

2010 Regional Bank Outlook

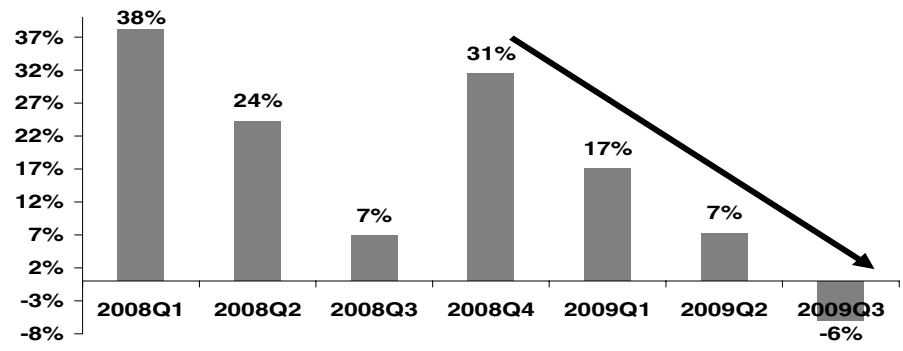
Research Analysts
Craig Siegenthaler, CFA

STRATEGIC ANALYSIS

Vaibhav Bajpai

Upgrading Industry Outlook to Overweight

Exhibit 1: Q/Q % Change in Additions to Non-Accruals



Source: Y-9C Regulatory Filings, Credit Suisse Equity Research

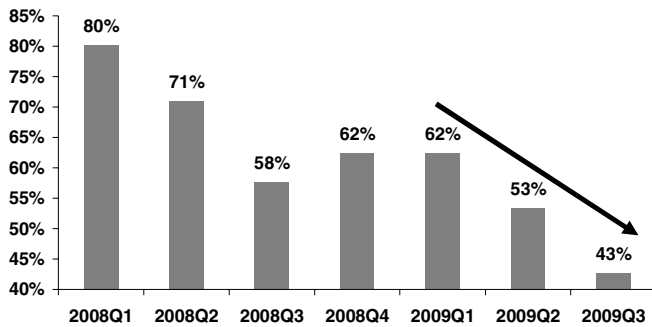
- **Upgrading the Regional Bank Industry to Outperform – we believe FITB and FHN have most risk-adjusted upside, while also upgrading STI (OP from N) and BBT (N from UP).**
- **Buy the Regional Banks Before the 4Q Kitchen Sink:** As we believe NPAs, NCOs, and provisions will steadily improve throughout 2010, and that 13 of our 15 covered companies will not need additional capital (except with early TARP repayment), we are buyers before the 4Q kitchen sink results in mid-January, as we believe the quarterly results will bring improved EPS visibility following the peak in provisions. Specifically, we expect provisions to peak in 4Q09, as reserve builds decline into mid-2010. Our assumption for peak NPLs in 1H09 is driven by (1) reduced delinquencies (which impacts NPL inflow), (2) increased liquidity for loan / RE dispositions (which impacts NPL outflow), (3) reduced construction portfolios (lower severity), and (4) a relief in regulatory pressure following thorough annual reviews in 4Q09 (see Exhibits 2 – 4). While CRE remains a large concern for investors, we believe the risk that losses spike has been reduced through the aggressive restructuring / refinancing activity YTD, which alternatively has extended the CRE loss curve into 2012, which is why we believe 2013 represents the first calendar year of normalized EPS (expect 1.1-1.3% ROA, 11-14% ROEs).
- **The Window of Opportunity for Buying Bank Stocks near Tangible Book Could Be Closing:** We look for stock prices to return to historical valuation levels (11x to 13x forward EPS estimates) by mid-2012, which implies the average stock has 75% potential upside (25% annualized), with 25% potential downside to our TSTB (trough stressed tangible book) forecast for the average bank. With 75% upside / 25% downside on average, we believe investors should be forward-looking and use attractive valuation and weak price action around the 4Q “kitchen sink” results in mid-January to overweight the regional banks. On average, we expect regional bank stock prices to recover by 25% in 2010, which will lift price to tangible book multiples to 1.5x - 2.0x.

DISCLOSURE APPENDIX CONTAINS IMPORTANT DISCLOSURES, ANALYST CERTIFICATIONS, INFORMATION ON TRADE ALERTS, ANALYST MODEL PORTFOLIOS AND THE STATUS OF NON-U.S. 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.

Why Will Regional Bank NPLs Peak in 1H10 and Improve in 2H10?

(1) Non-Accrual Inflows have improved for three to four quarters. As the inflow to non-accruals continues to decline, non-performing loan growth will slow and turn negative. