19th September, 2012

Technical Director
File Reference No. 2012-200
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, Connecticut 06856-5116
USA

By email: director@fasb.org

Re: File Reference No. 2012-200

Dear Madam or Sir:

Credit Suisse Group ("Credit Suisse") welcomes the opportunity to comment on the Financial Accounting Standards Board’s ("FASB") proposed Accounting Standards Update, Financial Instruments (Topic 825) ‘Disclosures about Liquidity Risk and Interest Rate Risk’ (the ‘proposed ASU’). Credit Suisse is registered as a foreign private issuer with the Securities and Exchange Commission and its consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States ("US GAAP").

Credit Suisse believes that the current disclosures about liquidity risk and interest rate risk as required by the Securities and Exchange Commission (SEC), specifically by item 5B (liquidity and capital resources) and by item 11 (Quantitative and qualitative disclosures about market risk) are sufficient. Further as explained in our response we are of the opinion that the purpose of this Exposure Draft, specifically related to liquidity risk ("to provide users of financial statements with information that helps them assess the risk that an entity will encounter difficulty in meeting obligations"), cannot be achieved with these proposed disclosures. In addition the proposed disclosures do not reflect how Credit Suisse manages its liquidity risk and interest rate risk and therefore we do not believe they provide useful information to the readers of the financial statements. We therefore do not support the issuance of this Exposure Draft with its current proposed guidance as further explained in this comment letter.

The proposed Exposure Draft covers a topic which we believe has been thoroughly addressed by other authorities/ regulators (e.g. Basel Committee on Banking Supervision, Financial Stability Board, SEC). The Basel Committee on Banking Supervision issued the Basel III international framework for liquidity risk measurement, standards and monitoring. The framework includes a liquidity coverage
ratio and a net stable funding ratio. We ask the Board to consider this guidance together with the Financial Stability Board’s efforts on liquidity disclosures in the re-deliberation phase of this Exposure Draft. While we recognize the objectives of the project we believe that if the Board proceeds with requiring similar but different disclosures from those prescribed by Banking Regulators this will lead to greater confusion and misunderstanding of liquidity and interest rate risk by users of financial statements. At a minimum we propose for the Board to align the terms, definitions and guidance in this Exposure Draft to the Basel III guidance wherever possible thereby facilitating the use of a common risk related language for banks and investors.

You will find our responses and detailed comments on the questions on the following pages.

If you have any questions or would like any additional information on the comments we have provided, please do not hesitate to contact Michel Pfenninger in Zurich on +41 44 332 43 79.

Sincerely,

Rudolf Bless
Managing Director
Deputy CFO &
Chief Accounting Officer

Michel Pfenninger
Vice President
Accounting Policy and Assurance Group
The following comments are provided in context of each question raised in the proposed Exposure Draft. Where appropriate, we have offered perspectives where we believe implementation of the proposed Exposure Draft will prove to be challenging to our operations or within the financial services industry at large.

**Question 1:** For a financial institution, the proposed amendments would require a liquidity gap table that includes the expected maturities of an entity’s financial assets and financial liabilities. Do you foresee any significant operational concerns or constraints in complying with this requirement? If yes, what operational concerns or constraints do you foresee and what would you suggest to alleviate them?

We address the following items related to the liquidity gap maturity table in our response to Question 1:

- Definition of Financial Institution
- Financial Instruments at fair value through net income
- Netting amounts of derivatives
- FAS 5 allowances
- Loan commitments
- Insurance contracts
- Estimation of expected maturities
- Reportable Segments

a) Definition of Financial Institution - The proposed Exposure Draft defines as a financial institution “an entity or reportable segment for which the primary business activity is to do either of the following:
   a. Earn, as a primary source of income, the difference between interest income generated by earning assets and interest paid on borrowed funds
   b. Provide insurance.”

Reportable Segments may have components of both financial and non-financial institutions. In such cases we question how the term “primary” should be interpreted (e.g. greater than 50%)? Furthermore, we question if it is appropriate to exclude investment banks, which do not appear to meet the definition of a financial institution, from financial institution disclosure although the liquidity risk and to a lesser extent interest rate risk issues are essentially the same? We ask the Board for clarification.

b) Financial Instruments at fair value through net income - Paragraph 825-10-50-23F states that “Financial instruments that are measured at fair value with all changes in fair value included in net income, excluding derivatives...would not be segregated into different time intervals and shall only be presented in the total carrying amount column.”
We think that those financial instruments that are measured at fair value with all changes in fair value included in net income and are part of our liquidity management should also be segregated into the different time intervals and not only be presented in the total carrying amount column in the disclosure as required by paragraph 825-10-50-23F of the Exposure Draft. These assets classified as Trading Assets (equity- and debt securities) are part of the liquidity management and hence should also be segregated into the time intervals in contrast to those instruments within Trading Assets which are effectively held only for Trading purposes but are not part of liquidity management (these instruments should be presented only in the total carrying amount column).

The same applies to financial liabilities including Long Term Debt instruments where the Fair Value Option has been elected. Management has elected the Fair Value Option for many of our Long Term Debt instruments to reduce the optional burden of applying hedge accounting. However, these instruments are part of our liquidity management and in our opinion should not be excluded from segregating into the time intervals for a maturity analysis in order to provide correct information about liquidity risk.

c) Netting amounts of derivatives - It is not clear from the Exposure Draft into which time intervals the netting amounts of derivatives have to be allocated. Matching maturities is not required for the netting of derivatives and hence the netting can be done across different maturities. The figures in the proposed disclosure shall be reconcilable with the balance sheet and the netting amounts of derivatives hence have to be included in the disclosure. The proposed table does not foresee a separate column for netting amounts which we believe is required to include the netting amounts in the disclosure.

d) FAS 5 allowances - A similar comment applies to the FAS 5 allowances. It is not clear from the Exposure Draft into which time buckets these allowances should be assigned to. We ask the Board for clarification.

e) Loan commitments - Paragraph 825-10-50-23F states that “To meet the disclosure objective in paragraph 825-10-50-23D, an entity shall disclose separately its off-balance-sheet commitments (for example, operating lease commitments, loan commitments, lines of credit and other similar arrangements)”. Loan commitments can be entirely, partially or not drawn. From the wording of the above paragraph it is not clear to us how off-balance sheet commitments (such as loan commitments) should be segregated into the different time intervals using what kind of assumptions or expectations. We recommend to include in the Standard additional guidance on how to segregate off-balance sheet commitments.

f) Insurance contracts - Paragraph 825-10-50-23E states that the term ‘financial instrument’ includes for the purposes of this requirement leases and insurance contracts. It is not clear from the Exposure Draft if written and/or purchased insurance contracts have to be included and we ask the Board for clarification.
g) Estimation of expected maturities - The liquidity gap maturity analysis is based on expected maturities and not on contractual maturities. The determination of expected maturities requires significant judgement by the reporting entities and various assumptions about the executions and future actions of our counterparties and clients have to be made in order to estimate the expected maturities (for example the future exercise of call-/put-option features in financial instruments). Unrelated entities will make different assumptions. This will reduce the comparability between unrelated entities and will lead to diversity in practice which is contrary to the objective of the Exposure Draft.

The information to determine expected maturities as required by the Exposure Draft is currently not readily available in our systems, and even where we apply a similar or behavioral type assumption we do so at a more aggregated level than would be required for this purpose.

Major system changes would be required to estimate expected maturities at the necessary level. It would be very difficult and challenging to build reporting systems that predict future behaviour (our own and that of our counterparties and clients) based on a combination of historic trends/data and current environment in order to be able to determine expected maturities. Further the future behaviour of our clients and counterparties (and hence the expected settlement of financial instruments) varies depending on country, customer type and segment which increases the complexity of determining expected maturities. This would require significant efforts, costs and time to change our reporting systems to be able to appropriately estimate the expected maturities and in a way that the process and data is auditable and SOX compliant. The determination of expected maturities by the level of precision required (quarterly time intervals) presents added challenges.

h) Reportable Segments - In addition our accounting- and reporting systems are not built to support maturity information at a reportable segment level, which appears to be required by paragraph 825-10-50-23B in this Exposure Draft, and would require significant amount of work to establish.

