas in which Group accounting procedures deviate from EU guidelines on the preparation of accounts for banking institutions may be summarised as follows:

- The classification criteria used in the balance sheet and the profit and loss account differ from the classification criteria proposed by the EU guidelines; however, all significant information is given.
- The difference between the purchase price of securities and precious metal trading positions and their market value as shown in the accounts is not indicated in the 'Notes to the financial statement'.
- Funding costs incurred on the Group's securities holdings which constitute current assets are debited to trading income and shown separately in the 'Notes to the financial statement'.
- The proportions of overall income and expenditure accounted for by our operations outside Switzerland are no longer broken down by geographical location but are given as combined totals.
- No specific information is given concerning emoluments paid to Members of the Board of Directors and of the Executive Board.

VALUATION AND

ACCOUNTING PRINCIPLES

Valuation and accounting practices are the same for all Group companies.

Recording of business

All completed business is valued and recorded in the profit and loss account according to the following valuation

principles. Foreign exchange, money market and precious metal transactions are booked as per value date, as are payment orders. Prior to the value date, foreign exchange and precious metal transactions are carried as off-balance-sheet business. Securities and counter transactions are booked as per transaction date.

Reporting of repo business (securities sale and repurchase agreements)

Repo transactions are shown in the balance sheet as advances secured against securities or as cash deposits on which our own securities are pledged. They are accounted for in the same manner as transactions involving non-monetary valuables (cf. below).

Transactions involving non-monetary valuables

Assets and liabilities in respect of non-monetary valuables such as money market paper, precious metals or commodities and those arising from securities lending and borrowing operations are, depending on the type of counterparty, shown as claims on or liabilities to banks or customers. Securities positions arising as a result of securities borrowing are included as part of the securities and precious metal trading portfolios.

Claims in respect of money market paper, funds due from banks and customers (incl. mortgages), and financial leasing

These claims are generally shown at nominal value less unearned discount. A provision is made as soon as serious doubts arise as to the collectability of an asset. The necessary provisions against the asset's capital value and the interest on the asset are made according to the principle of prudent accounting, the level of security provided and the general economic climate. If the receivable shown in the accounts cannot be collected it is

Notes to the Group financial statement

Consolidation and accounting policies

written off against the provision made against it. Necessary provisions are set off against the corresponding assets.

In the case of claims subject to country risk, provisions are made in accordance with the regulations laid down by the Swiss supervisory authorities. Such claims are shown under the heading 'Write-downs and provisions'. All leased items (capital goods, real estate and vehicles) are valued by the annuity method and are stated as a separate item under 'Lendings'. The depreciation charges contained in the rental income are set off directly against the book values of the corresponding leased assets, so only the interest portion of the rental income is shown in the profit and loss account.

Securities and precious metal holdings constituting current assets

On purchase, securities and precious metal holdings are classified either as trading portfolios or as financial assets. Securitised and non-securitised options are shown under 'Other assets'.

Securities trading portfolios

Trading portfolios consist of holdings of precious metals, tradeable securities which are readily realisable and securities acquired as a result of underwriting operations.

Trading portfolios in bonds, shares and similar securities are valued at the market value as at the balance sheet date; unlisted securities are carried at cost less necessary write-downs. Precious metal accounts and holdings are valued at the average December price or the price as at the balance sheet date, whichever is the lower.

Unrealised profits and losses resulting from the valuation of securities holdings as well as realised gains and losses are shown under 'Income from trading'.

'Income from trading' also includes interest and dividend income on such positions, while funding costs arising on trading portfolios and other securities positions are charged to trading income and credited to 'Income from interest business'.

Financial assets

This balance sheet item comprises securities and precious metal positions that are for long-term investment or other business purposes. Fixed-interest securities are valued at cost less necessary write-downs.

Equity positions which are earmarked for disposal but do not constitute trading positions are carried at cost or at the market value on the balance sheet date, whichever is the lower. The market value of such holdings is shown in the 'Notes to the financial statement'.

Premiums and discounts on interest-bearing securities are amortised to maturity and credited or debited to 'Income from interest business'.

Net capital gains resulting from sales of securities are shown under 'Income from the sale of financial assets'. Unrealised losses on equity positions as a result of a decrease in their market value are booked as 'Other ordinary expenditure', while unrealised profits on equity positions up to the original cost price are shown as 'Other ordinary income'.

Write-downs on financial assets are shown under 'Write-downs, provisions and losses'.

Physical assets

Real estate is valued at acquisition price plus any expenditure that increases the value of the property, less necessary depreciation. New buildings and refurbishments are depreciated over 67 years. No depreciation is charged on land unless an adjustment has to be made to allow for a reduction in its market value.

Other physical assets (fixtures and fittings installed by us in rented properties, computers, furnishings, vehicles, etc.) are depreciated in full over their estimated economic life (between five and ten years).

Goodwill

Purchased goodwill (i.e. the positive difference between the purchase price paid for a subsidiary or associated company and the value of that company's net assets) is charged against revenue reserves at the time of the initial consolidation. In accordance with the provisions set out in ARR 9, the theoretical effect on the balance sheet and profit and loss account of depreciating this goodwill over its estimated useful life is shown in the 'Notes to the Group financial statement'.

Other assets and liabilities

These balance sheet headings chiefly cover positive and negative replacement values resulting from the valuation of open derivatives contracts (trading). Positive and negative replacement values are set off against each other whenever possible thanks to the existence of netting agreements which fulfil the criteria stipulated in Art. 12f of the Swiss banking ordinance.

Reserves for general bank risks

As defined in the new Swiss accounting rules, reserves for general bank risks are precautionary reserves formed to hedge against latent risks in the bank's operating activities.

Off-balance-sheet business

Foreign exchange and banknotes

Foreign exchange and banknote positions are translated into Swiss francs at the respective year-end rates.

Notes to the Group financial statement

Consolidation and accounting policies

Precious metals

Precious metal accounts and holdings are valued at the average December price or the price in effect as at the balance sheet date, whichever is the lower.

Forward positions and derivatives

Forward positions in foreign exchange, precious metals and securities are valued at market rates with adjustments for appropriate forward premiums or discounts at the balance sheet date. Capital gains and losses arising from the valuation are entered in the profit and loss account under 'Income from foreign exchange, precious metals and banknote trading'.

Trading positions in financial derivatives (interest rate and currency swaps; options on equities, equity indexes, foreign exchange, precious metals and interest rates; financial futures and forward rate agreements) are accounted for as off-balance-sheet items at nominal value. Positive and negative replacement values are also given. Trading positions in these instruments are marked to market and the resulting changes in valuation are shown as positive or negative replacement values under 'Other assets' and 'Other liabilities'. Net profit (after deduction of funding costs on the relevant portfolios, trading-related costs such as brokerage charges, transport, insurance and smelting costs, and fees and duties) from derivatives transactions are stated as trading income in the appropriate business area (securities, foreign exchange, precious metals, interest rate instruments). Commodity-related derivatives are treated in similar fashion; revenue from these instruments appears under 'Other trading income'.

Interest rate swaps, which are used in global asset and liability management, are treated in accordance with the accrual method. Hedging transactions are valued using the same rules as for the

underlying transactions which they hedge. Realised capital gains in connection with the early termination of strategic interest rate swaps are booked under 'Income from the sale of financial assets'.

Income and expenditure

(other aspects)

Pension expenditure

As a rule, employees are affiliated to legally autonomous staff pension funds which are independent of the Group. The required pension contributions are made to the pension funds and posted under 'Staff costs'.

Tax expenditure and deferred tax

Tax expenditure is calculated on the basis of the profits posted in the individual financial statements of the Group subsidiaries. For deferred tax resulting from adjustments in the valuation of assets and liabilities, tax provisions are charged against tax expenditure. No provision is made for deferred tax on undistributed profits of Group subsidiaries outside Switzerland.

Changes from the previous year

Other securities holdings constituting current assets

In accordance with the accounting rules, the remaining securities holdings are stated as 'Securities trading portfolios' or 'Financial assets' depending on the purpose for which they are held.

Events since the balance sheet date

The reorganisation of Credit Suisse Group (formerly CS Holding) came into effect on 1 January 1997. The changes to the Group structure were as follows:

Changes of name

The names of the companies below were changed with effect from 1 January 1997, as follows:

- CS Holding, Zurich
New: Credit Suisse Group, Zurich
- Credit Suisse, Zurich
New: Credit Suisse First Boston, Zurich
- Swiss Volksbank, Berne
New: Credit Suisse, Zurich

Swiss domestic banking and global private banking

These areas of business were brought together within the legal entity Credit Suisse by means of a transfer of operations from the new Credit Suisse First Boston to the new Credit Suisse in the form of a non-cash capital contribution entailing an asset surplus of Sfr 2,050 million. The book value of the Group's holding in Swiss Volksbank (including the above asset surplus) of Sfr 4,922 million was distributed to Credit Suisse Group as at 1 January 1997 in the form of a dividend in kind.

**Institutional asset management,
international corporate
and investment banking**

These areas of business were brought together within the legal entity Credit Suisse First Boston. The holdings in Credit Suisse First Boston Inc. and Credit Suisse First Boston (International) AG were transferred from the former CS Group to the new Credit Suisse First Boston, Zurich, in the form of a non-cash capital contribution with a total book value of Sfr 2,300 million.

Neue Aargauer Bank

In addition, the new Credit Suisse sold its holding in Neue Aargauer Bank (NAB) at book value to Credit Suisse Group with retrospective effect from 1 January 1997, although NAB remains part of the management structure of the new Credit Suisse business unit.

Vertika AG

Vertika AG, which dealt exclusively with the problem loans of the former Swiss Volksbank, was merged with the new Credit Suisse in the first quarter of 1997 with retrospective effect from 1 January 1997.

**Foreign currency translation rates
applied to the financial statements of individual Group companies**

MAIN CURRENCIES	Accounting date rates used for balance sheet and off-balance-sheet positions		Average annual rates used for profit and loss account positions	
	31.12.96 Sfr	31.12.95 Sfr	1996 Sfr	1995 Sfr
1 US dollar	1.34	1.15	1.22	1.16
1 pound sterling	2.27	1.79	1.90	1.84
1 ecu	1.67	1.48	1.53	1.51
1 Canadian dollar	0.98	0.84	0.89	0.85
1 Australian dollar	1.0595	0.844	0.95	0.86
1 Singapore dollar	0.96	0.81	0.87	0.82
1 Hong Kong dollar	0.17	0.15	0.1575	0.1505
100 deutschmarks	86.60	80.50	81.30	81.70
100 Luxembourg francs	4.165	3.8825	3.95	3.97
100 French francs	25.45	23.30	23.90	23.45
100 lire	0.087	0.0717	0.079	0.0715
100 yen	1.16	1.11	1.12	1.25
100 pesetas	1.0135	0.935	0.961	0.933

Notes to the Group financial statement

Additional information on the Group balance sheet

	31.12.96 Sfr m	31.12.95 Sfr m	Change Sfr m	Change %
CLAIMS IN RESPECT OF MONEY MARKET PAPER				
Bills of exchange and money market paper eligible for discount with central banks	12 177	7 528	4 649	61.8
<i>of which short and medium-term federal securities</i>	7 520	5 705	1 815	31.8
Other bills of exchange and money market paper	5 593	3 684	1 909	51.8
TOTAL CLAIMS IN RESPECT OF MONEY MARKET PAPER	17 770	11 212	6 558	58.5

SECURED CLAIMS		Form of security			Total Sfr m
		Secured by mortgage Sfr m	Other security Sfr m	Unsecured Sfr m	
BALANCE SHEET					
Claims on banks	- 31 December 1996	0	5 464	36 930	42 394
	- 31 December 1995	0	1 566	42 003	43 569
Lendings					
Claims on customers (incl. financial leasing)		7 530	42 499	32 569	82 598
Mortgages		60 205	0	0	60 205
<i>of which residential</i>		22 303	0	0	22 303
<i>houses and owner-occupied flats</i>		21 750	0	0	21 750
<i>offices</i>		2 980	0	0	2 980
<i>commercial and industrial property</i>		9 305	0	0	9 305
<i>other property</i>		3 867	0	0	3 867
Total, lendings	- 31 December 1996	67 735	42 499	32 569	142 803
	- 31 December 1995	69 480	24 253	28 784	122 517

OFF-BALANCE-SHEET BUSINESS

Contingent liabilities

Credit guarantees in the form of aval, guarantee and indemnity liabilities	37	3 895	5 274	9 206
Bid bonds, delivery and performance bonds, letters of indemnity, other performance-related guarantees	96	1 723	5 160	6 979
Irrevocable commitments in respect of documentary credits	1	153	3 043	3 197
Other contingent liabilities	87	1 344	1 889	3 320
Total, contingent liabilities	- 31 December 1996	221	7 115	15 366
	- 31 December 1995	322	9 650	11 042
Irrevocable commitments	- 31 December 1996	136	25 009	34 115
	- 31 December 1995	0	11 119	33 382
Call liabilities	- 31 December 1996	0	0	71
	- 31 December 1995	0	0	81
Confirmed credits	- 31 December 1996	0	0	510
	- 31 December 1995	0	1	252
Total, off-balance-sheet business	- 31 December 1996	357	32 124	50 062
	- 31 December 1995	322	20 770	44 757

Notes to the Group financial statement
Additional information on the Group balance sheet

LENDINGS (CLAIMS ON CUSTOMERS, MORTGAGES) BY ECONOMIC SECTOR

(by customer domicile)

	Swiss borrowers		Foreign borrowers		Total lendings		Change Sfr m	Change %	% of total 31.12.96	% of total 31.12.95
	31.12.96 Sfr m	31.12.95 Sfr m	31.12.96 Sfr m	31.12.95 Sfr m	31.12.96 Sfr m	31.12.95 Sfr m				
Private households	34 597	37 028	3 340	3 445	37 937	40 473	-2 536	-6.3	26.6	33.0
Non-profit institutions	2 212	1 729	260	150	2 472	1 879	593	31.6	1.7	1.5
Private sector enterprises (non-financial)	38 002	36 363	27 113	20 082	65 115	56 445	8 670	15.4	45.6	46.2
Agriculture and mining	662	468	927	720	1 589	1 188	401	33.8	1.1	1.0
Manufacturing	11 317	12 161	11 025	9 872	22 342	22 033	309	1.4	15.6	18.0
Food	668	702	673	446	1 341	1 148	193	16.8	0.9	0.9
Beverages	250	277	388	163	638	440	198	45.0	0.4	0.4
Tobacco	1	3	139	4	140	7	133	1 900.0	0.1	0.0
Textiles	332	464	229	175	561	639	-78	-12.2	0.4	0.5
Clothing, shoes, etc.	229	194	144	118	373	312	61	19.6	0.3	0.3
Timber, furniture	895	1 055	347	141	1 242	1 196	46	3.8	0.8	1.0
Paper	269	278	520	619	789	897	-108	-12.0	0.6	0.7
Graphical trades	553	700	114	8	667	708	-41	-5.8	0.5	0.6
Plastics, rubber, leather	342	346	56	119	398	465	-67	-14.4	0.3	0.4
Chemicals	1 402	1 818	2 250	2 579	3 652	4 397	-745	-16.9	2.6	3.6
Oil	58	103	949	1 498	1 007	1 601	-594	-37.1	0.7	1.3
Non-metallic minerals	590	659	690	169	1 280	828	452	54.6	0.9	0.7
Metals, building installations	2 013	1 848	1 037	914	3 050	2 762	288	10.4	2.1	2.3
Machinery, equipment, vehicles	3 278	3 259	1 437	1 440	4 715	4 699	16	0.3	3.3	3.8
Watches, jewellery	275	235	40	60	315	295	20	6.8	0.2	0.2
Other consumer goods	162	220	2 012	1 419	2 174	1 639	535	32.6	1.5	1.3
Construction	3 558	4 078	775	642	4 333	4 720	-387	-8.2	3.0	3.9
Energy, environmental protection	36	44	752	1 813	788	1 857	-1 069	-57.6	0.6	1.5
Services	22 429	19 612	13 634	7 035	36 063	26 647	9 416	35.3	25.3	21.8
Wholesale and retail trade	8 389	7 109	3 851	2 272	12 240	9 381	2 859	30.5	8.6	7.7
Transport, hotels and catering	3 528	3 206	3 260	2 422	6 788	5 628	1 160	20.6	4.8	4.6
Other services	10 512	9 297	6 523	2 341	17 035	11 638	5 397	46.4	11.9	9.5
Public sector enterprises (non-financial)	523	435	825	1 208	1 348	1 643	-295	-18.0	1.0	1.3
Financial enterprises	9 835	9 910	19 900	5 707	29 735	15 617	14 118	90.4	20.8	12.7
Public authorities	778	926	1 243	908	2 021	1 834	187	10.2	1.4	1.5
Other borrowers	1 299	1 603	2 876	3 023	4 175	4 626	-451	-9.7	2.9	3.8
TOTAL LENDINGS	87 246	87 994	55 557	34 523	142 803	122 517	20 286	-16.6	100.0	100.0
% of total	61.1	71.8	38.9	28.2	100.0	100.0				

Notes to the Group financial statement

Additional information on the Group balance sheet

SECURITIES AND PRECIOUS METAL HOLDINGS (CURRENT ASSETS)	31.12.96 Sfr m	31.12.95 Sfr m	Change Sfr m	Change %
Securities and precious metal trading portfolio				
Interest-bearing securities and loan stock rights				
listed	18 792	12 069	6 723	55.7
unlisted	18 274	11 235	7 039	62.7
<i>of which own bonds and medium-term notes</i>	518	834	-316	-37.9
<i>of which issued by public sector entities</i>	23	39	-16	-41.0
Equities	14 577	9 343	5 234	56.0
listed	15 077	9 013	6 064	67.3
unlisted	14 988	8 804	6 184	70.2
<i>of which CS Holding shares¹</i>	89	209	-120	-57.4
<i>of which units in investment funds</i>	953	257	696	270.8
Precious metals	333	39	294	753.8
<i>of which serving as cover for delivery commitments shown as liabilities</i>	1 917	1 737	180	10.4
Securities and precious metal trading portfolio	1 917	1 737	180	10.4
	35 786	22 819	12 967	56.8
Other securities and precious metal holdings²				
Interest-bearing securities and loan stock rights				
listed	0	4 717	-4 717	-100.0
unlisted	0	4 291	-4 291	-100.0
<i>of which own bonds and medium-term notes</i>	0	426	-426	-100.0
<i>of which issued by public sector entities</i>	0	3	-3	-100.0
Equities	0	3 661	-3 661	-100.0
listed	0	441	-441	-100.0
unlisted	0	289	-289	-100.0
<i>of which CS Holding shares¹</i>	0	152	-152	-100.0
<i>of which units in investment funds</i>	0	0	0	0.0
Precious metals	0	237	-237	-100.0
Other securities and precious metal holdings	0	0	0	0.0
Market value of other securities and precious metal holdings	0	5 158	-5 158	-100.0
	0	5 192	-5 192	-100.0
TOTAL SECURITIES AND PRECIOUS METAL HOLDINGS (CURRENT ASSETS)	35 786	27 977	7 809	27.9
<i>of which securities eligible for discount with central banks</i>	7 794	6 680	1 114	16.7
Borrowed securities and precious metals³	6 612	4 428	2 184	49.3
<i>from banks</i>	1 741	715	1 026	143.5
<i>from customers</i>	4 871	3 713	1 158	31.2
Substantial claims and liabilities included in other balance sheet positions. These are valued at market rates and any profit/loss on them is shown under 'Income from trading'				
Lendings of trading portfolios⁴	71 519	49 882	21 637	43.4
<i>to banks</i>	4 740	3 092	1 648	53.3
<i>to customers</i>	4 736	2 980	1 756	58.9
	4	112	-108	-96.4
Positive replacement values of derivatives from trading portfolios (Other assets)	33 493	23 342	10 151	43.5
Negative replacement values of derivatives from trading portfolios (Other liabilities)	33 286	23 448	9 838	42.0

¹ Current positions in CS Holding shares are subject to delivery commitments under derivatives contracts.

When these commitments are taken into account, the Group's holdings of CS Holding shares are insignificant.

² transfer of 'Other securities and precious metal holdings' to 'Trading portfolios' and 'Financial assets' as at 31.12.1996

³ shown in the balance sheet as due to banks or customers

⁴ shown in the balance sheet as due from banks or customers

Notes to the Group financial statement
Additional information on the Group balance sheet

FINANCIAL ASSETS

	31.12.96 Sfr m	31.12.95 Sfr m	Change Sfr m	Change %
Interest-bearing securities and loan stock rights	7 636	3 374	4 262	126.3
listed	6 615	2 916	3 699	126.9
unlisted	1 021	458	563	122.9
of which own bonds and medium-term notes	10	5	5	100.0
of which issued by public sector entities	5 306	2 598	2 708	104.2
Equities	809	305	504	165.2
of which CS Holding shares	0	0	0	0.0
Precious metals	0	0	0	0.0
TOTAL FINANCIAL ASSETS	8 445	3 679	4 766	129.5
of which securities eligible for discount with central banks	912	612	300	49.0
Borrowed financial assets¹	0	4	-4	-100.0
borrowed from banks	0	0	0	0.0
borrowed from customers	0	4	-4	-100.0
Lendings of financial assets²	0	0	0	0.0

¹ shown in the balance sheet as due to banks or customers

² shown in the balance sheet as due from banks or customers

NON-CONSOLIDATED LONG-TERM HOLDINGS

	31.12.96 Sfr m	31.12.95 Sfr m	Change Sfr m	Change %
Listed	0	121	-121	-100.0
Switzerland	0	121	-121	-100.0
Banks	0	0	0	0.0
Finance companies	0	0	0	0.0
Industrial companies	0	0	0	0.0
Other long-term holdings	0	121	-121	-100.0
Abroad	0	0	0	0.0
Banks	0	0	0	0.0
Finance companies	0	0	0	0.0
Industrial companies	0	0	0	0.0
Other long-term holdings	0	0	0	0.0
Unlisted	507	411	96	23.4
Switzerland	257	212	45	21.2
Banks	78	69	9	13.0
Finance companies	63	16	47	293.8
Industrial companies	64	74	-10	-13.5
Other long-term holdings	52	53	-1	-1.9
Abroad	250	199	51	25.6
Banks	10	23	-13	-56.5
Finance companies	33	49	-16	-32.7
Industrial companies	1	0	1	100.0
Other long-term holdings	206	127	79	62.2
TOTAL NON-CONSOLIDATED LONG-TERM HOLDINGS	507	532	-25	-4.7

Notes to the Group financial statement
Additional information on the Group balance sheet

SUBSIDIARIES AND ASSOCIATED COMPANIES

SWISS VOLKSBANK		
Swiss Volksbank, BERNE		
Paul Meier		
Total assets 31.12.96	36,592.0	
Shareholding	99.9%	
Shareholders' equity	2,255.9	
Neue Aargauer Bank, AARAU		
Josef Meier		
Total assets 31.12.96	11,208.0	
Shareholding	98.6%	
Shareholders' equity	649.8	
ABZ Finanz- und Beteiligungs-Gesellschaft, ZUG		
Total assets 31.12.96	9.0	
Shareholding	100%	
Shareholders' equity	8.8	
Grossacker Immobilien AG, ST GALLEN		
Total assets 31.12.96	15.3	
Shareholding	53%	
Shareholders' equity	-7.6	
Samag Zürich AG, ZURICH		
Total assets 31.12.96	16.1	
Shareholding	100%	
Shareholders' equity	1.8	
Immobilien-gesellschaft Glarus, GLARUS		
Total assets 31.12.96	6.0	
Shareholding	100%	
Shareholders' equity	1.1	
Centre-Ville S.A., LA CHAUX-DE-FONDS		
Total assets 31.12.96	5.8	
Shareholding	100%	
Shareholders' equity	2.1	
Société Foncière du Grand-Pont, LAUSANNE		
Total assets 31.12.96	5.8	
Shareholding	100%	
Shareholders' equity	3.9	

CSFP		
Credit Suisse Financial Products, LONDON		
Christopher Goekjian		
Total assets 31.12.96	40,338.7	
Shareholding	- capital 40%	
	- voting rights 56%	
Shareholders' equity	1,490.1	

FUND MANAGEMENT COMPANIES		
Credis International Fund Holding Ltd, ZURICH		
Heinz Hofmann		
Total assets 31.12.96	556.5	
Shareholding	100%	
Shareholders' equity	350.8	
and its major holdings:		
Credis Investments (Switzerland) Ltd, ZURICH	100%	
Credis Fund Service Ltd, ZURICH	100%	
Credis Fund Holding (Luxembourg) SA, LUXEMBOURG		
13 investment fund management companies in LUXEMBOURG	100%	
Credis Holding (Europe) SA, LUXEMBOURG	100%	
Credis Deutschland GmbH, FRANKFURT	100%	
SKA Investment GmbH, FRANKFURT	100%	
CS Immobilien-Fonds GmbH, FRANKFURT	100%	
CS Investment Trust Management Co. Ltd, TOKYO	95%	

Numerical data

Total assets: unless otherwise stated, Sfr million (foreign currency translated at year-end rates), without eliminations of intra-Group transactions

Shareholding: as % of share capital

Shareholders' equity: Sfr million, including annual profit and profit carried forward but before allocation of profit

Share capital: Sfr million (unless otherwise stated)

Switzerland

Abroad

Notes to the Group financial statement

Additional information on the Group balance sheet

SUBSIDIARIES AND ASSOCIATED COMPANIES

COMPANIES ENGAGED PRIMARILY IN COMMERCIAL BANKING

Bank for Commerce and Securities, ZURICH		
Bruno Battaini		
Total assets 31.12.96	1,104.0	
Shareholding	100%	
Shareholders' equity	130.4	
Denaro-Hypo Bank AG, AARAU		
Total assets 31.12.96	71.3	
Shareholding	100%	
Shareholders' equity	6.1	
Vertika AG, ZURICH		
Total assets 31.12.96	3,350.5	
Shareholding	100%	
Shareholders' equity	350.0	
Credit Suisse Canada, TORONTO		
Robert L. Hines		
Total assets 31.12.96	3,039.6	
Shareholding	100%	
Shareholders' equity	174.7	
Credit Suisse First Boston Aktiengesellschaft, FRANKFURT		
Paul R. Hofer		
Total assets 31.12.96	5,100.1	
Shareholding	100%	
Shareholders' equity	272.7	
Crédit Suisse (Luxembourg) SA, LUXEMBOURG		
Rico Barandun		
Total assets 31.12.96	10,287.4	
Shareholding	100%	
Shareholders' equity	415.3	
Crédit Suisse (France) SA, PARIS		
Jean-Luc Peyrot		
Total assets 31.12.96	1,803.3	
Shareholding	100%	
Shareholders' equity	65.3	
Credit Suisse (Moscow) Ltd, MOSCOW		
Urs Haener		
Total assets 31.12.96	720.7	
Shareholding	100%	
Shareholders' equity	58.0	
CS Finanziaria SpA, MILAN		
Georg Wullschleger		
Total assets 31.12.96	188.2	
Shareholding	100%	
Shareholders' equity	4.1	
Credit Suisse (Cyprus) Ltd, LIMASSOL		
Michael Eggleton		
Total assets 31.12.96	241.9	
Shareholding	100%	
Shareholders' equity	10.3	

COMPANIES ENGAGED PRIMARILY IN SECURITIES AND INVESTMENT BUSINESS

Credit Suisse Fides Trust Ltd, ZURICH¹		
Dieter C. Hauser		
Total assets 31.12.96	170.7	
Shareholding	100%	
Shareholders' equity	28.5	
Innoventure Capital Ltd, ZURICH		
Total assets 31.12.96	34.5	
Shareholding	90%	
Shareholders' equity	11.4	
Credit Suisse Asset Management Ltd, LONDON		
Geoffrey H. Russell		
Total assets 31.12.96	237.8	
Shareholding	100%	
Shareholders' equity	41.9	
Credit Suisse Asset Management Inc., NEW YORK²		
Frank Meister		
Total assets 31.12.96	6.0	
Shareholding	100%	
Shareholders' equity	5.1	
Credit Suisse Trust & Banking Co. Ltd, TOKYO		
Heinrich Wegmann		
Total assets 31.12.96	200.8	
Shareholding	100%	
Shareholders' equity	110.0	
Credit Suisse (Guernsey) Ltd, ST PETER PORT		
Albert F. Good		
Total assets 31.12.96	2,341.3	
Shareholding	100%	
Shareholders' equity	99.6	
Credit Suisse Investment Management Ltd, LONDON³		
Robert J. Parker		
Total assets 31.12.96	43.5	
Shareholding	100%	
Shareholders' equity	18.2	
Credit Suisse Fund Management (Guernsey) Ltd, ST PETER PORT		
David Mitchison		
Total assets 31.12.96	7.7	
Shareholding	100%	
Shareholders' equity	6.8	
Credit Suisse Investment Management (Nederland) B.V., AMSTERDAM⁴		
Total assets 31.12.96	1.4	
Shareholding	100%	
Shareholders' equity	1.3	
Credit Suisse Investment Management (Polska) Ltd, WARSAW⁵		
Jonathan Woollett		
Total assets 31.12.96	1.6	
Shareholding	100%	
Shareholders' equity	1.2	
Credit Suisse Investment Management (Australia) Ltd, SYDNEY		
Andrew McKinnon		
Total assets 31.12.96	6.7	
Shareholding	100%	
Shareholders' equity	2.8	
Credit Suisse (Gibraltar) Ltd, GIBRALTAR		
Peter Schuster		
Total assets 31.12.96	335.2	
Shareholding	100%	
Shareholders' equity	20.3	
Swiss American Securities Inc., NEW YORK²		
George J. Helwig		
Total assets 31.12.96	776.3	
Shareholding	92.5%	
Shareholders' equity	37.5	
BEA Associates Inc., NEW YORK⁴		
William W. Priest		
Total assets 31.12.96	71.6	
Shareholding	100%	
Shareholders' equity	31.5	
Crédit Suisse Investment Advisory Co. Ltd, TOKYO⁵		
Heinrich Wegmann		
Total assets 31.12.96	2.3	
Shareholding	100%	
Shareholders' equity	2.1	
Swiss Volksbank Securities Ltd, LONDON		
Anthony F. Campey		
Total assets 31.12.96	294.5	
Shareholding	100%	
Shareholders' equity	23.0	
Limag Management und Verwaltungs-AG, VADUZ⁶		
Ulrich Siegfried		
Total assets 31.12.96	7.1	
Shareholding	100%	
Shareholders' equity	3.9	
Credit Suisse Gestión S.G.I.I.C., S.A., MADRID		
Total assets 31.12.96	0.5	
Shareholding	100%	
Shareholders' equity	0.5	
Credit Suisse Custody (Moscow) Ltd, MOSCOW⁷		
Bruce Lawrence		
Total assets 31.12.96	0.6	
Shareholding	100%	
Shareholders' equity	0.6	
Credit Suisse Investment Management (Praha) s.r.o., PRAGUE⁸		
Jonathan Woollett		
Total assets 31.12.96	1.9	
Shareholding	100%	
Shareholders' equity	0.4	

Notes to the Group financial statement

Additional information on the Group balance sheet

SUBSIDIARIES AND ASSOCIATED COMPANIES

SPECIALIST COMPANIES

Special financing, consumer credit, leasing

City Bank, ZURICH		
Jürg Binder		
Total assets 31.12.96	152.2	
Shareholding	- capital	88.98%
	- voting rights	94.7%
Shareholders' equity	16.8	

WECO Inkasso AG, ZURICH		
Polo Bollhalder		
Total assets 31.12.96	3.2	
Shareholding	100%	
Shareholders' equity	1.7	

Swiss Ship Mortgage Bank, BASLE		
Mario Béhé		
Total assets 31.12.96	123.0	
Shareholding	100%	
Shareholders' equity	16.0	

Finorafa SA, CHIASSO		
Lino Foletti		
Total assets 31.12.96	443.6	
Shareholding	51%	
Shareholders' equity	19.1	

Finanz AG Zürich, ZURICH		
Jörg Hübner		
Total assets 31.12.96	380.2	
Shareholding	100%	
Shareholders' equity	31.9	

CS Leasing Ltd, ZURICH		
Urs Linsi		
Total assets 31.12.96	752.9	
Shareholding	100%	
Shareholders' equity	60.9	

CS Immobilien Leasing Ltd, ZURICH		
Edgar Kürsteiner		
Total assets 31.12.96	258.1	
Shareholding	100%	
Shareholders' equity	-2.3	

CS Car Leasing Ltd, ZURICH		
Christian Haltner		
Total assets 31.12.96	363.8	
Shareholding	100%	
Shareholders' equity	3.2	

Limpa Ltd, ZURICH		
Total assets 31.12.96	0.1	
Shareholding	100%	
Shareholders' equity	0.1	

Credit Suisse Australia (Finance) Ltd, MELBOURNE		
Donald C. Mumma		
Total assets 31.12.96	984.7	
Shareholding	100%	
Shareholders' equity	15.9	

Credit Suisse Bullion Japan Ltd, TOKYO		
Heinrich Wegmann		
Total assets 31.12.96	56.1	
Shareholding	100%	
Shareholders' equity	14.8	

Boonskill Ltd, LONDON		
Total assets 31.12.96	43.5	
Shareholding	100%	
Shareholders' equity	3.7	

Veryfinance AG, ZUG*		
Total assets 31.12.96	63.2	
Shareholding	100%	
Shareholders' equity	-24.0	

INTERNATIONAL FINANCE COMPANIES

Credit Suisse (Bahamas) Ltd, NASSAU		
Gregory H. Bethel		
Total assets 31.12.96	582.3	
Shareholding	100%	
Shareholders' equity	50.2	

Credit Suisse Finance (Panama) SA, PANAMA		
Total assets 31.12.96	144.1	
Shareholding	100%	
Shareholders' equity	3.7	

Credit Suisse Finance Ltd, HONG KONG		
Total assets 31.12.96	6.8	
Shareholding	100%	
Shareholders' equity	6.8	

Credit Suisse Financial Services Inc., WILMINGTON		
Total assets 31.12.96	33.6	
Shareholding	100%	
Shareholders' equity	0.1	

Credit Suisse Finance (Guernsey) Ltd, ST PETER PORT		
Total assets 31.12.96	752.2	
Shareholding	100%	
Shareholders' equity	0.4	

Credit Suisse Finance (Gibraltar) Ltd, GIBRALTAR		
Total assets 31.12.96	203.6	
Shareholding	100%	
Shareholders' equity	0.3	

BHE (Overseas) Ltd, NASSAU⁷		
Total assets 31.12.96	516.8	
Shareholding	100%	
Shareholders' equity	42.7	

Footnotes for pages 66, 67 and 68

¹ held through Credit Suisse Fides Trust Holding Ltd, Zurich**

² held through Swiss American Corporation, New York**

Total assets 31.12.96 112.6
Shareholding 100%
Shareholders' equity 63.9

³ held through Credit Suisse Investment Management Group Ltd, London**

⁴ held through CS Investment Corp., Wilmington (100%)** and CS Capital Corp., New York (100%)**

⁵ held through Credis Investments (Switzerland) Ltd, Zurich (100%), and Credis International Fund Holding Ltd, Zurich (100%)**

⁶ held through Credit Suisse Fides Trust Ltd, Zurich, and Credit Suisse Fides Trust Holding Ltd, Zurich**

⁷ held through Bank for Commerce and Securities, Zurich**

* new company

** fully consolidated

Numerical data

Total assets: unless otherwise stated, Sfr million (foreign currency translated at year-end rates), without eliminations of intra-Group transactions

Shareholding: as % of share capital

Shareholders' equity: Sfr million, including annual profit and profit carried forward but before allocation of profit

Share capital: Sfr million (unless otherwise stated)

Notes to the Group financial statement

Additional information on the Group balance sheet

SUBSIDIARIES AND ASSOCIATED COMPANIES

REAL ESTATE COMPANIES

AG zur alten Post, ZURICH		
Total assets 31.12.96	3.1	
Shareholding	100%	
Shareholders' equity	2.3	
AG zur Utobrück, ZURICH		
Total assets 31.12.96	13.5	
Shareholding	100%	
Shareholders' equity	1.1	
Boden AG, ZURICH		
Total assets 31.12.96	19.4	
Shareholding	100%	
Shareholders' equity	0.8	
Commerz- und Verwaltungs AG, SARNEN		
Total assets 31.12.96	3.6	
Shareholding	100%	
Shareholders' equity	0.3	
Domolim Holding AG, ZURICH⁶		
Total assets 31.12.96	4.4	
Shareholding	100%	
Shareholders' equity	1.0	
El Pamch SA, GENEVA⁸		
Total assets 31.12.96	6.2	
Shareholding	100%	
Shareholders' equity	-0.4	
Hochhaus zur Palme AG, ZURICH		
Total assets 31.12.96	15.2	
Shareholding	100%	
Shareholders' equity	0.2	

Immobiliare Credito Svizzero SA, LUGANO		
Total assets 31.12.96	66.4	
Shareholding	100%	
Shareholders' equity	22.8	
Orell Füssli-Hof AG, ZURICH		
Total assets 31.12.96	9.7	
Shareholding	100%	
Shareholders' equity	5.6	
Peterhof AG, ZURICH		
Total assets 31.12.96	19.9	
Shareholding	100%	
Shareholders' equity	5.6	
Schwalbe AG, ZURICH		
Total assets 31.12.96	1.6	
Shareholding	100%	
Shareholders' equity	0.2	
S.I. Avenue de Rumine 37 SA, LAUSANNE⁸		
Total assets 31.12.96	12.6	
Shareholding	100%	
Shareholders' equity	-3.5	
S.I. Corne à Vin, GENEVA		
Total assets 31.12.96	434.2	
Shareholding	100%	
Shareholders' equity	89.3	
S.I. Route des Acacias 76, GENEVA		
Total assets 31.12.96	0.7	
Shareholding	100%	
Shareholders' equity	0.3	
Haus der Schweiz AG, BERLIN		
Total assets 31.12.96	28.6	
Shareholding	100%	
Shareholders' equity	6.5	

ASSOCIATED COMPANIES

ACCOUNTED FOR BY THE EQUITY METHOD

Banks	
Cornèr Bank AG, LUGANO	27.3%
Share capital	12.0

Insurance companies and staff pension funds	
Inreska Ltd, St Peter Port, GUERNSEY	100%
Share capital	£3.0 m
CS Columna Service AG, BERNE	100%
Share capital	0.5

Industrial and other companies	
Innoventure Equity Partners Ltd, ZURICH	30%
Share capital	0.2
Premex AG, ZURICH	33.3%
Share capital	1.5
Savoy Hotel Baur en Ville, ZURICH	88.1%
Share capital	7.5
Valcambi SA, BALERNA	100%
Share capital	12.0
Zürcher Transport AG, ZURICH	24.8%
Share capital	2.0
Zürcher Freilager AG, ZURICH	38.9%
Share capital	9.3
RFC Reinsurance Finance Consultants, ZURICH	50%
Share capital	0.5

Citymax Integrated Information Systems Ltd, LONDON	
Share capital	£2.6 m
Innovent Capital Ltd, CAYMAN ISLANDS	38.6%
Share capital	21.1
CS Trustee Holdings Ltd, St Peter Port, GUERNSEY ⁹	100%
Share capital	£2.0 m

⁶ held through Domolim Holding Ltd (100%), Zurich**, and Credit Suisse Fides Trust Ltd, Zurich, and Credit Suisse Fides Trust Holding Ltd, Zurich**

⁹ held through Credit Suisse Fides Trust Holding Ltd, Zurich**

* new company
** fully consolidated

OTHER LONG-TERM HOLDINGS

Beldona-Holding AG, BADEN	
Share capital	100%
	15.0
Caves Orsat SA, MARTIGNY	
Shareholding - capital	79.0%
- voting rights	75.2%
Share capital	25.0

Interstetle Swiss Corporation for International Securities Settlements, ZURICH	
Share capital	9.4%
	36.0
Telekurs Ltd, ZURICH	
Share capital	17.4%
	45.0
Banco Exterior (Suiza) SA, ZURICH	
Share capital	10.0%
	115.0

Pfandbriefbank Schweizerischer Hypothekarinstitute, ZURICH	
Share capital	16.8%
	300.0

North Bay Ltd, NASSAU	
Share capital	100%
	US\$ 8.0 m

Banco Comercial, MONTEVIDEO	
Share capital	27.4%
	32.8 m Uruguayan pesos

Notes to the Group financial statement

Additional information on the Group balance sheet

FIXED ASSETS AT 31 DECEMBER 1996	Cost ¹ Sfr m	Accu- mulated write- downs ¹ Sfr m	Book value 31.12.95 Sfr m	Invest- ments (pur- chases) 1996 Sfr m	Dis- invest- ments 1996 Sfr m	Transfers 1996 Sfr m	Write- downs 1996 Sfr m	Currency difference 1996 Sfr m	Book value 31.12.96 Sfr m	Change Sfr m	Change %
Long-term holdings consolidated according to the equity method			264	74				5	343	79	29.9
Other long-term holdings			268	29	-106	-27		0	164	-104	-38.8
Total, long-term holdings	718	186	532	103	-106	-27		5	507	-25	-4.7
Bank premises			3 580	147	-42		337 ³		3 348	-232	-6.5
Other real estate			1 729	491	-361		615	9	1 253	-476	-27.5
<i>of which repossessed real estate</i>			1 289	410	-345		558 ⁴		796	-493	-38.2
Total, real estate	6 473	1 164	5 309	638	-403		952	9	4 601	-708	-13.3
Other physical assets ²	4 016	2 943	1 073	291	-74		517 ⁵	25	798	-275	-25.6
Goodwill ⁷	291	291	0	6			6 ⁶		0	0	0.0
TOTAL FIXED ASSETS	11 498	4 584	6 914	1 038	-583	-27	1 475	39	5 906	-1 008	-14.6

¹ cost and write-downs calculated retrospectively as from 1978 for real estate and physical assets

² investments in computers, machinery, furnishings and vehicles as well as fixtures and fittings installed by us in rented premises

³ including Sfr 290 million provision charged to extraordinary expenditure

⁴ including Sfr 400 million provision charged to extraordinary expenditure

⁵ including Sfr 100 million provision charged to extraordinary expenditure

⁶ offset directly against revenue reserves

⁷ Since 1995, acquired goodwill has been offset directly against shareholders' equity (revenue reserves). Disclosure as per ARR 9: if acquired goodwill had been stated as assets and depreciated through the profit and loss account over a period of five years, the Group profit would have amounted to Sfr 1,496 million, an increase of Sfr 52 million (1995: Group profit would have been Sfr 55 million lower). The figures shown for total assets and shareholders' equity would have been Sfr 130 million higher (1995: Sfr 177 million).

FURTHER DETAILS ON FIXED ASSETS

	31.12.96 Sfr m	31.12.95 Sfr m	Change Sfr m	Change %
Fire insurance value of bank premises and other real estate	5 387	5 258	129	2.5
Fire insurance value of other physical assets	1 474	1 436	38	2.6
Liabilities: future leasing instalments in connection with operational leasing	1	3	-2	-66.7

REAL ESTATE, SWITZERLAND AND ABROAD

	31.12.96 Sfr m	31.12.95 Sfr m	Change Sfr m	Change %
Bank premises				
Switzerland	3 289	3 516	-227	-6.5
Abroad	59	64	-5	-7.8
Total, bank premises	3 348	3 580	-232	-6.5
Other real estate				
Switzerland	1 151	1 639	-488	-29.8
<i>of which repossessed real estate</i>	796	1 289	-493	-38.2
Abroad	102	90	12	13.3
Total, other real estate	1 253	1 729	-476	-27.5
TOTAL REAL ESTATE	4 601	5 309	-708	-13.3

Notes to the Group financial statement

Additional information on the Group balance sheet

CAPITALISED FORMATION EXPENSES, COSTS INCURRED IN CONNECTION WITH CAPITAL INCREASES AND ORGANISATION COSTS CARRIED AS ASSETS

No such costs were carried as assets either in 1996 or in the previous year.

PLEDGED AND ASSIGNED ASSETS AND ASSETS UNDER RESERVATION OF OWNERSHIP

	31.12.96		31.12.95	
	Sfr m.	Sfr m.	Sfr m.	Sfr m.
On the balance sheet date, the following assets were not freely available:				
Securities and financial assets for lombard loans	Book value of liability	of which used	Book value of liability	of which used
Securities and financial assets for joint projects with other banks	1 892	0	971	0
Financial assets to cover option exchange margin requirements	60	1	252	178
Claims on banks/customer margins for OTC trading	1 426	1 168	372	304
Borrower's mortgage notes used to provide mortgage cover in the amount of	748	748	848	848
Pledged securities for savings bank liabilities in the amount of	1 478	1 228	2 100	1 445
Other ¹	2 085	2 018	2 112	2 017
TOTAL	5 432	5 270	1 888	588
	13 121	10 433	8 543	5 380

¹ notably, assets pledged as security for the Group's international business activities in compliance with local regulations

None of the Group's assets was under reservation of ownership either in 1996 or in the previous year.

LIABILITIES IN RESPECT OF OWN PENSION FUNDS

On the balance sheet date, total liabilities in respect of the Group's own pension funds amounted to Sfr 509 million (1995: Sfr 399 million).

Notes to the Group financial statement

Additional information on the Group balance sheet

BONDS AND MORTGAGE BONDS ISSUED BY THE CENTRAL MORTGAGE BOND INSTITUTIONS AND THE CENTRAL ISSUING OFFICE

	31.12.96 Sfr m	31.12.95 Sfr m	Change Sfr m	Change %
Bonds	16 493	14 698	1 795	12.2
Bonds issued by the central issuing office	271	332	-61	-18.4
Mortgage bonds issued by the central mortgage bond institutions	1 114	1 334	-220	-16.5
TOTAL	17 878	16 364	1 514	9.3

BONDS AND MORTGAGE BONDS ISSUED BY CREDIT SUISSE (PARENT COMPANY)

Redemption	Coupon	Year of issue	Callable from	Issue amount Sfr m
1. 2.1998	4.75%	1988		Sfr 80.0 ¹
15. 1.1999	7.50%	1991		Sfr 100.0
10. 2.1999	5.25%	1989	10. 2.1997	Sfr 40.0 ²
5. 5.1999	4.50%	1994		Sfr 100.0
8. 9.1999	5.00%	1994		Sfr 200.0
15.11.1999	6.00%	1989	15.11.1997	Sfr 200.0 ¹
15.12.1999	5.00%	1987	15.12.1997	Sfr 200.0 ¹
31. 1.2000	6.75%	1990	31. 1.1998	Sfr 40.0 ²
31. 1.2000	7.25%	1990		Sfr 150.0 ¹
15. 9.2000	3.25%	1986	15. 9.1998	Sfr 100.0 ¹
15. 9.2000	4.50%	1995		Sfr 250.0
26.10.2000	5.00%	1988	26.10.1998	Sfr 300.0 ¹
5. 6.2001	7.25%	1990		Sfr 170.0
31. 7.2001	7.00%	1991		Sfr 150.0 ¹
15. 9.2001	6.00%	1989	15. 9.1999	Sfr 200.0 ¹
15. 1.2002	7.00%	1992		Sfr 100.0
20. 2.2002	7.50%	1991		Sfr 200.0 ¹
30. 3.2002	7.25%	1990	30. 3.2000	Sfr 150.0 ¹
15. 5.2002	6.75%	1992		Sfr 200.0 ³
15. 1.2003	7.25%	1992		Sfr 100.0 ¹
15. 1.2003	7.75%	1991		Sfr 100.0 ¹
1. 2.2003	5.00%	1988	1. 2.2000	Sfr 170.0 ¹
31. 3.2003	3.50%	1993		Sfr 200.0 ¹
29. 9.2003	6.13%	1993		Sfr 200.0 ¹
18.11.2003	6.25%	1993		Sfr 200.0 ¹
20. 2.2004	5.00%	1993		DM 600.0 ¹
22. 4.2004	4.38%	1989	20. 2.1999	Sfr 300.0 ¹
18.11.2004	8.50%	1996		Sfr 200.0
30.12.2004	6.13%	1994		Sfr 300.0 ¹
2. 2.2005	5.50%	1994		DM 100.0 ¹
31. 3.2005	5.75%	1995		Sfr 100.0
13.11.2005	3.13%	1995		Sfr 225.0 ¹
6. 7.2007	5.25%	1995		Sfr 300.0 ^{1,4}
8. 2.2008	4.50%	1995		Sfr 250.0 ¹
10. 3.2016	5.00%	1996		Sfr 200.0 ¹
		1986	10. 3.2006	Sfr 200.0 ¹
1997-1999	5.75%-7.50%	1989-1991		Sfr 49.7
Share of bonds issued by the central issuing office of the Association of Swiss Regional Banks, Berne, which were inherited by Credit Suisse on taking over the EKO Bank in Olten (1992)				
1997-2007	4.55%-7.43%	1982-1995		Sfr 265.9
Mortgage bonds issued by the Pfandbriefbank schweizerischer Hypothekarinstitute, Zurich				

¹ subordinated bonds

² bonds originally issued by the EKO Hypothekar- und Handelsbank, Olten

³ Sfr 140 million of these bonds are included in the bank's own holdings and are set off against the specific assets in the balance sheet.

⁴ Bond with warrants: each bond with a nominal value of Sfr 5,000 carries 30 warrants. Each warrant entitles the holder to purchase one CS Holding registered share with a nominal value of Sfr 20.

Notes to the Group financial statement

Additional information on the Group balance sheet

BONDS ISSUED BY SUBSIDIARIES

Redemption	Coupon		Year of issue	Callable from	Issue amount in millions
Swiss Volksbank					
15. 1.1997	6.25%		1990	Sfr	40.0
10. 8.1998	7.00%		1990	Sfr	100.0 ¹
15. 9.1998	3.00%		1988	Sfr	100.0 ¹
31.10.1999	5.50%		1994	Sfr	100.0
18. 4.2000	7.25%		1990	Sfr	110.0 ¹
20. 2.2001	7.50%		1991	Sfr	150.0 ¹
28. 7.2001	5.00%		1994	Sfr	200.0
17. 9.2001	7.00%		1991	Sfr	150.0 ¹
17.12.2001	2.75%		1993	Sfr	125.0
16. 3.2002	6.75%		1992	Sfr	200.0
30. 6.2002	7.25%		1992	Sfr	100.0
25. 9.2002	7.75%		1992	Sfr	100.0 ¹
31. 3.2003	5.25%		1993	Sfr	250.0
28. 4.2005	5.75%		1995	Sfr	120.0 ¹
12.10.2005	5.00%		1995	Sfr	150.0 ¹
5. 1.2006	4.35%		1996	Sfr	150.0 ¹
1997-2007	4.30%-7.43%	Mortgage bonds issued by the Pfandbriefbank schweizerischer Hypothekarinstitute, Zurich	1982-1995	Sfr	224.2
Neue Aargauer Bank					
15. 4.1997	4.63%	Central issuing office of the Association of Swiss Regional Banks	1987	15. 4.1997	Sfr 6.0 ¹
20.12.1997	2.75%	Own bonds with warrants	1985	20.12.1996	Sfr 50.0 ¹
11. 7.1998	4.63%	Central issuing office of the Association of Swiss Regional Banks	1988	11. 7.1998	Sfr 5.0 ¹
26. 6.1999	6.13%	Central issuing office of the Association of Swiss Regional Banks	1989	26. 6.1999	Sfr 7.0 ¹
10. 4.2000	7.13%	Central issuing office of the Association of Swiss Regional Banks	1990	10. 4.2000	Sfr 5.0 ¹
11. 3.2001	7.25%	Central issuing office of the Association of Swiss Regional Banks	1991	11. 3.2001	Sfr 5.0 ¹
1997-2001	5.25%-7.63%	Central issuing office of the Association of Swiss Regional Banks	1987-1993		Sfr 193.1
1997-2007	4.50%-7.38%	Mortgage bonds issued by the Pfandbriefbank schweizerischer Hypothekarinstitute, Zurich	1982-1995	Sfr	724.0
Credit Suisse Canada, Toronto					
1. 3.2001	11.75%		1990	28.12.1995	C \$ 35.0 ¹
Crédit Suisse (Luxembourg) SA, Luxembourg					
31.12.2001	9.13%		1991	Lfr	2,500.0 ¹
6. 8.2003	7.25%	Borrower's note loans	1993	Lfr	1,500.0 ¹
Credit Suisse (Deutschland) AG, Frankfurt					
1991-1997	4.00-6.50%	Borrower's note loans several tranches	1986-1993	4-10-year maturities	DM 30.3
Credit Suisse Finance (Panama) SA, Panama					
15. 1.1997	4.88%		1987	\$	100.0
Credit Suisse Finance (Guernsey) Limited, Guernsey					
1. 2.2000	0.00%		1990	C \$	500.0 ²
22.10.2002	0.00%		1992	DM	500.0 ³
Credit Suisse Finance (Gibraltar) Limited, Gibraltar					
27. 5.1997	11.63%		1992	L	200,000.0
3.11.1997	0.00%		1994	L	20,000.0
Credit Suisse (Guernsey) Limited, Guernsey					
27. 1.1997	0.00%		1996	DM	25.0

Notes to the Group financial statement

Additional information on the Group balance sheet

BONDS ISSUED BY SUBSIDIARIES

Redemption	Coupon		Year of issue	Callable from	Issue amount in millions
Credit Suisse Financial Products, London					
1997	various		1994-1996	Sfr	197.8
1997	various		1993-1995	DM	110.0
10. 3.1997	0.00%	Zero-coupon currency and credit-linked notes	1995	L	8,000.0
22. 1.1997	0.00%		1996	Hfl	22.3
31. 1.1997	variable	Certificates relating to the CAC-40	1996	Ffr	383.7
1997	various		1996	Yen	48,765.6
1997	various		1995-1996	Esc	23,560.0
1997	various		1994-1996	Skr	207.0
1997	various		1994-1996	\$	298.0
1997	variable		1995	\$	275.0 ¹
23.10.1998	variable	Certificates relating to the CAC-40	1995	Ffr	365.5
30.12.1998	6.65%	Notes	1994	L	5,000,000.0
1998	variable		1996	Sfr	23.0
30. 9.1998	0.00%		1996	DM	20.0
1998	various		1995-1996	Yen	18,564.7
1998	various		1992-1996	\$	160.3
31. 8.1998	variable	Floating-rate notes	1991	\$	108.8 ¹
9. 9.1999	variable		1996	DM	204.8
22.11.1999	1.25%	Index-linked notes	1994	£	238.0
26. 7.1999	0.00%		1996	Sfr	18.0
1999	various		1994-1996	L	32,000.0
1999	various		1994-1996	Yen	17,297.0
1999	various		1994	Hfl	46.0
1999	various		1992-1996	\$	267.8
30. 4.1999	7.13%	CCY-linked variable notes	1992	Ecu	47.0
30. 4.1999	7.75%		1992	Ecu	47.0 ¹
21.12.2000	3.00%	Index-linked notes	1995	Fmk	25.0
2000	various		1995-1996	Yen	4,100.0
27. 9.2000	0.00%		1994	Hfl	25.0
2000	various		1995-1996	\$	124.0
2001	various		1994-1996	\$	155.5
2001	various		1995-1996	Yen	20,839.3
2001	various		1996	DM	53.3
10. 5.2001	variable		1994	Ecu	15.0
2002	various		1996	Yen	29,630.0
15.10.2002	10.35%		1996	DM	10.0
2002	various		1992	Bfr	3,500.0 ¹
2002	various		1995-1996	\$	136.4
6.11.2003	0.00%		1995	Ffr	25.0
2003	variable		1996	Yen	1,300.0
31.10.2003	2.00%		1996	L	30,000.0
19. 3.2003	7.63%		1993	Bfr	1,500.0 ¹
2003	various		1994-1996	\$	51.3
31.10.2004	0.00%		1994	Sfr	13.0 ¹
29.12.2004	3.00%		1996	L	20,000.0
2004	various		1995-1996	Yen	1,400.0
2004	various		1994-1996	\$	75.7
31.10.2004	0.00%		1994	Ecu	10.0 ¹
8. 6.2005	8.25%		1995	Bfr	200.0 ¹
27. 9.2005	variable	Floating-rate notes	1995	DM	46.9 ¹
28. 4.2005	6.73%		1996	9.12.1997 Esc	3,000.0
2005	various		1995-1996	Yen	20,300.0
2005	various		1995-1996	\$	277.3
19.12.2006	5.70%		1996	Yen	500.0
27. 9.2006	variable		1996	DM	9.3 ¹
2006	various		1995-1996	\$	30.8
2006	0.00%	Zero-coupon bonds	1994	\$	40.0 ¹

Notes to the Group financial statement

Additional information on the Group balance sheet

BONDS ISSUED BY SUBSIDIARIES

Redemption	Coupon		Year of issue	Callable from	Issue amount in millions
Credit Suisse Financial Products, London					
2007	variable		1995-1996		\$ 70.6
2. 8.2007	variable		1996		L 27,500.0
3. 4.2007	4.00%		1996		Sfr 20.0
2007	variable		1996		Yen 2,500.0
2008	0.00%	Zero-coupon bonds	1993-1994		DM 152.7 ¹
29. 4.2008	0.00%	Zero-coupon bonds	1996		Sfr 10.0
2008	variable		1995-1996		\$ 127.0
2009	0.00%	Zero-coupon bonds	1994-1996		DM 212.6 ¹
15. 5.2009	7.50%		1996		Yen 1,000.0
9. 9.2009	0.00%	Zero-coupon bonds	1996		\$ 11.0
1. 3.2010	0.00%	Zero-coupon bonds	1995		L 30,000.0 ¹
17. 3.2010	1.00%		1996		Yen 9,200.0
2011	variable		1993-1995		\$ 126.3
17. 2.2012	0.00%	Zero-coupon bonds	1996		\$ 23.0
16. 6.2013	4.00%	Dual-currency notes	1995		Yen 1,000.0
17. 6.2013	0.00%	Zero-coupon bonds	1995		\$ 13.0
20.12.2014	0.00%	Zero-coupon bonds	1994		L 250,000.0 ¹
2014	0.00%	Zero-coupon bonds	1994-1995		\$ 149.0
15.11.2015	5.75%		1995		Sfr 30.0 ¹
27. 4.2017	variable		1996		Yen 5,000.0
7. 1.2020	variable		1996		C\$ 162.5
15.12.2021	0.00%	Zero-coupon bonds	1995		\$ 16.0 ¹
4.10.2021	variable		1996		Yen 10,000.0
31.12.2050	4.75%		1995		Sfr 50.0 ¹
31.12.2050	7.74%		1995	7.11.2005	H\$ 35.0 ¹
31.12.2050	variable		1992	21.12.1999	\$ 20.0 ¹
2050	variable		1993-1995		Yen 20,000.0 ¹
31.12.2050	10.25%		1995		£ 100.0 ¹

Bonds issued by our finance subsidiaries in Panama, Guernsey and Gibraltar are guaranteed by Credit Suisse, Zurich.

¹ subordinated bonds

² The issue price of the bond represented 38.55% of the nominal value.

³ The issue price of the bond represented 50.10% of the nominal value.

Notes to the Group financial statement

Additional information on the Group balance sheet

WRITE-DOWNS AND PROVISIONS/RESERVES FOR GENERAL BANK RISKS	Total 31.12.95 Sfr m	Specific write-downs and write-backs Sfr m	Reclassifi- cations Sfr m	Recoveries, endangered interest, currency differences Sfr m	New charges to profit and loss account Sfr m	New charges to profit and loss account (extra- ordinary) Sfr m	Write-backs credited to profit and loss account Sfr m	Total 31.12.96 Sfr m	Change Sfr m
Write-downs and provisions for default risks (borrower and country risks)	8 919	-1 477	0	662	823 ²	1 230	0	10 157 ¹	1 238
Write-downs and provisions for other business risks	209	-13	20 ³	44	48	155	0	463	254
Write-downs and provisions for restructuring	0	-235	0	0	0	435	0	200	200
Provisions for taxes and deferred taxes	430	-317	0	30	405	66	0	614	184
Other provisions	45	-19	67 ⁴	0	2	10	0	105	60
Total, write-downs and provisions	9 603	-2 061	87	736	1 278	1 896	0	11 539	1 936
less direct charge-offs against specific assets	8 216							9 357	1 141
Total write-downs and pro- visions shown in balance sheet	1 387							2 182	795
Reserves for general bank risks	432	0	0	0	0	0	0	432	0

¹ of which for domestic banks/customers (incl. mortgage-backed loans) Sfr 9,553 million (1995: Sfr 8,178 million)

² of which Sfr 51 million is set off against written-back country provisions

³ from merger of CS (Deutschland) AG, Frankfurt, with CS First Boston Effectenbank AG to create Credit Suisse First Boston Aktiengesellschaft, Frankfurt

⁴ 1995: charged to financial assets

MATURITY STRUCTURE OF CURRENT ASSETS AND DEBT CAPITAL

MATURITY STRUCTURE OF CURRENT ASSETS AND DEBT CAPITAL		Maturity						
		Sight deposits Sfr m	Callable Sfr m	within 3 months Sfr m	3-12 months Sfr m	12 months- 5 years Sfr m	over 5 years Sfr m	Total Sfr m
Current assets								
Liquidity		2 665						2 665
Claims in respect of money market paper				14 757	2 904	109		17 770
Due from banks		2 069	632	28 797	9 790	934	172	42 394
Due from customers		14 811	2 951	27 098	21 016	10 954	5 768	82 598
Mortgages			28 860	1 691	10 659	18 477	518	60 205
Securities and precious metal trading portfolios		35 786						35 786
Financial assets		925		1 419	1 602	3 259	1 240	8 445
Total, current assets	31 December 1996	56 256	32 443	73 762	45 971	33 733	7 698	249 863
	31 December 1995	48 338	38 192	60 713	22 734	34 027	6 771	210 775
Debt capital								
Liabilities in respect of money market paper				5 084	1 574	189	60	6 907
Due to banks		12 816	1 603	36 315	5 276	479	10	56 499
Due to customers, savings and investment deposits			44 318					44 318
Due to customers, other		25 462	7 885	63 421	6 406	1 397	2 178	106 749
Medium-term notes				307	1 385	5 705	651	8 048
Bonds and mortgage bonds				901	1 888	6 299	8 790	17 878
Total, debt capital	31 December 1996	38 278	53 806	106 028	16 529	14 069	11 689	240 399
	31 December 1995	29 703	48 441	83 811	14 590	14 377	10 250	201 172

Notes to the Group financial statement

Additional information on the Group balance sheet

SHAREHOLDERS' EQUITY	31.12.96 Sfr m	31.12.95 Sfr m	Change Sfr m	Change %
Shareholders' equity at 1 January 1995				
Share capital, Credit Suisse (parent company)	2 149	2 149	0	0.0
Capital reserves	4 408	4 408	0	0.0
Revenue reserves	4 935	4 866	69	1.4
Capital reserves, minority shareholders	345	331	14	4.2
Revenue reserves, minority shareholders	206	270	-64	-23.7
Reserves for general bank risks	432	1 007	-575	-57.1
Group profit	1 234	1 202	32	2.7
<i>of which minority interests</i>	213	191	22	11.5
Total shareholders' equity at 1 January 1996	13 709	14 233	-524	-3.7
Capital increases				
Minority shareholders of subsidiaries	2	0	2	
Other charges to/write-backs from reserves				
Reclassification of reserves for general bank risks	0	-575	575	
Payments				
Credit Suisse 1995 dividend	-537	-537	0	
Paid by subsidiaries to minority shareholders and miscellaneous	-236	-140	-96	
Foreign currency translation differences	349	-260	609	
Goodwill				
Intangible assets, 1995 total	0	-102	102	
Goodwill purchases	-6	-130	124	
Changes in scope of consolidation	0	-14	14	
Group loss/profit	-1 444	1 234	-2 678	
Total shareholders' equity at 31 December 1996	11 837	13 709	-1 872	-13.7
Share capital, Credit Suisse (parent company)	2 149	2 149	0	0.0
Capital reserves	4 408	4 408	0	0.0
Revenue reserves	5 637	4 935	702	14.2
Capital reserves, minority shareholders	340	345	-5	-1.4
Revenue reserves, minority shareholders	315	206	109	52.9
Reserves for general bank risks	432	432	0	0.0
Group loss/profit	-1 444	1 234	-2 678	-217.0
<i>of which minority interests</i>	261	213	48	22.5
CLAIMS ON AND LIABILITIES TO ASSOCIATED UNDERTAKINGS, AND LOANS TO MEMBERS OF THE BANK'S GOVERNING BODIES	31.12.96 Sfr m	31.12.95 Sfr m	Change Sfr m	Change %
Claims on associated undertakings	7 426	2 610	4 816	184.5
Liabilities to associated undertakings	4 527	3 665	862	23.5
Loans to members of the bank's governing bodies	251	230	21	9.1

Associated undertakings are companies which are not subsidiaries of the CS Group but which are grouped together under unitary management within the organisation of CS Holding, of which the CS Group is itself a subsidiary.

