

**UNITED STATES OF AMERICA
BEFORE THE
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, D.C.**

In the matter of

CREDIT SUISSE AG
Zurich, Switzerland

A foreign bank

Docket No. 09-210-B-FB

Order to Cease and Desist Issued
Upon Consent

WHEREAS, the Board of Governors of the Federal Reserve System (the “Board of Governors”) is the host country supervisor in the United States of Credit Suisse AG, Zurich, Switzerland, (“Credit Suisse”), which is a foreign bank as defined in section 3101(7) of the International Banking Act (12 U.S.C. § 3101(7));

WHEREAS, the Swiss Financial Market Supervisory Authority (“FINMA”) is the home country supervisor of Credit Suisse;

WHEREAS, FINMA, as the home country supervisor of Credit Suisse, has agreed to assist the Board of Governors in the implementation and supervision of this Order;

WHEREAS, the United States Department of Justice (“DOJ”), the District Attorney for the County of New York, New York (“DANY”), and the Office of Foreign Assets Control of the United States Department of the Treasury (“OFAC”) have been conducting an investigation into the practices of Credit Suisse concerning the transmission of funds to and from the United States by and through entities and individuals subject to sanctions regimes imposed under the International Emergency Economic Powers Act (“IEEPA”), 50 U.S.C. §§1701-06, which is administered by OFAC;

WHEREAS, in order to resolve the investigations, Credit Suisse has agreed to enter into settlement agreements with the DOJ, DANY, and OFAC, pursuant to which Credit Suisse will pay an aggregate of \$536 million to the United States and to New York;

WHEREAS, the Board of Governors and Credit Suisse have the common goal to ensure that Credit Suisse complies with United States federal and state laws, rules and regulations wherever they are applicable within the United States or across jurisdictional borders, and that Credit Suisse fosters a strong commitment towards compliance and has adequate compliance systems which cover in an appropriate manner all activities concerning the United States;

WHEREAS, the Board of Governors and Credit Suisse have agreed to the issuance of this consent Cease and Desist Order (the "Order") against Credit Suisse;

WHEREAS, the Board of Governors issues this Order pursuant to section 8(b) of the Federal Deposit Insurance Act, as amended (the "FDI Act") (12 U.S.C. § 1818(b)); and

WHEREAS, on December 15, 2009, the Executive Board of Credit Suisse at a duly constituted meeting adopted a resolution authorizing and directing Romeo Cerutti (General Counsel) and Tobias Guldemann (Chief Risk Officer) to enter into this Order on behalf of Credit Suisse and consenting to compliance by Credit Suisse and its institution-affiliated parties, as defined in sections 3(u) and 8(b)(4) of the FDI Act (12 U.S.C. §§ 1813(u) and 1818(b)(4)), with each and every provision of this Order, and waiving any and all rights that Credit Suisse may have pursuant to 12 U.S.C. § 1818 or 12 C.F.R. Part 263, or otherwise to: (i) the issuance of a Notice of Charges and of Hearing on any matter set forth in this Order; (ii) a hearing for the purpose of taking evidence of any matters set forth in this Order; (iii) judicial review of this Order; and (iv) challenge or contest, in any manner, the basis, issuance, validity, terms, effectiveness or enforceability of this Order or any provision hereof.

NOW, THEREFORE, before the filing of any notices, or taking of any testimony or adjudication of or finding on any issues of fact or law herein, and without this Order constituting an admission or denial by Credit Suisse of any allegation made or implied by the Board of Governors in connection with this matter, and solely for the purpose of settling this matter without a formal proceeding being filed and without the necessity for protracted or extended hearings or testimony, it is hereby ordered that Credit Suisse shall take affirmative action as follows:

U.S. Law Compliance Program

1. Within 120 days of this Order, Credit Suisse shall submit to the Board of Governors and FINMA an enhanced global regulatory compliance program (“U.S. Law Compliance Program”) for matters related to global compliance with IEEPA and 31 C.F.R. Chapter V (“U.S. Sanctions Laws”). The U.S. Law Compliance Program shall be acceptable to the Board of Governors. The U.S. Law Compliance Program may include elements from existing or already proposed compliance systems, but, at a minimum, shall include and provide for:
 - (a) An assessment of significant U.S. law compliance risks arising from Credit Suisse’s business activities conducted outside the United States with respect to OFAC-related compliance risks arising from transaction processing conducted by or through Credit Suisse’s global operations;
 - (b) policies and procedures to ensure compliance with U.S. laws regarding cross-border payment processing procedures and provide for due diligence for customers who directly or indirectly utilize the dollar clearing and other services in the United States;

(c) the establishment of a compliance reporting system in relation to countries and persons subject to U.S. Sanctions Laws that is widely publicized within the organization and integrated into other Credit Suisse reporting systems in which employees report known or suspected violations of U.S. Sanctions Laws, and that includes a process to ensure that known or suspected violations are promptly escalated to appropriate compliance personnel, fully addressed, reported as required, and documented;

(d) procedures to ensure that the U.S. Law Compliance Program is fully integrated into Credit Suisse's overall compliance programs, with adequate staffing and funding;

(e) training for Credit Suisse employees in OFAC-related issues appropriate to the employee's job responsibilities on an ongoing basis;

(f) an audit program designed to test for compliance with applicable U.S. Sanctions Laws; and

(g) on at least an annual basis, a review by qualified personnel of Credit Suisse or consultants of Credit Suisse's policies and procedures and their implementation to ensure that the U.S. Law Compliance Program is functioning effectively, to minimize the incidence of compliance problems, and to effectively detect, correct, and report such problems when they occur.

Approval, Implementation, and Progress Reports

2. The program required by Paragraph 1 of this Order shall be submitted to the Board of Governors for review and approval within the time period set forth in this Order. Credit Suisse shall adopt the approved program within 10 days of approval by the

Board of Governors. Upon adoption, Credit Suisse shall promptly implement the approved program, unless otherwise set forth in an approved schedule of implementation, and thereafter fully comply with it. During the term of this Order, the approved program shall not be amended or rescinded without the prior written approval of the Board of Governors.

3. Within 30 days of the end of each quarter following the date of this Order, Credit Suisse shall submit to the Board of Governors and to FINMA written progress reports detailing the form and manner of all actions taken to secure compliance with the provisions of this Order, and the results thereof. The Board of Governors may, in writing, discontinue the requirement for progress reports or modify the reporting schedule.
4. The provisions of this Order shall not bar, estop or otherwise prevent the Board of Governors, or any other U.S. federal or state agency or department from taking any other action affecting Credit Suisse or any of its current or former subsidiaries, affiliates, or institution-affiliated parties.
5. Each provision of this Order shall remain effective and enforceable according to the laws of the United States of America, until stayed, modified, terminated or suspended by the Board of Governors.
6. No amendment to the provisions of this Order shall be effective unless made in writing by the Board of Governors.
7. The provisions of this Order shall be binding on Credit Suisse, its institution-affiliated parties, and their successors and assigns.

8. No representations, either oral or written, except those provisions as set forth herein, were made to induce any of the parties to agree to the provisions as set forth herein.
9. Notwithstanding any provision of this Order, the Board of Governors may, in its sole discretion, grant written extensions of time to Credit Suisse to comply with any provision of this Order.
10. The Board of Governors delegates to the Federal Reserve Bank of New York the authority to approve the programs submitted pursuant to Paragraph 1, above.
11. All communications regarding this Order shall be addressed to:
 - (a) Coryann Stefansson
Associate Director
Division of Banking Supervision and Regulation
Board of Governors of the Federal Reserve System
20th & C Streets, NW
Washington, DC 20551
 - (b) Caroline Frawley
Vice President
Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10045

