

Saudi Banks

Research Analysts

Mohamad Hawa
44 20 7883 7265
mohamad.hawa@credit-suisse.com

Digvijay Singh
44 20 7888 6091
digvijay.singh@credit-suisse.com

DOWNGRADE RATING

Downgrade ratings on full valuations

- **Event:** We downgrade our ratings of five Saudi banks solely on the back of strong share price performance and full valuations.
- **Share price performance:** The sector has re-rated by 33% in the last three months with most of the names now trading through our TPs.
- **Demanding Valuations:** Saudi banks are now trading at 2.4x book value, while yielding 19.3% ROE. While we remain comfortable on the fundamentals of the sector (in terms of lowly geared and resilient economy supported by increasing fiscal budget, highly capitalized banking sector with superior asset quality vis-à-vis its regional peers), we think current valuation is full, and could only be justified with higher than our estimated balance sheet growth (three year CAGR of c9% in our estimates). We therefore await signals of faster growth in order to turn bullish again.
- **New Ratings:** We cut **Al Rajhi Bank, Saudi British Bank and Saudi Hollandi Bank to Neutral (from Outperform)**, and **Arab National Bank to Underperform (from Neutral)** and maintain **Neutral rating for Riyad Bank and Underperform rating for Banque Saudi Fransi**. We keep our TPs and EPS estimates unchanged.

Figure 1: New Ratings and valuation multiples of Saudi banks (priced as of

	Current Price	TP	Upside potential	New Rating	Old Rating	PB 09E	ROE 09E	PE 09E
Rajhi	71.5	72.7	1.60%	Neutral	Outperform	3.49	25.10%	14.82
SABB	56.25	54.6	-3.00%	Neutral	Outperform	3.27	24.70%	13.94
SHB	44.1	40.6	-8.00%	Neutral	Outperform	2.39	17.50%	14.09
Samba	59.5	59.4	-0.10%	Neutral	Neutral	2.18	19.40%	12.49
Riyad	25.3	26.6	5.20%	Neutral	Neutral	1.31	11.10%	12.49
BSF	47.5	40.1	-15.70%	Underperform	Underperform	2.31	19.10%	12.44
ARNB	51	38.9	-23.70%	Underperform	Neutral	2.11	18.40%	12.67
Average						2.44	19.30%	13.28

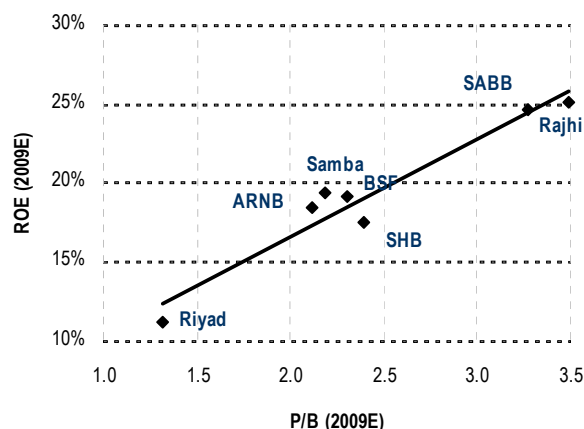
Source: Company data, Credit Suisse estimates

DISCLOSURE APPENDIX CONTAINS ANALYST CERTIFICATIONS AND THE STATUS OF NON-US ANALYSTS. FOR OTHER IMPORTANT DISCLOSURES, visit www.credit-suisse.com/researchdisclosures or call +1 (877) 291-2683. U.S. Disclosure: Credit Suisse does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the Firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.

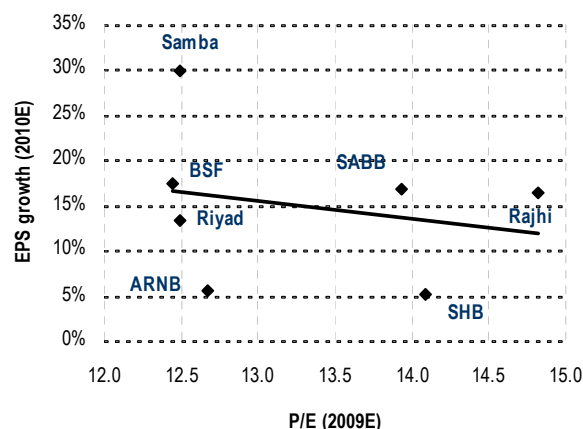
Figure 2: Saudi Banks: Valuation & Rating changes

	Current Price	TP	Upside potential	New Rating	Old Rating	P/B			ROE		P/E			EPS growth	
						2008	2009E	2010E	2009E	2010E	2008	2009E	2010E	2009E	2010E
Rajhi	71.50	72.66	1.6%	Neutral	Outperform	3.97	3.49	3.05	25.1%	25.6%	16.44	14.82	12.73	10.9%	16.4%
SABB	56.25	54.57	-3.0%	Neutral	Outperform	3.63	3.27	2.91	24.7%	25.8%	14.45	13.94	11.94	3.7%	16.8%
SHB	44.10	40.59	-8.0%	Neutral	Outperform	2.55	2.39	2.19	17.5%	17.0%	11.92	14.09	13.42	-15.4%	5.0%
Samba	59.50	59.41	-0.1%	Neutral	Neutral	2.67	2.18	1.88	19.4%	21.1%	12.02	12.49	9.62	-3.7%	29.9%
Riyad	25.30	26.61	5.2%	Neutral	Neutral	1.28	1.31	1.26	11.1%	11.7%	12.46	12.49	11.03	-0.2%	13.3%
BSF	47.50	40.05	-15.7%	Underperform	Underperform	2.45	2.31	2.01	19.1%	20.3%	12.24	12.44	10.60	-1.6%	17.4%
ARNB	51.00	38.91	-23.7%	Underperform	Neutral	2.62	2.11	1.80	18.4%	16.2%	13.33	12.67	12.01	5.2%	5.5%
Average						2.74	2.44	2.15	19.3%	19.7%	13.27	13.28	11.62	-0.2%	14.9%

Source: Company data, © 2008 Reuters Limited, Credit Suisse estimates

Figure 3: Saudi Banks: ROE (2009E) vs P/B (2009E)


Source: © 2008 Reuters Limited, Credit Suisse estimates

Figure 4: Saudi Banks: EPS Growth (2010E) vs P/E(2009E)