Please see as well our response to Question 6 in which we explain why this proposed liquidity gap maturity table does not provide meaningful information to users of financial statements.

Question 2: For an entity that is not a financial institution, the proposed amendments would require a cash flow obligations table that includes the expected maturities of an entity’s obligations. Do you foresee any significant operational concerns or constraints in complying with this requirement? If yes, what operational concerns or constraints do you foresee and what would you suggest to alleviate them?
Information on future cash flows and their expected maturities in the required format is not readily available in our systems. This would require efforts, costs and time to change our reporting systems to be able to appropriately estimate the expected maturities and to capture the data of future cash flows in a way that the process and data is auditable and SOX compliant.

We do not see the benefit of the column ‘Adjustment to carrying amount’ as shown in the example on page 27 of the Exposure Draft and do not understand the value of reconciling future cash flows back to the carrying amount in the balance sheet.

Please see as well our response to Question 6 in which we state that we do not think that this proposed disclosure is able to provide additional meaningful information to users of financial statements.

**Question 3:** The proposed amendments would require information about expected maturities for financial assets and financial liabilities to highlight liquidity risk. Expected maturity is the expected settlement of the instrument resulting from contractual terms (for example, call dates, put dates, maturity dates and prepayment expectations) rather than an entity’s expected timing of the sale or transfer of the instrument. Do you agree that the term expected maturity is more meaningful than the term contractual maturity in the context of the proposed liquidity risk disclosures? If not, please explain the reasons and suggest an alternative approach.

We agree that information about expected maturity is more meaningful than contractual maturity. However, we foresee significant operational concerns and constraints as we have explained in our response to Question 1.

The SEC’s reporting requirements with regard to the disclosure of contractual obligations (on Form 20-F, Item 5) stipulate that a reporting entity should present contractual maturities whereas the Exposure Draft requires expected maturities. This will result in the disclosure of different maturities for the same financial instruments which might lead to misinterpretation and confusion of users of financial statements.

We believe that the Board does not consider that part of the (Demand) Deposits are available to the Bank for a long-term despite the fact that they could be withdrawn on demand or within a short notice period. This results in expected maturities being longer than contractual maturities. The same can apply for loans which are extended on a rollover basis in some markets such as Switzerland. It can be expected that under a “business as usual”-scenario expected maturities will be longer than contractual maturities. The Board should provide clarification in this regard.
It is not clear from the Exposure Draft how the expected maturities of derivatives shall be estimated. The implementation guidance states “the fair value of the swap should be shown in the time interval that corresponds with the financial instrument’s contractual maturity.” Does that generally mean that for derivatives the expected maturity equals the contractual maturity? It is also not clear from the Exposure Draft how the expected maturities of non-performing loans and TDRs shall be estimated. We believe that the Board should provide additional guidance on these topics.

**Question 4:** The proposed amendments would require a quantitative disclosure of an entity’s available liquid funds, as discussed in paragraphs 825-10-50-23T through 50-23V. Do you foresee any significant operational concerns or constraints in complying with this requirement? If yes, what operational concerns or constraints do you foresee and what would you suggest to alleviate them?

Paragraph 825-10-50-23T states that “Unencumbered cash and high-quality liquid assets are free from restrictions and readily convertible to cash and include:

a. Cash
b. Cash equivalents
c. Unpledged liquid assets.

An entity’s borrowing availability might include loan commitments and other lines of credit.”

Further paragraph 825-10-50-23U states that “In disclosing its available liquid funds, an entity shall include a narrative discussion about the effect of regulatory, tax, legal, repatriation, and other conditions that could limit the transferability of funds among entities. This disclosure shall include quantitative amounts related to funds subject to those conditions, if applicable.”

These two paragraphs seem to contradict each other because the first paragraph states that the available liquid funds are free from restrictions whereas the second paragraph refers to conditions that could limit the transferability of funds and requires the inclusion of quantitative amounts related to funds subject to those conditions. We ask the Board to provide additional clarification on paragraph 825-10-50-23U and its relation to paragraph 825-10-50-23T.

Page 29 in the Exposure Draft gives an example of the Available Liquid Funds tabular disclosure and this example discloses separate amounts for the Parent Company, the Subsidiaries and the Broker Dealers. We do not see any benefit for the users of financial statements to disclose these amounts separately by type of entity. Further
these amounts (including the sum of these amounts) could not be reconciled to the (consolidated) balance sheet due to intercompany positions which would be included in the three proposed columns (Parent Company, Subsidiaries, Broker/Dealers). Additional columns for the elimination of Intercompany Positions and for the Total would be required in order to allow a reconciliation to the balance sheet. We would like the Board to clarify if it is really their intention to require separate amounts for the Parent Company, the Subsidiaries and the Broker Dealers.

Paragraph 825-10-50-23V states that the term high quality generally refers to the level of non-performance risk associated with fixed income financial instruments. Considering this paragraph together with the example of an Available Liquid Funds on page 29 it seems that only debt securities qualify as high quality liquid assets. We believe that equity securities can be as well liquid and be a component of available liquid funds and hence should be included in this disclosure. The Board should consider in its clarification the definition of ‘high-quality liquid assets’ currently provided by Basel III guidance and we strongly suggest to align the definitions. The Exposure Draft does not give a clear definition of the term ‘high-quality liquid assets’ which will lead to inconsistency in practice.

**Question 5:** For depository institutions, the proposed Update would require a time deposit table that includes the issuances and acquisitions of brokered deposits during the previous four fiscal quarters. Do you foresee any significant operational concerns or constraints in complying with this requirement? If yes, what operational concerns or constraints do you foresee and what would you suggest to alleviate them?

Generally we do not see the informative value of the table ‘Issuance of Time Deposits’ for a reader of financial statements. The Exposure Draft states as the purpose of the liquidity risk disclosures (and the Issuance of Time Deposits is part of the liquidity risk disclosures) to provide users of financial statements with information that helps them assess the risk that an entity will encounter difficulty in meeting obligations that are settled by delivering cash or another financial assets. We do not understand how the proposed table of ‘Issuance of Time Deposits’ contributes to the achievement of that purpose. We kindly ask the Board to revisit the need for this proposed disclosure.

In addition to the above general statement Credit Suisse has the following comments and questions which have an impact on the operational implementation of the disclosure requirement.

The term depository institution is not defined in the Exposure Draft and it is not clear to us if a reportable segment can be considered a depository institution.
It is not clear what transactions the term “issuance of time deposits” includes. We ask the Board to clarify whether a) the increase of the amount of an existing client time deposit account is considered to be an issuance of time deposit, b) if only new opened time deposit accounts should be considered issuance of time deposits, or c) if renewals or rollovers have to be treated as issuance of time deposits.

In order to comply with the requirement to disclose the issuance of time deposits, we would have to collect the required data from client files and on a very granular level. This would require significant changes to the reporting systems.

**Question 6:** As a preparer, do you feel that the proposed amendments would provide sufficient information for users of your financial statements to develop an understanding of your entity’s exposure to liquidity risk? If not, what other information would better achieve this objective?

Credit Suisse does not believe that the proposed amendments would provide additional meaningful information to users of financial statements for the following reasons:

a) The proposed Exposure Draft covers a topic which we believe has been thoroughly addressed by other authorities/regulators (e.g. Basel Committee on Banking Supervision, Financial Stability Board, SEC). The Basel Committee on Banking Supervision issued the Basel III international framework for liquidity risk measurement, standards and monitoring. The framework includes a liquidity coverage ratio and a net stable funding ratio. The liquidity coverage ratio, which is expected to be introduced January 1, 2015, addresses liquidity risk over a 30-day period. The net stable funding ratio, which is expected to be introduced January 1, 2018, establishes criteria for a minimum amount of stable funding based on liquidity of a bank’s assets and activities over a one-year horizon. We strongly ask the Board to consider this guidance together with the Financial Stability Board’s efforts on liquidity disclosures in the re-deliberation phase of this Exposure Draft. While we recognize the objectives of the Project we believe that if the Board proceeds with requiring similar but different disclosures from those prescribed by Banking Regulators this will lead to greater confusion and misunderstanding of liquidity and interest rate risk by users of financial statements.

We therefore propose for the Board to align the terms, definitions and guidance in this Exposure Draft to the Basel III guidance wherever possible thereby facilitating the use of a common risk related language for banks and investors not to mention the operational synergies for preparers.

b) Paragraph 825-10-50-23B in the Exposure Draft states “that these disclosures shall apply to the reportable segments of an entity. Reportable segments that are financial
Institutions may be combined with other reportable segments that are financial institutions for the purpose of providing these disclosures. Combining reportable segments that are not financial institutions also is permitted for the purpose of providing these disclosures.”

Credit Suisse consists of the three reportable segments Investment Banking, Asset Management and Private Banking. We believe that only our Private Banking segment would qualify as a “financial institution” as defined in the Exposure Draft. However, our liquidity risk- and interest rate risk management is performed on a consolidated level and not on a reportable segment level. Credit Suisse believes that only consolidated disclosures combining all reportable segments can adequately provide useful information about the liquidity risk and the interest rate risk of Credit Suisse. We are of the opinion that reportable segments should be combined and consolidated for the purpose of these disclosures irrespective of whether the reportable segments are financial institutions or not financial institutions. We believe the Exposure Draft should allow the combination of any reportable segments regardless of whether they are financial institutions or not.

If disclosures are not made for the whole consolidated group, the figures cannot be reconciled to the balance sheet.

c) The Exposure Draft states that the purpose of the liquidity risk disclosures “is to provide users of financial statements with information that helps them assess the risk that an entity will encounter difficulty in meeting obligations that are settled by delivering cash or another financial asset “. We do not believe that the liquidity gap maturity and the cash flow obligations disclosure achieve that purpose for the following reason. According to the Exposure Draft expected maturities relate “to the expected settlement of the instrument resulting from contractual terms ….”. When determining expected maturities we would interpret the above guidance to be based upon a “business as usual” scenario rather than a “stress” scenario. The risk that an entity will encounter difficulty in meeting its obligations (i.e. the purpose of the disclosure) is significantly higher and exists primarily in a “stress” scenario rather than in a “business as usual” scenario. We believe liquidity risks can only be adequately assessed in a “stress” scenario which includes assumptions about global market dislocation, large on- and off-balance sheet outflows and significant withdrawal of deposits. The behaviour of clients and counterparties is much different in “stress” scenarios than in “business as usual” scenarios. The liquidity coverage ratio and the net stable funding ratio under the Basel III framework for liquidity risk assume a “stress” scenario. We believe the proposed disclosure in the Exposure Draft should be based on a “stress” scenario.

Further our liquidity and funding policy is designed to ensure that funding is available to meet all obligations in times of stress, whether caused by market events or issues specific to Credit Suisse. Our liquidity risk parameters and management reflect various liquidity stress assumptions. Hence the proposed disclosure assuming a normal but not a stress scenario would not appropriately mirror our liquidity management. The
proposed disclosures do not reflect how Credit Suisse manages its liquidity risk and hence do not provide useful information to the readers of the financial statements.

As a consequence the proposed liquidity gap maturity disclosure is misleading and will rather confuse users of financial statements instead of providing them useful information.

d) The liquidity gap maturity analysis is based on expected maturities and not on contractual maturities. As stated in our response to Question 1 and Question 3 we foresee significant operational concerns in determining expected maturities.

e) Paragraph 825-10-50-23V states that the term high quality generally refers to the level of non-performance risk associated with fixed income financial instruments. We believe that equity securities can be as well liquid and be a component of available liquid funds and hence should be included in that disclosure as stated as well in our response to Question 4.

f) Generally we do not see the informative value of the table ‘Issuance of Time Deposits’ for a reader of financial statements. The Exposure Draft states as the purpose of the liquidity risk disclosures (and the Issuance of Time Deposits is part of the liquidity risk disclosures) to provide users of financial statements with information that helps them assess the risk that an entity will encounter difficulty in meeting obligations that are settled by delivering cash or another financial assets. We do not understand how the proposed table of ‘Issuance of Time Deposits’ contributes to the achievement of that purpose. We kindly ask the Board to revisit the need for this proposed disclosure.