The heading 'Loans to members of the bank's governing bodies' includes all claims on Members of the Board of Directors, executive management and the statutory auditors and on any companies controlled by them.

Notes to the Group financial statement
Additional information on the Group balance sheet

**BREAKDOWN OF ASSETS AND LIABILITIES:
SWITZERLAND AND ABROAD**
(by location of assets)

	31.12.96		31.12.95	
	Switzerland Sfr m	Abroad Sfr m	Switzerland Sfr m	Abroad Sfr m
Assets				
Liquidity				
Claims in respect of money market paper	2 305	360	1 725	96
Due from banks	3 288	14 482	1 859	9 353
Due from customers	3 018	39 376	3 407	40 162
Mortgages	28 415	54 183	30 598	33 287
Securities and precious metal trading portfolios	58 831	1 374	57 396	1 236
Financial assets	5 508	30 278	5 590	22 387
Non-consolidated long-term holdings	1 906	6 539	1 505	2 174
Physical assets	269	238	333	199
Accrued and deferred items	4 955	444	5 992	390
Other assets	477	1 770	879	1 431
TOTAL ASSETS	11 818	23 557	6 552	18 024
	120 790	172 601	115 836	128 739
Liabilities				
Liabilities in respect of money market paper				
Due to banks	498	6 409	515	3 785
Due to customers, savings and investment deposits	14 303	42 196	14 448	30 412
Due to customers, other	40 595	3 723	37 768	3 343
Medium-term notes	41 252	65 497	40 097	44 460
Bonds and mortgage bonds	8 048	0	9 980	0
Accrued and deferred items	10 195	7 683	10 155	6 209
Other liabilities	1 080	1 853	1 427	1 399
Write-downs and provisions	11 369	24 671	6 854	18 627
Reserves for general bank risks	1 668	514	969	418
Share capital, Credit Suisse (parent company)	395	37	395	37
Capital reserves	2 149	0	2 149	0
Revenue reserves	4 408	0	4 408	0
Minority interests in shareholders' equity	4 147	1 490	3 961	974
Group loss/profit	19	636	18	533
<i>of which minority interests</i>	-1 999	555	512	722
<i>Total shareholders' equity</i>	<i>1</i>	<i>260</i>	<i>2</i>	<i>211</i>
TOTAL LIABILITIES	9 119	2 718	11 443	2 266
	138 127	155 264	133 656	110 919

Notes to the Group financial statement

Additional information on the Group balance sheet

GEOGRAPHICAL ANALYSIS OF ASSETS (by location of assets)

	31.12.96		31.12.95		Change	
	Sfr m	% of total	Sfr m	% of total	Sfr m	%
Switzerland	120 790	41.2	115 836	47.4	4 954	4.3
EU ¹	95 198	32.4	72 668	29.7	22 530	31.0
USA	30 487	10.4	24 990	10.2	5 497	22.0
Canada	4 547	1.5	5 122	2.1	-575	-11.2
Japan	15 117	5.1	8 384	3.4	6 733	80.3
Other industrial countries ²	4 277	1.5	2 796	1.1	1 481	53.0
Financial centres outside industrial countries	11 605	4.0	5 941	2.4	5 664	95.3
of which Hong Kong	3 160	1.1	1 937	0.8	1 223	63.1
Singapore	2 555	0.9	1 712	0.7	843	49.2
Other ³	5 890	2.0	2 292	0.9	3 598	157.0
Oil-producing countries ⁴	2 758	0.9	2 030	0.8	728	35.9
Newly industrialised countries ⁵	4 920	1.7	4 083	1.7	837	20.5
Eastern Europe and Commonwealth of Independent States ⁶	1 196	0.4	876	0.4	320	36.5
Other developing countries ⁷	2 496	0.9	1 849	0.8	647	35.0
Total assets outside Switzerland	172 601	58.8	128 739	52.6	43 862	34.1
TOTAL ASSETS	293 391	100.0	244 575	100.0	48 816	20.0

Countries not listed separately above in which our assets amount to more than Sfr 100 million:

¹ Austria 1,028 (894), Belgium 5,760 (3,237), Denmark 1,030 (472), Finland 505 (392), France 6,047 (5,624), Germany 11,771 (12,377), Greece 341 (220), Ireland 639 (346), Italy 4,309 (3,822), Luxembourg 2,798 (3,378), Netherlands 3,280 (2,219), Portugal 520 (434), Spain 2,630 (1,815), Sweden 2,417 (1,094), United Kingdom 52,123 (36,344)
² Australia 2,061 (946), Liechtenstein 877 (956), New Zealand 239 (117), Norway 225 (115), South Africa 767 (529)

³ Aruba-Curaçao 265 (244), Bahamas 338 (158), Bermuda 1,746 (214), Cayman Islands 2,859 (767), Panama 677 (877)

⁴ Indonesia 503 (413), Iran 386 (366), Kuwait 100 (130), Mexico 1,249 (680), United Arab Emirates 117 (150), Venezuela 116 (23)

⁵ Argentina 786 (916), Brazil 685 (436), Chile 363 (241), Colombia 168 (103), Egypt 119 (111), Philippines 201 (140), South Korea 757 (604), Taiwan 188 (299), Thailand 819 (585), Turkey 292 (284)

⁶ Russian Federation 649 (595), Czech Republic 169 (96)

⁷ China 1,101 (673), India 312 (344), Liberia 583 (465)

Notes to the Group financial statement

Additional information on the Group balance sheet

CURRENCY STRUCTURE OF THE BALANCE SHEET	Swiss francs		US dollars		Other currencies		Total	
	31.12.96 Sfr m	31.12.95 Sfr m	31.12.96 Sfr m	31.12.95 Sfr m	31.12.96 Sfr m	31.12.95 Sfr m	31.12.96 Sfr m	31.12.95 Sfr m
Assets								
Liquidity	1 877	1 400	138	98	650	323	2 665	1 821
Claims in respect of money market paper	3 282	1 810	2 107	4 826	12 381	4 576	17 770	11 212
Due from banks	11 944	14 144	15 806	14 233	14 644	15 192	42 394	43 569
Due from customers	28 955	31 084	31 036	18 300	22 607	14 501	82 598	63 885
Mortgages	59 560	58 105	114	95	531	432	60 205	58 632
Securities and precious metal trading portfolios	7 176	6 578	11 622	7 249	16 988	14 150	35 786	27 977
Financial assets	3 336	1 994	1 534	348	3 575	1 337	8 445	3 679
Non-consolidated long-term holdings	270	333	6	0	231	199	507	532
Physical assets	4 901	5 983	259	207	239	192	5 399	6 382
Accrued and deferred items	614	878	613	486	1 020	946	2 247	2 310
Other assets	11 086	6 732	6 924	14 546	17 365	3 298	35 375	24 576
TOTAL ASSETS	133 001	129 041	70 159	60 388	90 231	55 146	293 391	244 575
Liabilities								
Liabilities in respect of money market paper	49	32	5 040	3 502	1 818	766	6 907	4 300
Due to banks	12 606	12 944	22 991	13 299	20 902	18 617	56 499	44 860
Due to customers, savings and investment deposits	44 077	40 903	230	196	11	12	44 318	41 111
Due to customers, other	37 321	35 136	38 870	25 505	30 558	23 916	106 749	84 557
Medium-term notes	8 048	9 980	0	0	0	0	8 048	9 980
Bonds and mortgage bonds	9 080	9 912	2 924	2 711	5 874	3 741	17 878	16 364
Accrued and deferred items	1 283	1 404	881	718	769	704	2 933	2 826
Other liabilities	12 401	8 072	5 266	14 905	18 373	2 504	36 040	25 481
Write-downs and provisions	1 640	1 023	317	184	225	180	2 182	1 387
Reserves for general bank risks	395	395	0	0	37	37	432	432
Share capital, Credit Suisse (parent company)	2 149	2 149	0	0	0	0	2 149	2 149
Capital reserves	4 408	4 408	0	0	0	0	4 408	4 408
Revenue reserves	4 156	3 961	877	690	604	284	5 637	4 935
Minority interests in shareholders' equity	19	18	636	533	0	0	655	551
Group loss/profit	-1 999	512	472	383	83	339	-1 444	1 234
<i>of which minority interests</i>	<i>1</i>	<i>2</i>	<i>260</i>	<i>211</i>	<i>0</i>	<i>0</i>	<i>261</i>	<i>213</i>
<i>Total shareholders' equity</i>	<i>9 128</i>	<i>11 443</i>	<i>1 985</i>	<i>1 606</i>	<i>724</i>	<i>660</i>	<i>11 837</i>	<i>13 709</i>
TOTAL LIABILITIES	135 633	130 849	78 504	62 626	79 254	51 100	293 391	244 575

Notes to the Group financial statement

Additional information on the Group balance sheet

FURTHER DETAILS ON SELECTED BALANCE SHEET ITEMS

	31.12.96 Sfr m	31.12.95 Sfr m	Change Sfr m	Change %
Financial leasing				
Vehicle leasing	385	360	25	6.9
Real estate leasing	337	380	-43	-11.3
Capital goods leasing	451	589	-138	-23.4
Total, financial leasing¹	1 173	1 329	-156	-11.7
¹ shown in the balance sheet under 'Due from customers'				
Other assets				
Positive replacement value of derivatives ²	33 493	23 089	10 404	45.1
Transitory accruals and deferrals	858	387	471	121.7
Compensating balance for hedge transactions	38	131	-93	-71.0
Other	986	969	17	1.8
Total, other assets	35 375	24 576	10 799	43.9
² after deduction of Sfr 2.1 billion (1995: Sfr 1.8 billion) of assets pledged as security under legally enforceable netting agreements				
Other liabilities				
Mortgages on own real estate	346	389	-43	-11.1
Negative replacement value of derivatives	33 286	23 448	9 838	42.0
Transitory accruals and deferrals	1 227	639	588	92.0
Compensating balance for hedge transactions	176	127	49	38.6
Other	1 005	878	127	14.5
Total, other liabilities	36 040	25 481	10 559	41.4
Securitised liabilities				
Money market paper	6 907	4 300	2 607	60.6
Medium-term notes	8 048	9 980	-1 932	-19.4
Bonds	16 764	15 030	1 734	11.5
Total, securitised liabilities	31 719	29 310	2 409	8.2
Claims on associated companies and long-term holdings				
Due from banks	35	4	31	775.0
Due from customers	77	109	-32	-29.4
Mortgages	72	22	50	227.3
Total, claims on associated companies and long-term holdings	184	135	49	36.3
Liabilities in respect of associated companies and long-term holdings				
Due to banks	15	14	1	7.1
Due to customers	59	73	-14	-19.2
Total, liabilities in respect of associated companies and long-term holdings	74	87	-13	-14.9

Notes to the Group financial statement
Additional information on the Group balance sheet

**FURTHER DETAILS
ON SELECTED BALANCE SHEET ITEMS**

	31.12.96 Sfr m	31.12.95 Sfr m	Change Sfr m	Change %
Breakdown of subordinated balance sheet items				
Assets subject to subordination clause				
Due from banks	2	2	0	0.0
Due from customers	127	201	-74	-36.8
Securities holdings	186	221	-35	-15.8
<i>of which trading portfolios</i>	52	174	-122	-70.1
<i>of which financial assets</i>	134	47	87	185.1
Total, assets subject to subordination clause	315	424	-109	-25.7
Liabilities subject to subordination clause				
Due to banks	0	0	0	0.0
Due to customers	553	134	419	312.7
Bonds and mortgage bonds	8 243	7 766	477	6.1
Total, liabilities subject to subordination clause	8 796	7 900	896	11.3

**NUMBER OF PASSBOOKS
AND ACCOUNTS**

	Number		% of total		Sfr m		% of total	
	31.12.96	31.12.95	31.12.96	31.12.95	31.12.96	31.12.95	31.12.96	31.12.95
Savings deposits								
Savings and investment savings accounts	1 330 764	1 347 675	54.6	54.0	15 952	14 926	49.9	49.9
Junior and senior citizens' savings accounts	844 805	865 219	34.6	34.7	9 536	9 744	29.8	32.6
Other savings accounts	264 276	280 972	10.8	11.3	6 509	5 229	20.3	17.5
Total	2 439 845	2 493 866	100.0	100.0	31 997	29 899	100.0	100.0
Investment, private and universal accounts								
Investment accounts	30 549	31 832	3.6	3.7	3 446	3 118	28.0	27.8
Private/universal accounts	814 651	833 373	96.4	96.3	8 875	8 094	72.0	72.2
Total	845 200	865 205	100.0	100.0	12 321	11 212	100.0	100.0
Total, due to customers, savings and investment deposits	3 285 045	3 359 071			44 318	41 111		

