Structured Products Research Report

Report Prepared On: 08/02/13

Buffered Accelerated Return Equity Securities linked to iShares MSCI EAFE Index Fund

Structured Product Details

Name	Buffered Accelerated Return Equity Securities linked to iShares MSCI EAFE Index Fund
Issue Size	$1.04 million
Issue Price	$1,000
Term	60 Months
Annualized Coupon	0.00%
Pricing Date	July 18, 2012
Issue Date	July 23, 2012
Valuation Date	July 19, 2017
Maturity Date	July 24, 2017
Issuer	Credit Suisse
CDS Rate	173.34 bps
Swap Rate	0.83%
Reference Asset	iShares MSCI EAFE Index Fund
Initial Level	$49.87
Dividend Rate	3.39%
Implied Volatility	25.37%
Delta[1]	0.82
Fair Price at Issue	$935.76
CUSIP	22546TWM9
SEC Link	www.sec.gov/Archives/edgar/data/1053092/000095010312003681/dp31753_424b2-k176.htm

Description

Credit Suisse issued $1.04 million of Buffered Accelerated Return Equity Securities linked to iShares MSCI EAFE Index Fund on July 23, 2012 at $1,000 per note.

These notes are Credit Suisse-branded Buffered PLUS securities that do not pay periodic coupons, but instead pay a single amount at maturity depending on the final level of iShares MSCI EAFE Index Fund.

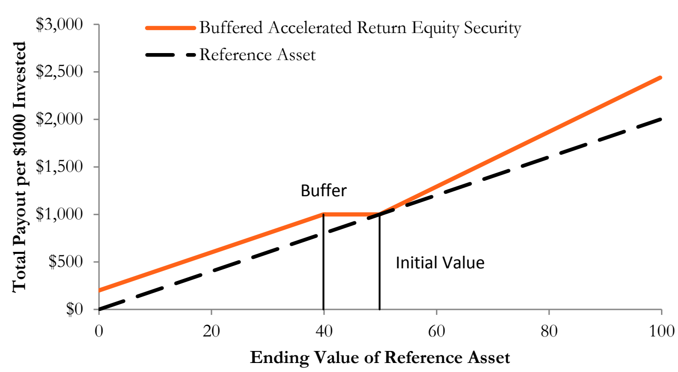
If on July 19, 2017 iShares MSCI EAFE Index Fund's share price is higher than $49.87, the notes pay a return equal to the percentage increase in iShares MSCI EAFE Index Fund multiplied by 1.44. If on July 19, 2017 the refe is below $49.87 but not below $39.90, investors receive $1,000 face value per note. If iShares MSCI EAFE Index Fund's share price on July 19, 2017 is lower than $39.90, investors receive face value per note reduced by the amount the reference asset is below $39.90 as a percent of the initial level, $49.87.

Valuation

This product can be valued as a combination of a note from Credit Suisse, one short out-of-the-money put option, and 1.44 long at-the-money call options. For reasonable valuation inputs this note was worth $935.76 when it was issued on July 23, 2012 because the value of the options investors gave Credit Suisse plus the interest investors would have received on Credit Suisse's straight debt was worth $64.24 more than the options investors received from Credit Suisse.

There is no active secondary market for most structured products. Structured products, including this note, therefore are much less liquid than simple stocks, bonds, notes and mutual funds. Investors are likely to receive less than the structured product's estimated market value if they try to sell the structured product prior to maturity. Our valuations do not incorporate this relative lack of liquidity and therefore should be considered an upper bound on the value of the structured product.

Payoff Curve at Maturity



The payoff diagram shows the final payoff of this note given iShares MSCI EAFE Index Fund's share price (horizontal axis). For comparison, the dashed line shows the payoff if you invested in iShares MSCI EAFE Index Fund directly.

Related Research

Research Papers:

www.slcg.com/research.php

- *"Are Structured Products Suitable for Retail Investors?"* December 2006.
- *"Structured Products in the Aftermath of Lehman Brothers,"* November 2009.
- *"What TiVo and JP Morgan Teach Us about Reverse Convertibles,"* June 2010.

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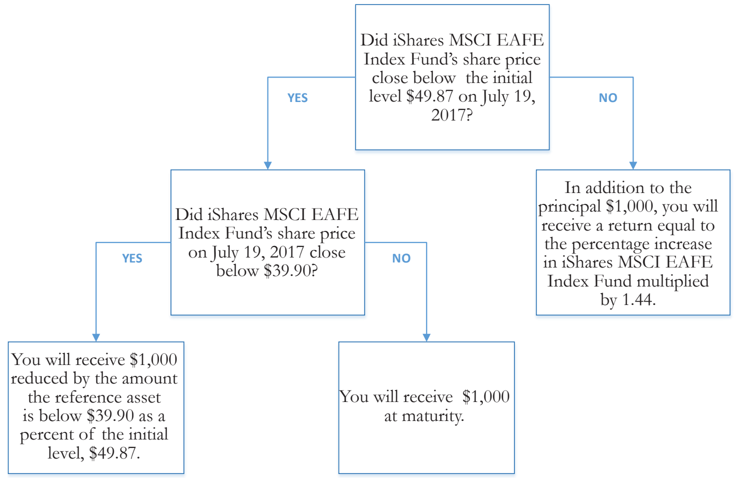
Principal Payback Table

iShares MSCI EAFE Index Fund	Note Payoff
$0.00	$200.00
$4.99	$300.00
$9.97	$400.00
$14.96	$500.00
$19.95	$600.00
$24.94	$700.00
$29.92	$800.00
$34.91	$900.00
$39.90	$1,000.00
$44.88	$1,000.00
$49.87	**$1,000.00**
$54.86	$1,144.00
$59.84	$1,288.00
$64.83	$1,432.00
$69.82	$1,576.00
$74.81	$1,720.00

Maturity Payoff Diagram

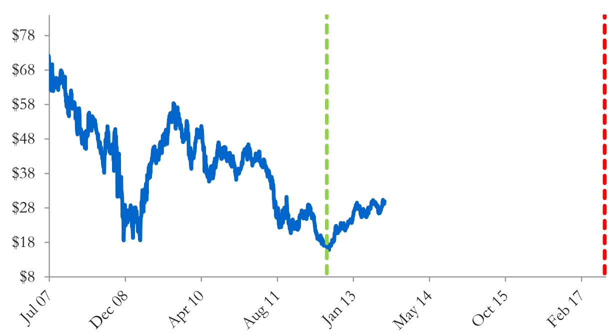


The contingent payoffs of this Buffered Accelerated Return Equity Security.

Analysis

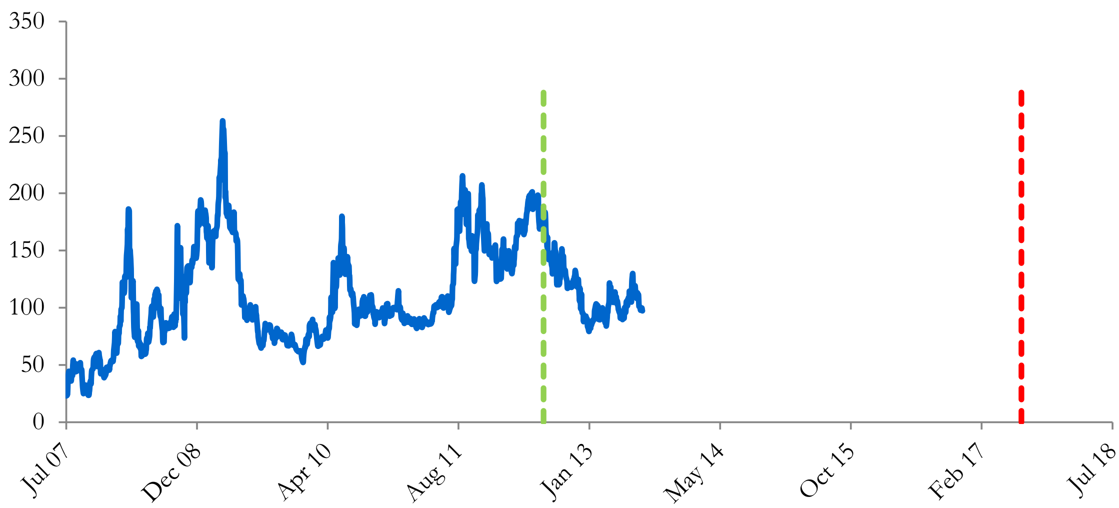
This Buffered Accelerated Return Equity Security pays investors the increase in iShares MSCI EAFE Index Fund multiplied by 1.44, but if iShares MSCI EAFE Index Fund declines over the term of the note, investors will suffer losses equal to the percentage decline in iShares MSCI EAFE Index Fund. In addition, investors bear the credit risk of Credit Suisse. Investors purchasing this Buffered Accelerated Return Equity Security effectively sell at-the-money put options to Credit Suisse, buy at-the-money call options, and a zero-coupon note from Credit Suisse. This Buffered Accelerated Return Equity Security is fairly priced if and only if the market value of the options investors received from Credit Suisse equals the market value of the options investors gave Credit Suisse plus the interest investors would have received on Credit Suisse's straight debt.