Source: © 2008 Reuters Limited, Credit Suisse estimates

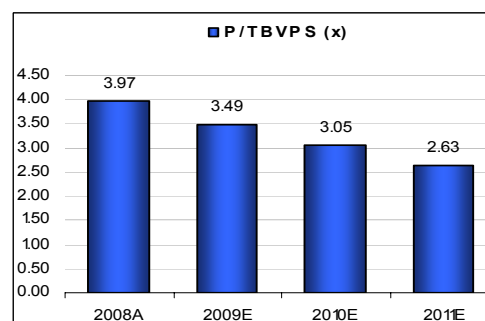
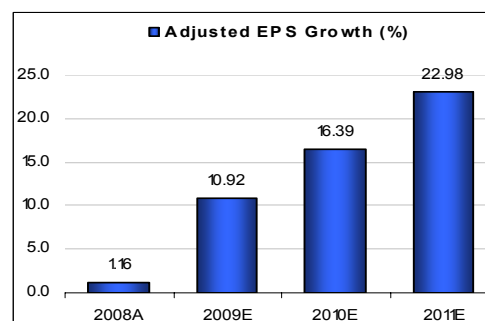
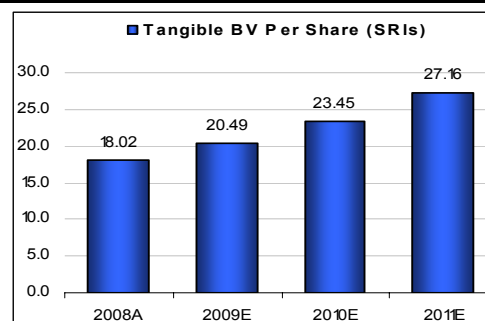
Al Rajhi Bank 1120.SE

Coverage Universe	Emerging Markets
Universe Weight	-
Rating	(from OUTPERFORM) NEUTRAL
Price (SRIs) (13 May 09)	71.5
Price High - Low	93 - 42
Target Price (SRIs)	72.66
Upside/Downside TP (%)	1.6
Number of Shares (m)	1,500
Total Market Cap (SRIs m)	107,250

Key Financials	12/08A	12/09E	12/10E	12/11E
Operating Profit (SRIs m)	10,575	11,227	12,700	14,999
Adjusted Net Income (SRIs m)	6,525	7,237	8,423	10,359
Stated Net Income (SRIs m)	6,525	7,237	8,423	10,359
Reported Book Value (SRIs m)	27,032	30,732	35,181	40,747
Tangible Book value (SRIs m)	27,032	30,732	35,181	40,747
Stated EPS (SAR)	4.35	4.82	5.62	6.91
Adjusted EPS (SAR)	4.35	4.82	5.62	6.91
Tangible BV Per Share (SRIs)	18.02	20.49	23.45	27.16

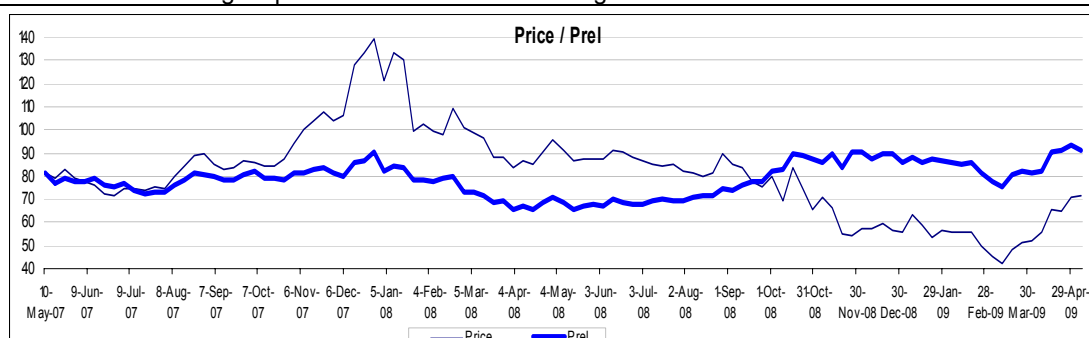
Key Ratios	12/08A	12/09E	12/10E	12/11E
P/E (adj., x)	16.44	14.82	12.73	10.35
P/TBVPS (x)	3.97	3.49	3.05	2.63
P/BVPS (adj., x)	3.97	3.49	3.05	2.63
Dividend Yield (%)	2.97	3.37	3.93	4.83
Tangible ROE (%)	25.77	25.06	25.56	27.29
Dividend Per Share (SRIs)	2.12	2.41	2.81	3.45
Cost/Income (%)	26.25	27.42	26.43	24.53
Core Tier 1 Ratio (%)	14.52	19.25	19.76	20.68
Tier 1 Ratio (%)	14.52	19.25	19.76	20.68

Performance over	1mth	3mths	12mths
Absolute (%)	11.7	28.3	-17.3
Relative (%)	-1.9	2.9	33.3



Company Description

Al-Rajhi Bank is the world's largest pure Islamic bank with the largest branch network in Saudi Arabia



Source: Company data Credit Suisse estimates, IBES consensus

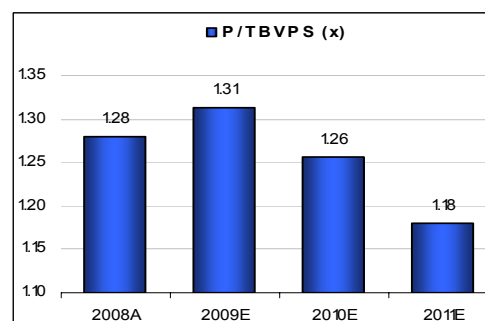
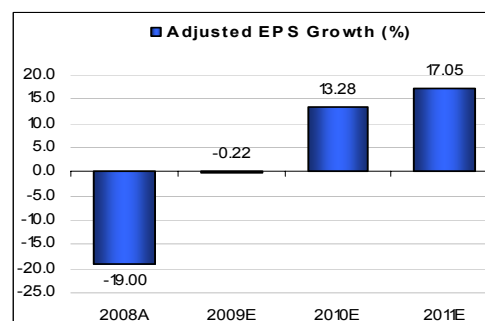
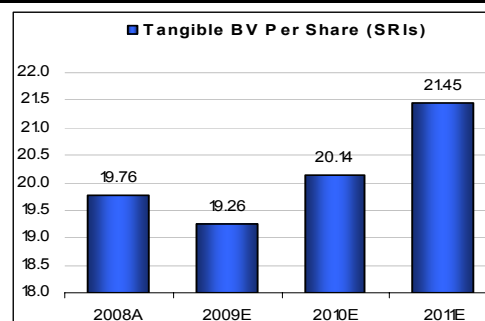
Riyad Bank 1010.SE

Coverage Universe	Emerging Markets
Universe Weight	-
Rating	NEUTRAL
Price (SRIs) (13 May 09)	25.3
Price High - Low	47 - 19
Target Price (SRIs)	26.61
Upside/Downside TP (%)	5.2
Number of Shares (m)	1,500
Total Market Cap (SRIs m)	37,950

Key Financials	12/08A	12/09E	12/10E	12/11E
Operating Profit (SRIs m)	5,248	6,202	6,736	7,572
Adjusted Net Income (SRIs m)	2,639	3,039	3,442	4,029
Stated Net Income (SRIs m)	2,813	3,039	3,442	4,029
Reported Book Value (SRIs m)	25,690	28,897	30,212	32,176
Tangible Book value (SRIs m)	25,690	28,897	30,212	32,176
Stated EPS (SAR)	2.03	2.03	2.29	2.69
Adjusted EPS (SAR)	2.03	2.03	2.29	2.69
Tangible BV Per Share (SRIs)	19.76	19.26	20.14	21.45

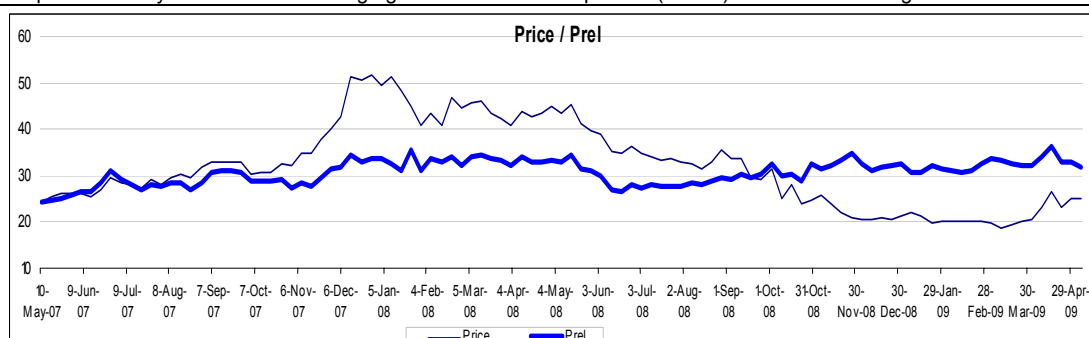
Key Ratios	12/08A	12/09E	12/10E	12/11E
P/E (adj., x)	12.46	12.49	11.03	9.42
P/TBVPS (x)	1.28	1.31	1.26	1.18
P/BVPS (adj., x)	1.28	1.31	1.26	1.18
Dividend Yield (%)	6.39	5.60	5.44	6.37
Tangible ROE (%)	14.47	11.13	11.65	12.92
Dividend Per Share (SRIs)	1.62	1.42	1.38	1.61
Cost/Income (%)	43.07	35.46	35.38	34.70
Core Tier 1 Ratio (%)	13.90	25.91	25.22	24.94
Tier 1 Ratio (%)	13.90	25.91	25.22	24.94

Performance over	1mth	3mths	12mths
Absolute (%)	-2.7	26.2	-45.6
Relative (%)	-14.5	1.2	-12.2



Company Description

Riyad bank is a predominantly retail bank with a large government ownership stake (51.3%). It has the third largest branch network.



Source: Company data Credit Suisse estimates, IBES consensus

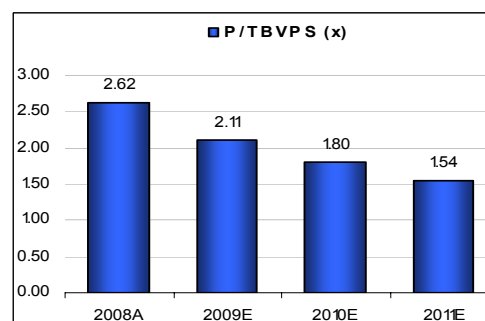
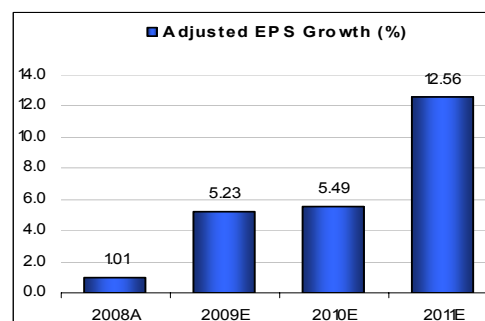
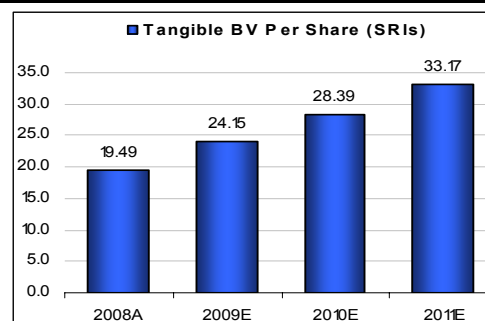
Arab National Bank 1080.SE

Coverage Universe	Emerging Markets
Universe Weight	-
Rating	(from NEUTRAL) UNDERPERFORM
Price (SRIs) (13 May 09)	51.0
Price High - Low	69 - 26
Target Price (SRIs)	38.90
Upside/Downside TP (%)	-23.7
Number of Shares (m)	650
Total Market Cap (SRIs m)	33,150

Key Financials	12/08A	12/09E	12/10E	12/11E
Operating Profit (SRIs m)	4,135	4,732	5,438	6,152
Adjusted Net Income (SRIs m)	2,486	2,616	2,760	3,106
Stated Net Income (SRIs m)	2,486	2,616	2,760	3,106
Reported Book Value (SRIs m)	12,671	15,695	18,455	21,561
Tangible Book value (SRIs m)	12,671	15,695	18,455	21,561
Stated EPS (SAR)	3.82	4.02	4.25	4.78
Adjusted EPS (SAR)	3.82	4.02	4.25	4.78
Tangible BV Per Share (SRIs)	19.49	24.15	28.39	33.17

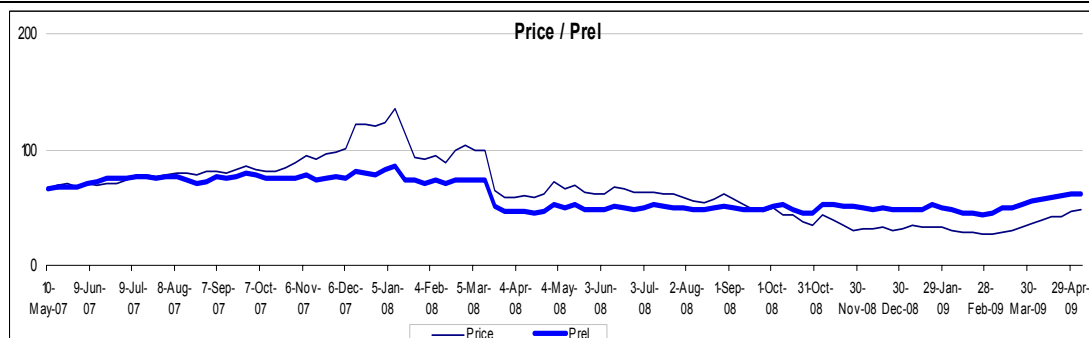
Key Ratios	12/08A	12/09E	12/10E	12/11E
P/E (adj., x)	13.33	12.67	12.01	10.67
P/TBVPS (x)	2.62	2.11	1.80	1.54
P/BVPS (adj., x)	2.62	2.11	1.80	1.54
Dividend Yield (%)	1.96	0.00	0.00	0.00
Tangible ROE (%)	21.44	18.44	16.16	15.52
Dividend Per Share (SRIs)	1.00	0.00	0.00	0.00
Cost/Income (%)	38.25	37.10	36.26	36.90
Core Tier 1 Ratio (%)	11.93	17.31	18.63	20.04
Tier 1 Ratio (%)	11.93	17.31	18.63	20.04

Performance over	1mth	3mths	12mths
Absolute (%)	22.9	74.7	-25.8
Relative (%)	7.9	40.1	19.6



Company Description

ANB is owned 40% by Arab bank (based in Jordan). ANB commenced business in 1980 by taking over the operations of Arab National Bank Ltd. in Saudi Arabia. The bank has a strong retail and corporate franchise and is venturing into mortgages.



Source: Company data Credit Suisse estimates, IBES consensus

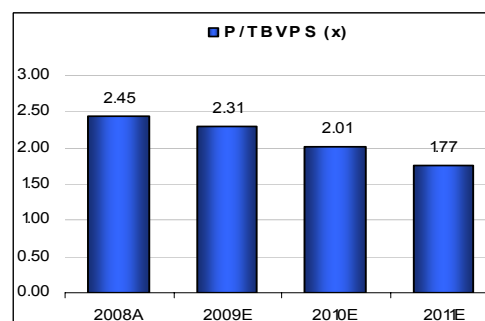
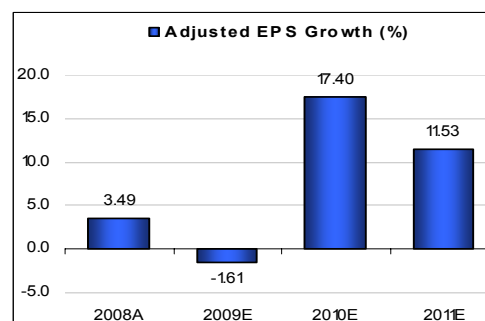
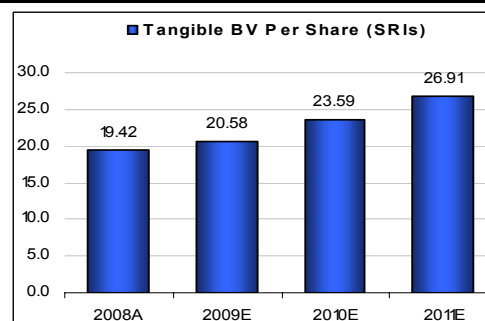
Banque Saudi Fransi 1050.SE

Coverage Universe	Emerging Markets
Universe Weight	-
Rating	UNDERPERFORM
Price (SRIs) (13 May 09)	47.5
Price High - Low	76 - 33
Target Price (SRIs)	40.05
Upside/Downside TP (%)	-15.7
Number of Shares (m)	723
Total Market Cap (SRIs m)	34,353

Key Financials	12/08A	12/09E	12/10E	12/11E
Operating Profit (SRIs m)	4,392	4,503	5,039	5,787
Adjusted Net Income (SRIs m)	2,806	2,761	3,241	3,614
Stated Net Income (SRIs m)	2,791	2,761	3,241	3,614
Reported Book Value (SRIs m)	14,047	14,884	17,057	19,459
Tangible Book value (SRIs m)	14,047	14,884	17,057	19,459
Stated EPS (SAR)	4.99	3.82	4.48	5.00
Adjusted EPS (SAR)	3.88	3.82	4.48	5.00
Tangible BV Per Share (SRIs)	19.42	20.58	23.59	26.91

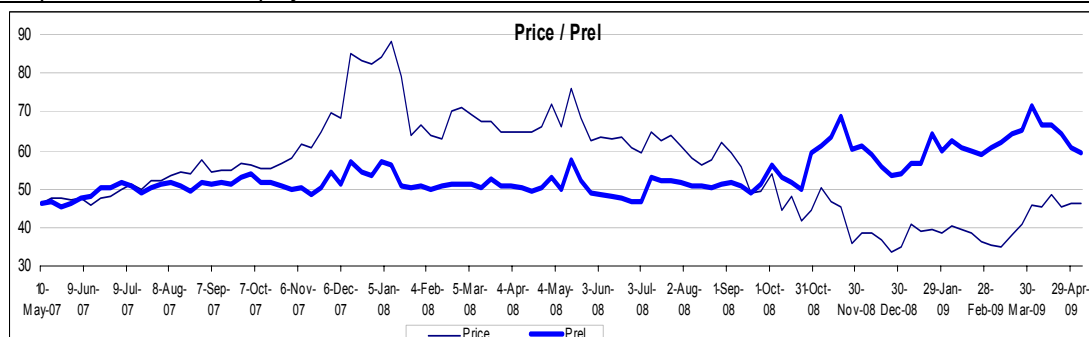
Key Ratios	12/08A	12/09E	12/10E	12/11E
P/E (adj., x)	12.24	12.44	10.60	9.50
P/TBVPS (x)	2.45	2.31	2.01	1.77
P/BVPS (adj., x)	2.45	2.31	2.01	1.77
Dividend Yield (%)	2.26	2.81	3.30	3.68
Tangible ROE (%)	22.19	19.08	20.29	19.80
Dividend Per Share (SRIs)	1.07	1.34	1.57	1.75
Cost/Income (%)	24.95	25.35	25.63	26.19
Core Tier 1 Ratio (%)	15.92	15.70	16.37	17.13
Tier 1 Ratio (%)	15.92	15.70	16.37	17.13

Performance over	1mth	3mths	12mths
Absolute (%)	0.6	20.9	-35.7
Relative (%)	-11.6	-3.0	3.7



Company Description

BSF is one of the leading corporate banks of Saudi Arabia. It is affiliated with Calyon, a fully fledged member of the Credit Agricole Group, which holds an equity interest of 31% in the bank.



Source: Company data Credit Suisse estimates, IBES consensus

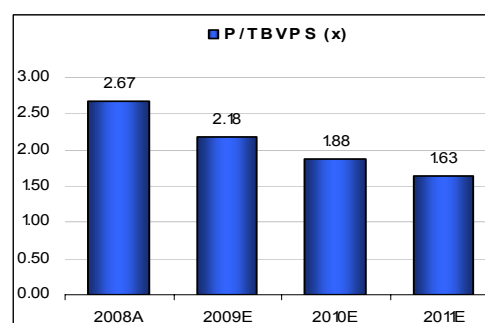
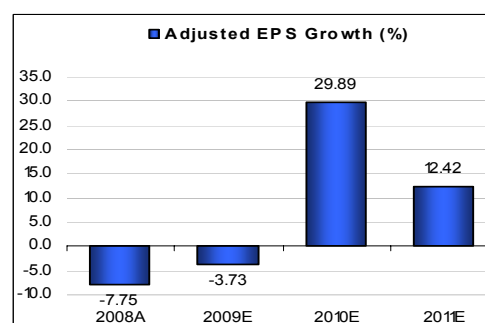
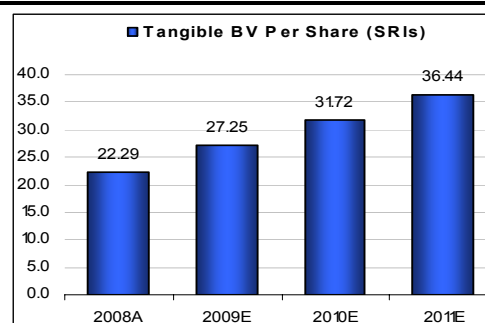
Samba Financial Group 1090.SE

Coverage Universe	Emerging Markets
Universe Weight	-
Rating	NEUTRAL
Price (SRIs) (13 May 09)	59.5
Price High - Low	97 - 39
Target Price (SRIs)	59.41
Upside/Downside TP (%)	-0.1
Number of Shares (m)	900
Total Market Cap (SRIs m)	53,550

Key Financials	12/08A	12/09E	12/10E	12/11E
Operating Profit (SRIs m)	7,012	7,694	8,583	9,631
Adjusted Net Income (SRIs m)	4,454	4,288	5,569	6,261
Stated Net Income (SRIs m)	4,432	4,288	5,569	6,261
Reported Book Value (SRIs m)	19,846	24,398	28,419	32,670
Tangible Book value (SRIs m)	19,846	24,398	28,419	32,670
Stated EPS (SAR)	4.95	4.76	6.19	6.96
Adjusted EPS (SAR)	4.95	4.76	6.19	6.96
Tangible BV Per Share (SRIs)	22.29	27.25	31.72	36.44

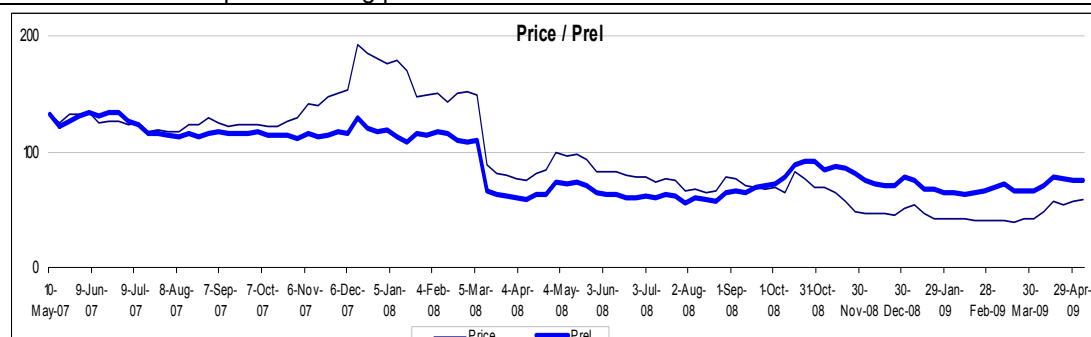
Key Ratios	12/08A	12/09E	12/10E	12/11E
P/E (adj., x)	12.02	12.49	9.62	8.55
P/TBVPS (x)	2.67	2.18	1.88	1.63
P/BVPS (adj., x)	2.67	2.18	1.88	1.63
Dividend Yield (%)	3.00	2.89	3.75	4.22
Tangible ROE (%)	23.42	19.4	21.1	20.41
Dividend Per Share (SRIs)	1.79	1.72	2.23	2.51
Cost/Income (%)	30.11	27.82	26.48	26.36
Core Tier 1 Ratio (%)	13.09	17.45	19.27	20.39
Tier 1 Ratio (%)	13.09	17.45	19.27	20.39

Performance over	1mth	3mths	12mths
Absolute (%)	7.7	43.4	-38.5
Relative (%)	-5.4	15.0	-0.8



Company Description

We view Samba as one of the largest corporate banks with attractive corporate positioning. The bank provides both conventional and Shariah-compliant banking products.



Source: Company data Credit Suisse estimates, IBES consensus

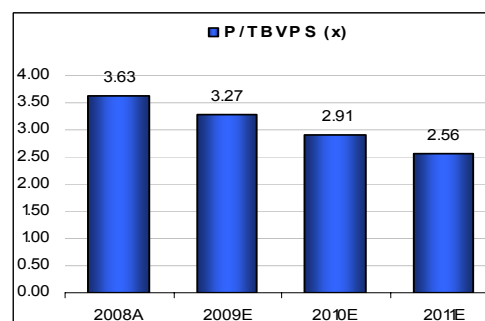
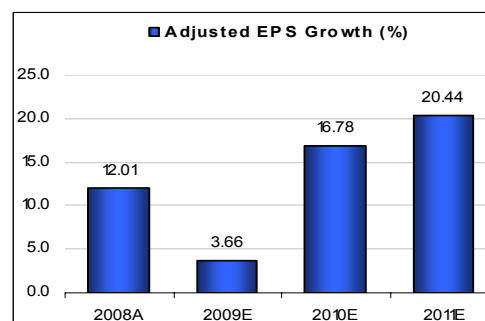
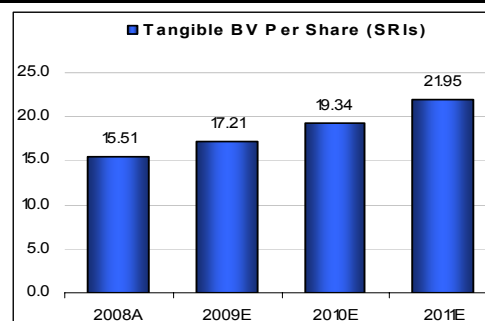
The Saudi British Bank 1060.SE

Coverage Universe	Emerging Markets
Universe Weight	-
Rating	(from OUTPERFORM) NEUTRAL
Price (SRIs) (13 May 09)	56.3
Price High - Low	105 - 40
Target Price (SRIs)	(from 54.57) 54.57
Upside/Downside TP (%)	-3.0
Number of Shares (m)	750
Total Market Cap (SRIs m)	42,188

Key Financials	12/08A	12/09E	12/10E	12/11E
Operating Profit (SRIs m)	4,912	5,732	6,592	7,405
Adjusted Net Income (SRIs m)	2,920	3,027	3,535	4,257
Stated Net Income (SRIs m)	2,920	3,027	3,535	4,257
Reported Book Value (SRIs m)	11,634	12,910	14,505	16,465
Tangible Book value (SRIs m)	11,634	12,910	14,505	16,465
Stated EPS (SAR)	3.89	4.04	4.71	5.68
Adjusted EPS (SAR)	3.89	4.04	4.71	5.68
Tangible BV Per Share (SRIs)	15.51	17.21	19.34	21.95

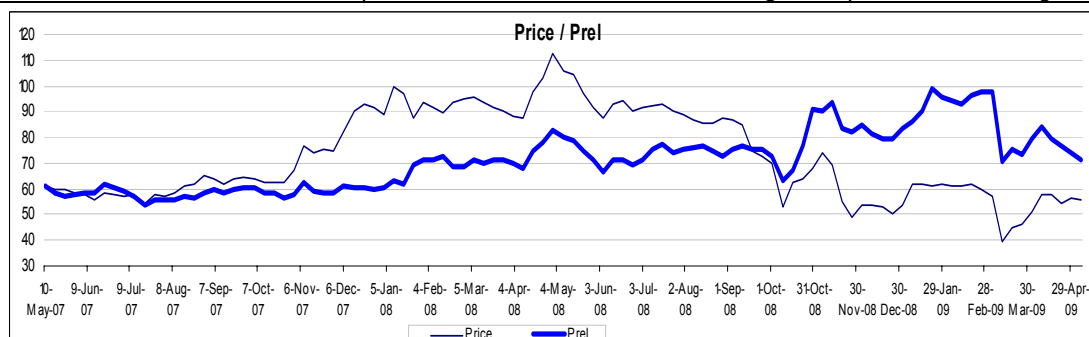
Key Ratios	12/08A	12/09E	12/10E	12/11E
P/E (adj., x)	14.45	13.94	11.94	9.91
P/TBVPS (x)	3.63	3.27	2.91	2.56
P/BVPS (adj., x)	3.63	3.27	2.91	2.56
Dividend Yield (%)	1.56	4.30	5.03	6.05
Tangible ROE (%)	26.47	24.66	25.79	27.49
Dividend Per Share (SRIs)	0.88	2.42	2.83	3.41
Cost/Income (%)	33.42	32.75	33.35	34.22
Core Tier 1 Ratio (%)	8.29	11.07	11.32	12.00
Tier 1 Ratio (%)	8.29	11.07	11.32	12.00

Performance over	1mth	3mths	12mths
Absolute (%)	-5.5	-7.8	-46.2
Relative (%)	-17.0	-26.0	-13.2



Company Description

SABB is one of the large Saudi commercial banks. It benefits from the systems and expertise of the HSBC Group, which holds a 40% stake in the bank. HSBC Group assists the bank with both technological expertise and management.



Source: Company data Credit Suisse estimates, IBES consensus

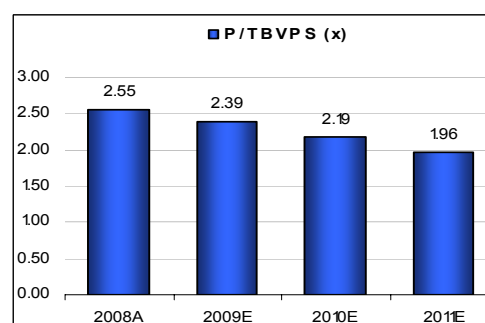
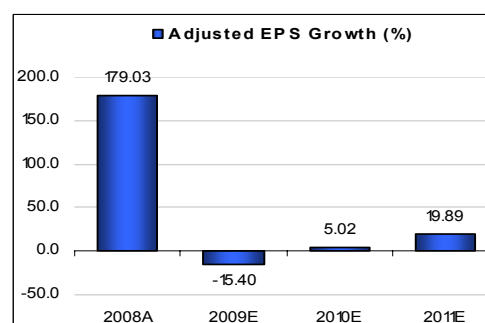
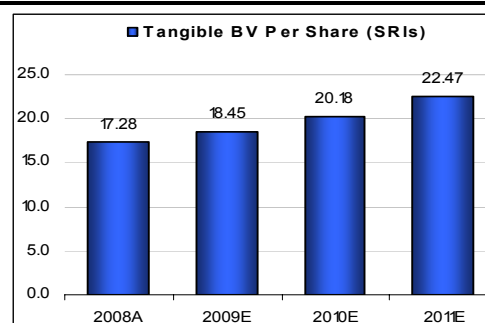
Saudi Hollandi Bank 1040.SE

Coverage Universe	Emerging Markets
Universe Weight	-
Rating	(from OUTPERFORM) NEUTRAL
Price (SRIs) (13 May 09)	44.1
Price High - Low	51 - 29
Target Price (SRIs)	(from 40.59) 40.58
Upside/Downside TP (%)	-8.0
Number of Shares (m)	331
Total Market Cap (SRIs m)	14,586

Key Financials	12/08A	12/09E	12/10E	12/11E
Operating Profit (SRIs m)	2,111	2,367	2,684	3,055
Adjusted Net Income (SRIs m)	1,224	1,035	1,087	1,303
Stated Net Income (SRIs m)	1,224	1,035	1,087	1,303
Reported Book Value (SRIs m)	5,715	6,103	6,673	7,433
Tangible Book value (SRIs m)	5,715	6,103	6,673	7,433
Stated EPS (SAR)	3.70	3.13	3.29	3.94
Adjusted EPS (SAR)	3.70	3.13	3.29	3.94
Tangible BV Per Share (SRIs)	17.28	18.45	20.18	22.47

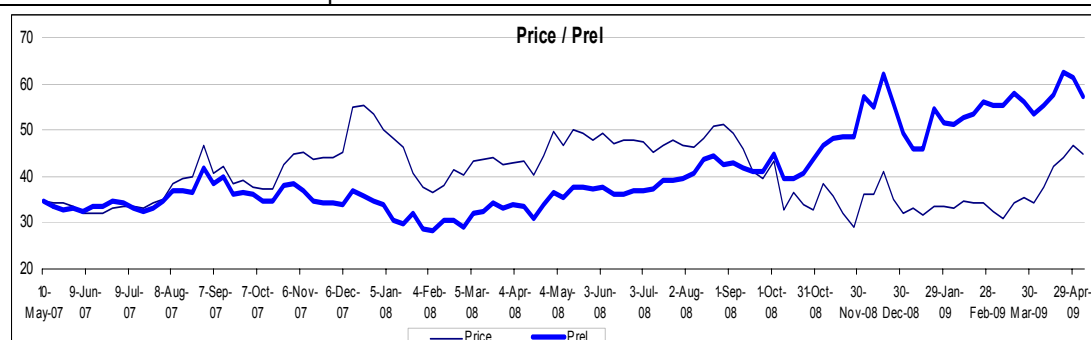
Key Ratios	12/08A	12/09E	12/10E	12/11E
P/E (adj., x)	11.92	14.09	13.42	11.19
P/TBVPS (x)	2.55	2.39	2.19	1.96
P/BVPS (adj., x)	2.55	2.39	2.19	1.96
Dividend Yield (%)	1.60	3.55	3.73	4.47
Tangible ROE (%)	23.85	17.52	17.02	18.48
Dividend Per Share (SRIs)	0.71	1.57	1.64	1.97
Cost/Income (%)	40.83	38.32	37.75	37.12
Core Tier 1 Ratio (%)	9.95	12.95	12.43	12.84
Tier 1 Ratio (%)	9.95	12.95	12.43	12.84

Performance over	1mth	3mths	12mths
Absolute (%)	5.5	27.9	-11.1
Relative (%)	-7.3	2.6	43.4



Company Description

Saudi Hollandi Bank (SHB), the oldest bank in Saudi Arabia provides a comprehensive range of banking services, including conventional and Shariah-compliant services.



Source: Company data Credit Suisse estimates, IBES consensus

Companies Mentioned (Price as of 13 May 09)

Al Rajhi Bank (1120.SE, SRIs71.50, NEUTRAL [V], TP SRIs72.66)
 Arab National Bank (1080.SE, SRIs51.00, UNDERPERFORM [V], TP SRIs38.91)
 Banque Saudi Fransi (1050.SE, SRIs47.50, UNDERPERFORM [V], TP SRIs40.05)
 Riyadh Bank (1010.SE, SRIs25.30, NEUTRAL, TP SRIs26.61)
 Samba Financial Group (1090.SE, SRIs59.50, NEUTRAL [V], TP SRIs59.41)
 Saudi Hollandi Bank (1040.SE, SRIs44.10, NEUTRAL [V], TP SRIs40.59)
 The Saudi British Bank (1060.SE, SRIs56.25, NEUTRAL [V], TP SRIs54.57)

Disclosure Appendix

Important Global Disclosures

The analysts identified in this report each certify, with respect to the companies or securities that the individual analyzes, that (1) the views expressed in this report accurately reflect his or her personal views about all of the subject companies and securities and (2) no part of his or her compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report. The analyst(s) responsible for preparing this research report received compensation that is based upon various factors including Credit Suisse's total revenues, a portion of which are generated by Credit Suisse's investment banking activities.

Analysts' stock ratings are defined as follows***:

Outperform (O): The stock's total return is expected to exceed the industry average* by at least 10-15% (or more, depending on perceived risk) over the next 12 months.

Neutral (N): The stock's total return is expected to be in line with the industry average* (range of $\pm 10\%$) over the next 12 months.

Underperform (U):** The stock's total return is expected to underperform the industry average* by 10-15% or more over the next 12 months.

**The industry average refers to the average total return of the relevant country or regional index (except with respect to Europe, where stock ratings are relative to the analyst's industry coverage universe).*

***In an effort to achieve a more balanced distribution of stock ratings, the Firm has requested that analysts maintain at least 15% of their rated coverage universe as Underperform. This guideline is subject to change depending on several factors, including general market conditions.*

****For Australian and New Zealand stocks a 7.5% threshold replaces the 10% level in all three rating definitions, with a required equity return overlay applied.*

Restricted (R): In certain circumstances, Credit Suisse policy and/or applicable law and regulations preclude certain types of communications, including an investment recommendation, during the course of Credit Suisse's engagement in an investment banking transaction and in certain other circumstances.

Volatility Indicator [V]: A stock is defined as volatile if the stock price has moved up or down by 20% or more in a month in at least 8 of the past 24 months or the analyst expects significant volatility going forward.

Analysts' coverage universe weightings are distinct from analysts' stock ratings and are based on the expected performance of an analyst's coverage universe* versus the relevant broad market benchmark**:

Overweight: Industry expected to outperform the relevant broad market benchmark over the next 12 months.

Market Weight: Industry expected to perform in-line with the relevant broad market benchmark over the next 12 months.

Underweight: Industry expected to underperform the relevant broad market benchmark over the next 12 months.

**An analyst's coverage universe consists of all companies covered by the analyst within the relevant sector.*

***The broad market benchmark is based on the expected return of the local market index (e.g., the S&P 500 in the U.S.) over the next 12 months.*

Credit Suisse's distribution of stock ratings (and banking clients) is:

	Global Ratings Distribution	
Outperform/Buy*	36%	(57% banking clients)
Neutral/Hold*	44%	(58% banking clients)
Underperform/Sell*	18%	(48% banking clients)
Restricted	2%	

**For purposes of the NYSE and NASD ratings distribution disclosure requirements, our stock ratings of Outperform, Neutral, and Underperform most closely correspond to Buy, Hold, and Sell, respectively; however, the meanings are not the same, as our stock ratings are determined on a relative basis. (Please refer to definitions above.) An investor's decision to buy or sell a security should be based on investment objectives, current holdings, and other individual factors.*

Credit Suisse's policy is to update research reports as it deems appropriate, based on developments with the subject company, the sector or the market that may have a material impact on the research views or opinions stated herein.

Credit Suisse's policy is only to publish investment research that is impartial, independent, clear, fair and not misleading. For more detail please refer to Credit Suisse's Policies for Managing Conflicts of Interest in connection with Investment Research: http://www.csfb.com/research-and-analytics/disclaimer/managing_conflicts_disclaimer.html

Credit Suisse does not provide any tax advice. Any statement herein regarding any US federal tax is not intended or written to be used, and cannot be used, by any taxpayer for the purposes of avoiding any penalties.

Important Regional Disclosures

Restrictions on certain Canadian securities are indicated by the following abbreviations: NVS--Non-Voting shares; RVS--Restricted Voting Shares; SVS--Subordinate Voting Shares.

Individuals receiving this report from a Canadian investment dealer that is not affiliated with Credit Suisse should be advised that this report may not contain regulatory disclosures the non-affiliated Canadian investment dealer would be required to make if this were its own report.

For Credit Suisse Securities (Canada), Inc.'s policies and procedures regarding the dissemination of equity research, please visit http://www.csfb.com/legal_terms/canada_research_policy.shtml.

As of the date of this report, Credit Suisse acts as a market maker or liquidity provider in the equities securities that are the subject of this report.

Principal is not guaranteed in the case of equities because equity prices are variable.

Commission is the commission rate or the amount agreed with a customer when setting up an account or at anytime after that.

To the extent this is a report authored in whole or in part by a non-U.S. analyst and is made available in the U.S., the following are important disclosures regarding any non-U.S. analyst contributors:

The non-U.S. research analysts listed below (if any) are not registered/qualified as research analysts with FINRA. The non-U.S. research analysts listed below may not be associated persons of CSSU and therefore may not be subject to the NASD Rule 2711 and NYSE Rule 472 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

- Mohamad Hawa, non-U.S. analyst, is a research analyst employed by Credit Suisse Securities (Europe) Limited.
- Digvijay Singh, non-U.S. analyst, is a research analyst employed by Credit Suisse Securities (Europe) Limited.

For Credit Suisse disclosure information on other companies mentioned in this report, please visit the website at www.credit-suisse.com/researchdisclosures or call +1 (877) 291-2683.

Disclaimers continue on next page.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject Credit Suisse, the Swiss bank, or its subsidiaries or its affiliates ("CS") to any registration or licensing requirement within such jurisdiction. All material presented in this report, unless specifically indicated otherwise, is under copyright to CS. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of CS. All trademarks, service marks and logos used in this report are trademarks or service marks or registered trademarks or service marks of CS or its affiliates.