Notes to the Group financial statement

Additional information on off-balance-sheet business

OFF-BALANCE-SHEET BUSINESS

	31.12.96 Sfr m	31.12.95 Sfr m	Change Sfr m	Change %
Breakdown of contingent liabilities				
Credit guarantees in the form of aval, guarantee and indemnity liabilities	14 886	14 169	717	5.1
less subparticipations allocated	-5 680	-4 615	1 065	23.1
Bid bonds, delivery and performance bonds, letters of indemnity, other performance-related guarantees	7 029	3 565	3 464	97.2
less subparticipations allocated	-50	0	-50	-100.0
Irrevocable commitments in respect of documentary credits	3 295	5 787	-2 492	-43.1
less subparticipations allocated	-98	-191	-93	-48.7
Other contingent liabilities	3 320	2 299	1 021	44.4
Total, contingent liabilities	22 702	21 014	1 688	8.0
Irrevocable commitments	59 260	44 501	14 759	33.2
Call liabilities	71	81	-10	-12.3
Breakdown of confirmed credits				
Liabilities in respect of deferred payments ¹	-	-	-	-
Acceptance credits	510	253	257	101.6
Other liabilities	0	0	0	0.0
Total, confirmed credits	510	253	257	101.6
¹ Sfr 0.2 billion (1995: Sfr 0.2 billion) of unilaterally fulfilled confirmed credits are shown as liabilities in the balance sheet.				
Breakdown of fiduciary transactions				
Fiduciary placements with third-party institutions	24 073	15 414	8 659	56.2
Fiduciary credits and other fiduciary transactions	745	5 454	-4 709	-86.3
Total, fiduciary transactions	24 818	20 868	3 950	18.9

OPEN DERIVATIVE CONTRACTS	Gross positive replacement value				Credit equivalent			
	Remaining life			31.12.96 Total Sfr bn	Remaining life			31.12.96 Total Sfr bn
	< 1 year Sfr bn	1-5 years Sfr bn	> 5 years Sfr bn		< 1 year Sfr bn	1-5 years Sfr bn	> 5 years Sfr bn	
Breakdown by maturity								
Total, interest rate instruments	2.5	16.8	17.2	36.5	2.5	19.7	22.7	44.9
Total, foreign exchange	16.1	4.9	1.9	22.9	20.4	8.7	4.3	33.4
Total, precious metals	0.3	0.3	0.0	0.6	0.4	0.3	0.0	0.7
Total, equities/indices	1.9	1.6	0.0	3.5	2.7	2.4	0.1	5.2
Total, other	0.0	0.0	0.0	0.0	0.3	0.2	0.0	0.5
Total	20.8	23.6	19.1	63.5	26.3	31.3	27.1	84.7

OPEN DERIVATIVE CONTRACTS¹

Breakdown by internal bank rating ²	Contract volume 31.12.96		Gross replacement value ³ 31.12.96		Credit equivalent 31.12.96	
	Sfr bn	%	Sfr bn	%	Sfr bn	%
AAA	319.6	12.8	3.7	11.9	7.4	13.6
AA	845.2	33.7	10.8	34.7	18.9	34.7
A	784.8	31.3	8.6	27.7	16.1	29.6
BBB	517.8	20.7	7.1	22.8	10.5	19.3
BB or lower	38.1	1.5	0.9	2.9	1.5	2.8
Total	2 505.5	100.0	31.1	100.0	54.4	100.0

¹ OTC contracts, excl. OTC option sales

² transferred to Standard & Poor's rating structure

³ taking account of legally enforceable netting agreements and after deduction of Sfr 2.1 billion of assets pledged as security

Notes to the Group financial statement

Additional information on off-balance-sheet business

OPEN DERIVATIVE CONTRACTS (continued)		Contract volume ¹				Replacement values (RV)				
		Remaining life			31.12.96	31.12.95	31.12.96		31.12.95	
		< 1 year Sfr bn	1-5 years Sfr bn	> 5 years Sfr bn	Total Sfr bn	Total Sfr bn	Positive RV ⁵ Sfr bn	Negative RV ⁵ Sfr bn	Positive RV ⁵ Sfr bn	Negative RV ⁵ Sfr bn
Interest rate instruments										
OTC	FRAs and other forward contracts	144.4	16.6	0.0	161.0	114.2	0.1	0.2	0.2	0.2
	Swaps	189.0	565.8	379.0	1 133.8	770.5	33.8	30.4	21.0	18.7
	Options bought	25.1	87.8	37.2	150.1	95.5	2.6	-	1.6	-
	Options sold	24.4	102.1	39.8	166.3	126.2	-	2.7	-	2.4
Traded	Futures	108.4	47.0	4.3	159.7	167.6	-	-	-	-
	Options	30.1	9.1	0.0	39.2	51.8	-	-	-	-
Total, interest rate instruments		521.4	828.4	460.3	1 810.1	1 325.8	36.5	33.3	22.8	21.3
Foreign exchange contracts										
OTC	Forward contracts ^{2, 3}	691.2	8.4	1.9	701.5	540.5	13.4	14.8	7.1	7.6
	Swaps ⁴	48.9	77.9	35.0	161.8	112.5	7.7	8.4	6.6	7.2
	Options bought	130.6	6.6	0.0	137.2	71.9	1.8	-	1.2	-
	Options sold	120.4	2.6	1.7	124.7	73.3	-	1.8	-	1.2
Traded	Futures	0.0	0.0	0.0	0.0	0.1	-	-	-	-
	Options	0.7	0.0	0.0	0.7	0.0	-	-	-	-
Total, foreign exchange contracts		991.8	95.5	38.6	1 125.9	798.3	22.9	25.0	14.9	16.0
Precious metal contracts										
OTC	Forward contracts ²	9.9	4.1	1.5	15.5	8.7	0.5	0.6	0.2	0.2
	Options bought	1.5	0.1	0.0	1.6	3.5	0.1	-	0.1	-
	Options sold	4.6	3.0	0.4	8.0	4.2	-	0.6	-	0.1
Traded	Futures	5.7	1.2	0.0	6.9	0.8	-	-	-	-
	Options	0.5	0.6	0.0	1.1	0.7	-	-	-	-
Total, precious metal contracts		22.2	9.0	1.9	33.1	17.9	0.6	1.2	0.3	0.3
Equity/index contracts										
OTC	Forward contracts	0.1	0.0	0.0	0.1	0.2	0.0	0.0	0.0	0.0
	Options bought	23.3	18.4	0.1	41.8	40.6	3.5	-	3.0	-
	Options sold	26.6	19.6	0.3	46.5	39.2	-	3.9	-	2.5
Traded	Futures	5.0	0.1	0.0	5.1	5.3	-	-	-	-
	Options	28.0	2.4	0.0	30.4	21.3	-	-	-	-
Total, equity/index contracts		83.0	40.5	0.4	123.9	106.6	3.5	3.9	3.0	2.5
Other contracts										
OTC	Forward contracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Options bought	0.5	0.6	0.0	1.1	0.4	0.0	-	0.0	-
	Options sold	0.2	0.3	1.1	1.6	1.2	-	0.0	-	0.0
Traded	Futures	0.4	0.2	0.0	0.6	1.5	-	-	-	-
	Options	2.3	0.2	0.0	2.5	2.3	-	-	-	-
Total, other contracts		3.4	1.3	1.1	5.8	5.4	0.0	0.0	0.0	0.0
TOTAL		1 621.8	974.7	502.3	3 098.8	2 254.0	63.5	63.4	41.0	40.1
<i>of which OTC contract volume</i>		<i>1 440.7</i>	<i>913.9</i>	<i>498.0</i>	<i>2 852.6</i>	<i>2 002.6</i>				
Replacement value taking into consideration legally enforceable netting agreements							31.1⁶	33.1	23.1⁶	23.4

¹ gross volume of purchases and sales (own and customer transactions)

² including outstanding spot transactions

³ of which up to one month: Sfr 275.6 billion

⁴ currency swaps and cross-currency interest rate swaps

⁵ No replacement values are shown for traded derivatives (futures and traded options) subject to daily margining requirements.

⁶ positive replacement value after deduction of Sfr 2.1 billion (1995: Sfr 1.8 billion) of assets pledged as security

Notes to the Group financial statement
Additional information on the Group profit and loss account

ANALYSIS OF INCOME	1996 Sfr m	1995 Sfr m	Change Sfr m	Change %
BREAKDOWN OF INCOME FROM INTEREST BUSINESS				
Interest and discount income	10 832	11 072	-240	-2.2
Interest income from claims on customers	6 288	6 718	-430	-6.4
Interest income from claims on banks	3 240	2 947	293	9.9
Income from funding on securities trading positions	425	513	-88	-17.2
Interest/discount income from bills of exchange and money market paper	531	526	5	1.0
Credit commissions treated as interest earnings	258	267	-9	-3.4
Interest income from leasing	90	101	-11	-10.9
Interest and dividend income from financial assets	208	310	-102	-32.9
Interest income	193	291	-98	-33.7
Dividend income	15	19	-4	-21.1
Interest expense	-8 184	-8 548	-364	-4.3
Interest expense on liabilities to customers	-5 547	-6 343	-796	-12.5
Interest expense on liabilities to banks	-2 637	-2 205	432	19.6
<i>of which interest expense on subordinated liabilities</i>	-466	-413	53	12.8
Total income, interest business	2 856	2 834	22	0.8
BREAKDOWN OF COMMISSION AND FEE INCOME				
Income from credit business	287	261	26	10.0
Credit commissions	307	280	27	9.6
less commission expense	-20	-19	1	5.3
Income from securities business	795	706	89	12.6
Commission income from stock exchange business and securities underwriting	945	793	152	19.2
less commission expense	-150	-87	63	72.4
Income from investment business	1 772	1 480	292	19.7
Commission income from investment business and asset management	1 847	1 539	308	20.0
less commission expense	-75	-59	16	27.1
Other commissions and fee income	292	254	38	15.0
Other commissions and fee income	320	282	38	13.5
less commission expense	-28	-28	0	0.0
Total, commission and fee income	3 146	2 701	445	16.5
BREAKDOWN OF INCOME FROM TRADING (incl. derivatives and expenditure on brokerage/commissions)				
Income from securities trading	728	600	128	21.3
<i>of which trading income</i>	553	526	27	5.1
<i>of which interest and dividends</i>	600	587	13	2.2
<i>of which funding costs</i>	-425	-513	-88	-17.2
Income from foreign exchange and banknote trading	677	768	-91	-11.8
Income from precious metal trading	97	59	38	64.4
Income from trading in interest rate instruments	587	519	68	13.1
Other income from trading	243	76	167	219.7
Total income, trading	2 332	2 022	310	15.3

Notes to the Group financial statement

Additional information on the Group profit and loss account

SECRET

ANALYSIS OF INCOME (continued)

	1996 Sfr m	1995 Sfr m	Change Sfr m	Change %
BREAKDOWN OF OTHER ORDINARY INCOME				
Income from sale of financial assets	172	241	-69	-28.6
Income from long-term holdings	52	45	7	15.6
<i>of which income from long-term holdings valued according to the equity method</i>	41	42	-1	-2.4
<i>of which income from other, non-consolidated long-term holdings</i>	11	3	8	266.7
Income from real estate	27	34	-7	-20.6
Other ordinary income	169	137	32	23.4
Other ordinary expenditure	-73	-74	-1	-1.4
Total, other ordinary income	347	383	-36	-9.4
TOTAL INCOME	8 681	7 940	741	9.3

ANALYSIS OF EXPENDITURE

	1996 Sfr m	1995 Sfr m	Change Sfr m	Change %
BREAKDOWN OF STAFF COSTS				
Salaries	2 902	2 602	300	11.5
Staff benefits	445	426	19	4.5
Other staff costs	215	162	53	32.7
Total, staff costs	3 562	3 190	372	11.7

BREAKDOWN OF PROPERTY, EQUIPMENT AND ADMINISTRATIVE COSTS

Bank premises and real estate	336	330	6	1.8
Expenditure on IT, machinery, furnishings, vehicles and other equipment	227	176	51	29.0
Other property, equipment and administrative costs	1 081	924	157	17.0
<i>of which communications and advertising costs</i>	342	322	20	6.2
<i>of which legal and consultancy fees</i>	217	137	80	58.4
<i>of which fees and commissions</i>	144	133	11	8.3
<i>of which other costs</i>	378	332	46	13.9
Total, property, equipment and administrative costs	1 644	1 430	214	15.0

BREAKDOWN OF WRITE-DOWNS ON FIXED ASSETS

Depreciation on physical assets	679	563	116	20.6
<i>of which repossessed real estate</i>	158	7	151	2 157.1
<i>of which other real estate</i>	104	100	4	4.0
Write-downs on long-term holdings	0	4	-4	-100.0
Total, write-downs on fixed assets	679	567	112	19.8

BREAKDOWN OF WRITE-DOWNS, PROVISIONS AND LOSSES

Provisions and write-downs for default risks (borrower and country risks)	823	705	118	16.7
Provisions and write-downs for other business risks	27	10	17	170.0
Losses	176	174	2	1.1
<i>of which losses in credit business</i>	106	135	-29	-21.5
Total, write-downs, provisions and losses	1 026	889	137	15.4