Credit Suisse's Stock Price



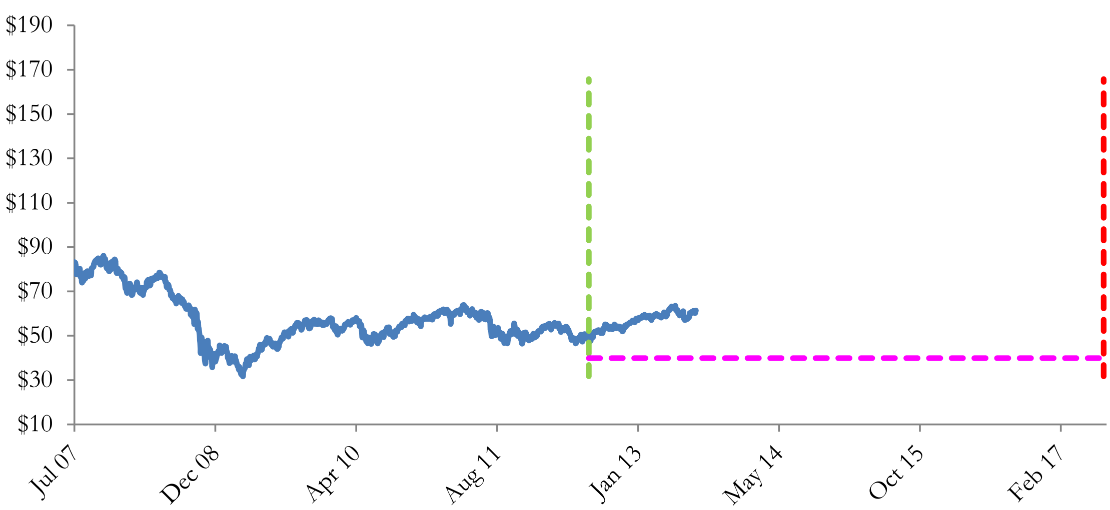
The graph above shows the adjusted closing price of the issuer Credit Suisse for the past several years. The stock price of the issuer is an indication of the financial strength of Credit Suisse. The adjusted price shown above incorporates any stock split, reverse stock split, etc.

Credit Suisse's CDS Rate



Credit default swap (CDS) rates are the market price that investors require to bear credit risk of an issuer such as Credit Suisse. CDS rates are usually given in basis points (bps). One basis point equals 0.01%. Higher CDS rates reflect higher perceived credit risk, higher required yields, and therefore lower market value of Credit Suisse's debt, including outstanding Buffered Accelerated Return Equity Security. Fluctuations in Credit Suisse's CDS rate impact the market value of the notes in the secondary market.

iShares MSCI EAFE Index Fund's Share Price

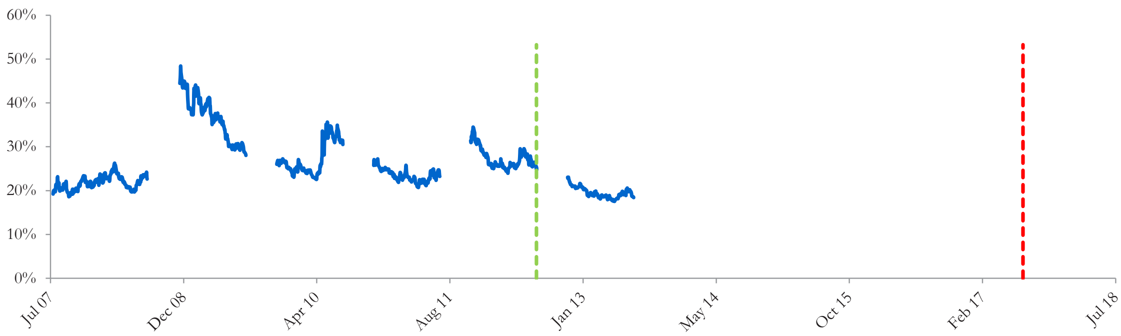


The graph above shows the historical levels of iShares MSCI EAFE Index Fund for the past several years. The final payoff of this note is determined by iShares MSCI EAFE Index Fund's share price at maturity. Higher fluctuations in iShares MSCI EAFE Index Fund's share price correspond to a greater uncertainty in the final payout of this Buffered Accelerated Return Equity Security.