The information, tools and material presented in this report are provided to you for information purposes only and are not to be used or considered as an offer or the solicitation of an offer to sell or to buy or subscribe for securities or other financial instruments. CS may not have taken any steps to ensure that the securities referred to in this report are suitable for any particular investor. CS will not treat recipients as its customers by virtue of their receiving the report. The investments or services contained or referred to in this report may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about such investments or investment services. Nothing in this report constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise constitutes a personal recommendation to you. CS does not offer advice on the tax consequences of investment and you are advised to contact an independent tax adviser. Please note in particular that the bases and levels of taxation may change.

CS believes the information and opinions in the Disclosure Appendix of this report are accurate and complete. Information and opinions presented in the other sections of the report were obtained or derived from sources CS believes are reliable, but CS makes no representations as to their accuracy or completeness. Additional information is available upon request. CS accepts no liability for loss arising from the use of the material presented in this report, except that this exclusion of liability does not apply to the extent that liability arises under specific statutes or regulations applicable to CS. This report is not to be relied upon in substitution for the exercise of independent judgment. CS may have issued, and may in the future issue, a trading call regarding this security. Trading calls are short term trading opportunities based on market events and catalysts, while stock ratings reflect investment recommendations based on expected total return over a 12-month period as defined in the disclosure section. Because trading calls and stock ratings reflect different assumptions and analytical methods, trading calls may differ directionally from the stock rating. In addition, CS may have issued, and may in the future issue, other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. Those reports reflect the different assumptions, views and analytical methods of the analysts who prepared them and CS is under no obligation to ensure that such other reports are brought to the attention of any recipient of this report. CS is involved in many businesses that relate to companies mentioned in this report. These businesses include specialized trading, risk arbitrage, market making, and other proprietary trading.

Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this report reflect a judgement at its original date of publication by CS and are subject to change without notice. The price, value of and income from any of the securities or financial instruments mentioned in this report can fall as well as rise. The value of securities and financial instruments is subject to exchange rate fluctuation that may have a positive or adverse effect on the price or income of such securities or financial instruments. Investors in securities such as ADRs, the values of which are influenced by currency volatility, effectively assume this risk.

Structured securities are complex instruments, typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. The market value of any structured security may be affected by changes in economic, financial and political factors (including, but not limited to, spot and forward interest and exchange rates), time to maturity, market conditions and volatility, and the credit quality of any issuer or reference issuer. Any investor interested in purchasing a structured product should conduct their own investigation and analysis of the product and consult with their own professional advisers as to the risks involved in making such a purchase.

Some investments discussed in this report have a high level of volatility. High volatility investments may experience sudden and large falls in their value causing losses when that investment is realised. Those losses may equal your original investment. Indeed, in the case of some investments the potential losses may exceed the amount of initial investment, in such circumstances you may be required to pay more money to support those losses. Income yields from investments may fluctuate and, in consequence, initial capital paid to make the investment may be used as part of that income yield. Some investments may not be readily realisable and it may be difficult to sell or realise those investments, similarly it may prove difficult for you to obtain reliable information about the value, or risks, to which such an investment is exposed.

This report may provide the addresses of, or contain hyperlinks to, websites. Except to the extent to which the report refers to website material of CS, CS has not reviewed the linked site and takes no responsibility for the content contained therein. Such address or hyperlink (including addresses or hyperlinks to CS's own website material) is provided solely for your convenience and information and the content of the linked site does not in any way form part of this document. Accessing such website or following such link through this report or CS's website shall be at your own risk.

This report is issued and distributed in Europe (except Switzerland) by Credit Suisse Securities (Europe) Limited, One Cabot Square, London E14 4QJ, England, which is regulated in the United Kingdom by The Financial Services Authority ("FSA"). This report is being distributed in Germany by Credit Suisse Securities (Europe) Limited Niederlassung Frankfurt am Main regulated by the Bundesanstalt fuer Finanzdienstleistungsaufsicht ("BaFin"). This report is being distributed in the United States by Credit Suisse Securities (USA) LLC; in Switzerland by Credit Suisse; in Canada by Credit Suisse Securities (Canada), Inc.; in Brazil by Banco de Investimentos Credit Suisse (Brasil) S.A.; in Japan by Credit Suisse Securities (Japan) Limited, Financial Instrument Firm, Director-General of Kanto Local Finance Bureau (Kinsho) No. 66, a member of Japan Securities Dealers Association, The Financial Futures Association of Japan; elsewhere in Asia/Pacific by whichever of the following is the appropriately authorised entity in the relevant jurisdiction: Credit Suisse (Hong Kong) Limited, Credit Suisse Equities (Australia) Limited, Credit Suisse Securities (Thailand) Limited, Credit Suisse Securities (Malaysia) Sdn Bhd, Credit Suisse Singapore Branch, Credit Suisse Securities (India) Private Limited, Credit Suisse Securities (Europe) Limited, Seoul Branch, Credit Suisse Taipei Branch, PT Credit Suisse Securities Indonesia, and elsewhere in the world by the relevant authorised affiliate of the above. Research on Taiwanese securities produced by Credit Suisse Taipei Branch has been prepared by a registered Senior Business Person. Research provided to residents of Malaysia is authorised by the Head of Research for Credit Suisse Securities (Malaysia) Sdn. Bhd., to whom they should direct any queries on +603 2723 2020.

In jurisdictions where CS is not already registered or licensed to trade in securities, transactions will only be effected in accordance with applicable securities legislation, which will vary from jurisdiction to jurisdiction and may require that the trade be made in accordance with applicable exemptions from registration or licensing requirements. Non-U.S. customers wishing to effect a transaction should contact a CS entity in their local jurisdiction unless governing law permits otherwise. U.S. customers wishing to effect a transaction should do so only by contacting a representative at Credit Suisse Securities (USA) LLC in the U.S.

Please note that this report was originally prepared and issued by CS for distribution to their market professional and institutional investor customers. Recipients who are not market professional or institutional investor customers of CS should seek the advice of their independent financial advisor prior to taking any investment decision based on this report or for any necessary explanation of its contents. This research may relate to investments or services of a person outside of the UK or to other matters which are not regulated by the FSA or in respect of which the protections of the FSA for private customers and/or the UK compensation scheme may not be available, and further details as to where this may be the case are available upon request in respect of this report.

Any Nielsen Media Research material contained in this report represents Nielsen Media Research's estimates and does not represent facts. NMR has neither reviewed nor approved this report and/or any of the statements made herein.

If this report is being distributed by a financial institution other than Credit Suisse, or its affiliates, that financial institution is solely responsible for distribution. Clients of that institution should contact that institution to effect a transaction in the securities mentioned in this report or require further information. This report does not constitute investment advice by Credit Suisse to the clients of the distributing financial institution, and neither Credit Suisse, its affiliates, and their respective officers, directors and employees accept any liability whatsoever for any direct or consequential loss arising from their use of this report or its content.

Copyright 2009 CREDIT SUISSE and/or its affiliates. All rights reserved.

CREDIT SUISSE SECURITIES (Europe) Limited
Europe: +44 (20) 7888-8888