**Question 13:** The interest rate risk disclosures in this proposed Update would require a repricing gap table. Do you foresee any significant operational concerns or constraints in complying with this requirement? If yes, what operational concerns or constraints do you foresee and what would you suggest to alleviate them?

Credit Suisse foresees significant operational concerns and constraints in complying with this requirement. The repricing gap analysis requires the disclosure of the carrying amounts of financial assets and financial liabilities segregated in time intervals based on the repricing dates of classes of financial instruments. Although the disclosure would be on an aggregated level (classes of financial instruments), it requires determining the repricing dates on a granular level and for each individual instrument in order to be able to perform a correct aggregation and allocation of the individual financial instruments to the time intervals based on the repricing dates. The information required to comply with this requirement is currently not readily available in our systems, neither on a granular level nor on an aggregated level, and significant system improvements would be required to capture and collect these data.
Some of our internally used interest rate risk reports are based on notional amounts of the financial instruments and not on the carrying amounts. The requirement to disclose carrying amounts in the proposed repricing gap table would result in changes in our reporting systems.

**Question 14:** The interest rate risk disclosures in this proposed Update would include a sensitivity analysis of net income and shareholders’ equity. Do you foresee any significant operational concerns or constraints in determining the effect of changes in interest rates on net income and shareholders’ equity? If yes, what operational concerns or constraints do you foresee and what would you suggest to alleviate them?

Credit Suisse foresees significant operational concerns and constraints in determining the effect of changes in interest rates on net income and shareholders’ equity. The required data to comply with this requirement is not readily available in our systems. Significant system improvements and changes would have to be made which require a respective long implementation time.

Paragraph 825-10-50-23AD states that “a financial institution shall provide an interest rate sensitivity analysis that presents the effects of specified hypothetical, instantaneous interest rate changes as of the measurement date on after-tax net income for the 12-month period immediately after the reporting date and on shareholders’ equity.” The calculation on after-tax net income would require us to consider future tax rates which makes the calculation even more difficult and is in contrast to paragraph 825-10-50-23AF which states that “the financial institution should not incorporate any forward-looking expectations regarding non-interest revenues, non-interest expenses, tax rates,...” Furthermore, as a global financial institution we are subject to numerous tax rates depending upon the jurisdiction and therefore to prepare this disclosure on an after-tax basis introduces an additional operational burden. We therefore suggest to determine the effect on pre-tax net income instead of on after-tax net income.

The example 11 on page 37 in the Exposure Draft takes one single yield curve as the basis to determine the effects of interest rate changes and the example ignores the fact that separate and different yield curves exist for the different currencies. To appropriately reflect the effects of changes in interest rates on net income and shareholders’ equity would require the application of separate and different yield curves depending on the underlying currencies. This would significantly increase the necessary system improvements, cost and time for the implementation.

In addition to the above we believe that the Board should provide clarification on the following items:
a) It is unclear from the Exposure Draft whether an entity would consider other factors that are interrelated to interest rate changes, such as prepayment and default rates, when assessing the impact to net income and shareholders’ equity. The consideration of such factors would increase the complexity of the calculation of the impacts.
b) Paragraph 825-10-50-23AF states “that a financial institution should not incorporate any forward-looking expectations regarding non-interest revenues, non-interest expenses, tax rates, projections about growth rates, asset mix changes or other internal business strategies in preparing the interest rate sensitivity analysis.” It is not clear how this paragraph should be applied and it leads to diversity in practice and less comparability across entities. For example it is not clear how we should incorporate a financial instrument in the sensitivity analysis which matures in a few months and which will be extended for another period with a renewed interest rate. Do we have to include such financial instruments with the actual contractual interest rate or with the future, forward contractual interest rate at the date of extension? How shall interactions between interest rates and other factors (e.g. prepayment rates, default rates) be considered when calculating the sensitivity? We ask the Board to provide more guidance on this paragraph.

**Question 15:** As a preparer, do you feel that the proposed amendments would provide sufficient information for users of your financial statements to understand your entity’s exposure to interest rate risk? If not, what other information would better achieve this objective?