Realized Payoff

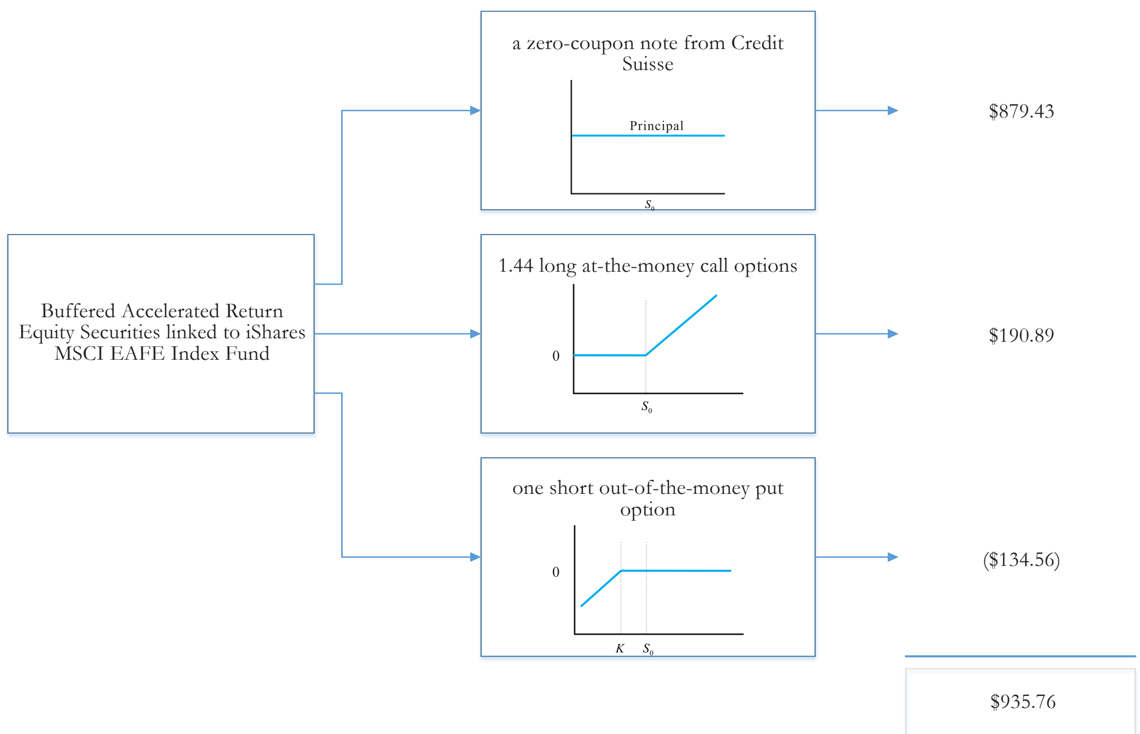
This product will mature on July 24, 2017.

Reference Asset iShares MSCI EAFE Index Fund's Implied Volatility



The annualized implied volatility of iShares MSCI EAFE Index Fund on July 18, 2012 was 25.37%, meaning that options contracts on iShares MSCI EAFE Index Fund were trading at prices that reflect an expected annual volatility of 25.37%. The higher the implied volatility, the larger the expected fluctuations of iShares MSCI EAFE Index Fund's share price and of the Note's market value during the life of the Notes.

Decomposition of this Buffered Accelerated Return Equity Security



This note can be decomposed into different components, and each component can be valued separately. The chart above shows the value of each component of this Buffered Accelerated Return Equity Security.

1. Delta measures the sensitivity of the price of the note to the iShares MSCI EAFE Index Fund's share price on July 18, 2012.
2. CDS rates can be considered a measure of the probability that an issuer will default over a certain period of time and the likely loss given a default. The lower the CDS rate, the lower the default probability. CDS rate is given in basis points (1 basis point equals 0.01%), and is considered as a market premium, on top of the risk-free rate, that investors require to insure against a potential default.
3. Fair price evaluation is based on the Black-Scholes model of the iShares MSCI EAFE Index Fund on July 18, 2012.
4. Calculated payout at maturity is only an approximation, and may differ from actual payouts at maturity.
5. Our evaluation does not include any transaction fees, broker commissions, or liquidity discounts on the notes.