Notes to the Group financial statement

Additional information on the Group profit and loss account

ANALYSIS OF EXTRAORDINARY INCOME AND EXPENDITURE

	1996 Sfr m	1995 Sfr m	Change Sfr m	Change %
BREAKDOWN OF EXTRAORDINARY INCOME				
Gains realised from the disposal of long-term holdings	0	24	-24	-100.0
Other extraordinary income	83	609	-526	-86.4
<i>of which reclassification of reserves for general bank risks</i>	0	575	-575	-100.0
Total, extraordinary income	83	633	-550	-86.9
BREAKDOWN OF EXTRAORDINARY EXPENDITURE				
Losses realised on the disposal of long-term holdings	0	1	-1	-100.0
Restructuring costs as a result of the Credit Suisse-SVB union	74	155	-81	-52.3
Restructuring costs for Credit Suisse Group	435	0	435	100.0
Allocation to provisions for Vertika AG	600	353	247	70.0
Allocation to provisions for A+E Leasing	0	122	-122	-100.0
Write-downs on repossessed real estate	400	100	300	300.0
Allocation to provisions for credit risks	630	0	630	100.0
Write-downs on IT equipment	100	0	100	100.0
Write-downs on bank premises	290	0	290	100.0
Allocation to provisions for trading positions in emerging markets	155	0	155	100.0
Allocation to provisions for tax	66	0	66	100.0
Other extraordinary expenditure	142	115	27	23.5
Total, extraordinary expenditure	2 892	846	2 046	241.8

BREAKDOWN OF INCOME AND EXPENDITURE FROM ORDINARY BANKING BUSINESS: SWITZERLAND AND ABROAD

	1996		1995	
	Switzerland Sfr m	Abroad Sfr m	Switzerland Sfr m	Abroad Sfr m
Income from interest business	2 137	719	2 087	747
Commission and fee income	2 560	586	2 227	474
Income from trading	938	1 394	897	1 125
Other ordinary income	311	36	335	48
TOTAL INCOME	5 946	2 735	5 546	2 394
Operating expenditure				
Staff costs	2 548	1 014	2 409	781
<i>of which salaries</i>	2 071	877	1 931	671
<i>of which staff benefits</i>	347	98	342	84
<i>of which other staff costs</i>	130	39	136	26
Property, equipment and administrative costs	1 168	476	1 050	380
<i>of which bank premises</i>	235	101	233	97
<i>of which expenditure on IT, machinery, furnishings, vehicles, etc.</i>	127	100	111	65
<i>of which other property, equipment and administrative costs</i>	806	275	706	218
Sub-total, operating expenditure	3 716	1 490	3 459	1 161
GROSS PROFIT BEFORE TAX	2 230	1 245	2 087	1 233
% of total	64%	36%	63%	37%
Tax	80	325	53	364
% of total	20%	80%	13%	87%
GROSS PROFIT AFTER TAX	2 150	920	2 034	869
% of total	70%	30%	70%	30%

Report of the Group's Independent Auditors

Stampfenbachstrasse 109
Postfach 329
8035 Zürich

Telefax 01 365 63 60
Telefon 01 365 65 65

Revisuisse Price Waterhouse

Report of the group auditors
to the General Meeting of
Credit Suisse First Boston
(formerly Credit Suisse)
8070 Zurich



As auditors of the group, we have audited the consolidated financial statements (balance sheet, income statement, statement of cash flows, and notes to the consolidated financial statements) of Credit Suisse First Boston (formerly Credit Suisse) for the year ended December 31, 1996.

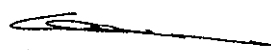
These consolidated financial statements are the responsibility of the board of directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

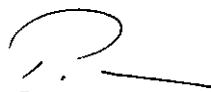
Our audit was conducted in accordance with auditing standards promulgated by the profession in Switzerland and with the International Standards on Auditing issued by the International Federation of Accountants (IFAC), which require that an audit be planned and performed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the consolidated financial statements. We have also assessed the accounting principles used, significant estimates made and the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the accounting rules for Swiss Banks, and comply with the law. In addition the consolidated financial statements comply with the accounting rules of the European Union given due consideration to the differences specified in the notes. The report on the business year is in accordance with the consolidated financial statements.

We recommend that the consolidated financial statements submitted to you be approved.

Revisuisse Price Waterhouse Ltd.


Peter Ochsner


Pascal Portmann

Auditors in charge

Zurich, February 27, 1997

Notes to the Group financial statement

Selected key figures 1991-1996 CS Group

BALANCE SHEET	1996 Sfr m	1995 Sfr m	1994 Sfr m	1993 Sfr m	1992 Sfr m	1991 Sfr m
Assets						
Liquidity and claims in respect of money market paper	20 435	13 033	10 571	11 724	10 764	9 740
Due from banks	42 394	43 569	49 858	49 398	37 797	27 745
Lendings:						
Due from customers	82 598	63 885	69 920	72 165	64 800	63 605
Mortgages	60 205	58 632	56 333	51 300	34 665	31 592
Securities and precious metal trading portfolios	35 786	27 977	24 708	26 592	10 926	10 590
Financial assets	8 445	3 679	3 681	3 547	1 654	2 383
Non-consolidated long-term holdings	507	532	462	460	499	446
Physical assets	5 399	6 382	6 212	5 152	3 331	2 981
Other assets	37 622	26 886	9 163	11 153	7 976	5 830
Liabilities						
Liabilities in respect of money market paper	6 907	4 300	6 872	4 251	5 139	5 577
Due to banks	56 499	44 860	42 857	48 781	37 100	30 243
Customer deposits:						
Due to customers, savings and investment deposits	44 318	41 111	36 551	32 644	15 348	13 266
Due to customers, other	106 749	84 557	91 431	91 550	72 450	66 563
Medium-term notes, bonds and mortgage bonds	25 926	26 344	28 506	26 396	20 861	19 803
Write-downs and provisions	2 182	1 387	1 590	1 447	1 291	1 311
Other liabilities	38 973	28 307	8 868	12 315	9 121	7 662
Shareholders' equity	11 837	13 709	14 233	14 107	11 102	10 487
<i>of which reserves for general bank risks</i>	432	432	1 007	1 007	1 007	1 009
<i>of which share capital</i>	2 149	2 149	2 149	2 146	1 850	1 850
<i>of which capital and revenue reserves</i>	10 045	9 343	9 274	9 137	7 022	6 535
<i>of which minority interests in shareholders' equity</i>	655	551	601	357	268	158
<i>of which Group loss/profit</i>	-1 444	1 234	1 202	1 460	955	935
BALANCE SHEET TOTAL	293 391	244 575	230 908	231 491	172 412	154 912
OFF-BALANCE-SHEET BUSINESS						
Contingent liabilities	22 702	21 014	20 664	21 774	18 460	17 510
Irrevocable commitments	59 260	44 501	41 067	37 660	35 066	32 494
Call liabilities	71	81	102	113	121	129
Confirmed credits	510	253	583	700	625	697
Derivatives:						
<i>gross positive replacement value</i>	63 465	41 039	28 183	-	-	-
<i>gross negative replacement value</i>	63 370	40 176	-	-	-	-
<i>contract volume</i>	3 098 751	2 254 023	2 096 407	1 680 785	1 058 554	746 964
Fiduciary transactions	24 818	20 868	16 005	17 687	25 207	25 839

Notes to the Group financial statement
Selected key figures 1991-1996 CS Group

PROFIT AND LOSS ACCOUNT	1996 Sfr m	1995 Sfr m	1994 Sfr m	1993 Sfr m	1992 Sfr m	1991 Sfr m
Income from ordinary banking business						
Income from interest business	2 856	2 834	2 613	2 763	2 302	2 308
Commission and fee income	3 146	2 701	2 799	2 550	1 658	1 469
Income from trading	2 332	2 022	1 701	3 343	1 525	1 161
Other ordinary income	347	383	465	493	260	267
Total income	8 681	7 940	7 578	9 149	5 745	5 205
Expenditure from ordinary banking business						
Staff costs	3 562	3 190	2 958	2 803	2 014	1 834
Property, equipment and administrative costs	1 644	1 430	1 416	1 299	925	845
Operating expenditure	5 206	4 620	4 374	4 102	2 939	2 679
GROSS PROFIT	3 475	3 320	3 204	5 047	2 806	2 526
Write-downs on fixed assets	-679	-567	-542	-531	-316	-322
Write-downs, provisions and losses	-1 026	-889	-1 334	-2 233	-1 201	-857
GROUP PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (INTERIM RESULT)	1 770	1 864	1 328	2 283	1 289	1 347
Extraordinary income	83	633	424	74	22	0
Extraordinary expenditure	-2 892	-846	-166	-211	0	0
Tax	-405	-417	-384	-686	-356	-412
GROUP LOSS/PROFIT	-1 444	1 234	1 202	1 460	955	935
<i>of which minority interests</i>	<i>261</i>	<i>213</i>	<i>191</i>	<i>242</i>	<i>98</i>	<i>87</i>
Group loss/profit after deduction of minority interests	-1 705	1 021	1 011	1 218	857	848

Notes to the Group financial statement

Selected key figures 1991-1996 CS Group

GROUP PERFORMANCE INDICATORS	1996	1995	1994	1993	1992	1991
Return on equity						
Total income as % of average shareholders' equity	64.93	58.84	53.22	72.33	54.19	52.01
Gross profit as % of average shareholders' equity	25.99	24.60	22.50	39.90	26.47	25.24
Gross profit before extraordinary expenditure after tax as a % of average shareholders' equity	10.21	10.72	6.63	12.63	8.80	9.34
Group profit as % of average shareholders' equity	-	9.14	8.44	11.54	9.01	9.34
Return on assets						
Total income as % of average total assets	3.16	3.50	3.26	4.34	3.51	3.25
Gross profit as % of average total assets	1.27	1.46	1.38	2.40	1.72	1.58
Group profit as % of average total assets	-	0.54	0.52	0.69	0.58	0.58
Financing ratios (at year-end)						
Equity ratio (shareholders' equity/total assets)	4.03	5.61	6.16	6.09	6.44	6.77
Risk-weighted equity ratio (BIS equity ratio)	11.20	11.40	10.20	10.30	9.60	9.81
Core capital ratio (BIS tier 1)	7.50	8.00	7.29	7.11	6.95	6.94
Customer deposits as % of lendings ¹	123.94	124.07	123.95	121.97	109.24	104.66
Business with customers and banks (as % of total assets)						
Liquidity (cash + claims in respect of money market paper)	7.0	5.3	4.6	5.1	6.2	6.3
Due from banks	14.4	17.8	21.6	21.3	21.9	17.9
Lendings ¹	48.7	50.1	54.7	53.3	57.7	61.5
Due to banks	19.3	18.3	18.6	21.1	21.5	19.5
Due to customers ¹	60.3	62.2	67.8	65.1	63.0	64.3
Foreign business (as % of total assets)						
Foreign assets	58.8	52.6	53.3	50.9	55.4	53.8
Foreign liabilities	52.9	45.5	43.7	42.6	45.8	45.4
Foreign business (as % of gross profit before tax)	37	37	35	32	35	34
Operating expenditure (as % of total income)	60.0	58.2	57.7	44.8	51.2	51.5
Productivity (per employee)						
Average total assets (Sfr 1,000)	11 169.56	9 395.71	9 642.50	9 483.33	9 648.89	9 606.62
Total income (Sfr 1,000)	353.37	328.56	314.10	411.75	339.06	312.63
Operating expenditure (Sfr 1,000)	211.92	191.18	181.30	184.61	173.45	160.91
Staff costs (Sfr 1,000)	145.00	132.00	122.61	126.15	118.86	110.16
Property, equipment and administrative costs (Sfr 1,000)	66.92	59.17	58.69	58.46	54.59	50.75
Gross profit (Sfr 1,000)	141.46	137.38	132.80	227.14	165.60	151.72
Group loss/profit (Sfr 1,000)	-58.78	51.06	49.82	65.71	56.36	56.16
OTHER KEY FIGURES						
Staff numbers (as at 1 January of following year)						
Switzerland	21 495	21 553	22 058	20 316	14 933	15 023
Abroad	4 914	4 611	4 270	4 003	3 665	3 444
Total	26 409	26 164	26 328	24 319	18 598	18 467
<i>of which established staff</i>	<i>24 566</i>	<i>24 166</i>	<i>24 126</i>	<i>22 220</i>	<i>16 944</i>	<i>16 649</i>
<i>of which staff in training</i>	<i>1 843</i>	<i>1 998</i>	<i>2 202</i>	<i>2 099</i>	<i>1 654</i>	<i>1 818</i>
Average staff numbers	26 437	26 394	25 258	23 673	18 472	18 460
Offices²						
Switzerland	417	430	434	421	280	309
Abroad	114	106	102	93	85	81
Total	531	536	536	514	365	390

¹ 'Due to customers' = 'Due to customers, savings and investment deposits' + 'Due to customers, other' + 'Medium-term notes, bonds and mortgage bonds';
² including agencies