Credit Suisse believes that the interest rate risk disclosures (the repricing gap analysis, the interest rate sensitivity analysis) should not include instruments which are measured at fair value with all changes in fair value recognized through net income (FV – NI instruments). FV – NI instruments are often held in trading portfolios. Trading portfolios are typically held for the short term and therefore repricing information is not meaningful. Additionally, a determination of the impact on net income for changes in interest rates as required in the interest rate sensitivity table for FV – NI instruments is misleading given that the interest rate assumptions are already reflected in the fair value.

The example 11 on page 37 in the Exposure Draft takes one single (hypothetical) yield curve as the basis to determine the effects of interest rate changes and the example ignores the fact that separate and different yield curves exist for the different currencies. To appropriately reflect the effects of changes in interest rates on net income and shareholders’ equity would require the application of separate and different yield curves depending on the underlying currencies. This would on the other hand significantly increase the calculation efforts, the system improvements required and the cost and time for the implementation. Taking only one hypothetical yield curve reduces the informative value of the interest rate sensitivity analysis and reduces the
comparability between unrelated entities taking into account that each entity will take another yield curve as a basis.

As already stated we believe that the current disclosures about interest rate risk required by the SEC in the Form 20-F template by item 11 are sufficient.

**Question 21:** Although the proposed amendments do not have an effective date, the Board intends to address the needs of users of financial statements for more information about liquidity risk and interest rate risk. Therefore, the Board will strive to make these proposed amendments effective on a timely basis. How much time do you think stakeholders would require to prepare for and implement the amendments in this proposed Update? Should nonpublic entities be provided with a delayed effective date? If so, how long of a delay should be permitted and why? Are there specific amendments that would require more time to implement than others? If so, please identify which ones and explain why.

Generally the proposed amendments would require significant changes in our systems and processes with a high implementation effort. Information for the liquidity gap maturity analysis, the cash flow obligations table, the repricing gap analysis and the interest rate sensitivity analysis are currently not readily available in our systems as described in this comment letter. The implementation of these system changes would absorb significant resources and costs and would require an implementation time of a few years considering as well the required testing of the system enhancements and that these system changes have to be SOX-compliant. We would recommend that the Board consider aligning the effective date with those of Basel III so that institutions can more efficiently plan their systems development.

Paragraph 825-10-50-23B states “that these disclosures shall apply to the reportable segments of an entity. Reportable segments that are financial institutions may be combined with other reportable segments that are financial institutions for the purpose of providing these disclosures. Combining reportable segments that are not financial institutions also is permitted for the purpose of providing these disclosures.”

We have provided comments on this paragraph further above. In case it is the intention of the Board that financial institutions cannot be combined with non-financial institutions, this would result in the requirement of establishing new reporting trees within an entity respectively in a group in order to be able to collect the data for reportable segments which are financial institutions and separately the data for reportable segments that are non-financial institutions. The effort to set this up and define the new processes would be considerable.
Question 22: Do you believe that any of the amendments in this proposed Update provide information that overlaps with the SEC’s current disclosure requirements for public companies without providing incremental information? If yes, please identify which proposed amendments you believe overlap and discuss whether you believe that the costs in implementing the potentially overlapping amendments outweigh their benefits? Please explain why.

We believe there are overlaps with the SEC’s current disclosure requirements in the maturity table, in the available liquid funds table and in the interest rate sensitivity analysis.

As explained earlier Credit Suisse does not believe that the proposed disclosures (and specifically the liquidity risk disclosures) in this Exposure Draft provide additional meaningful information to the users of financial statements. Various authorities and regulators (e.g. SEC, Basel Committee on Banking Supervision, Financial Stability Board) have already issued guidance and information requirements about liquidity risk and interest rate risk and we believe that these requirements already provide useful information to the users of financial statements.

Further we have explained in this comment letter that the information required for the proposed disclosures are not readily available in our systems. We would have to enhance our systems and processes significantly in order to capture the necessary data. The resulting costs would be considerable and the implementation time for the system changes would take years. Credit Suisse is of the opinion that the costs in implementing the proposed amendments would outweigh their benefits.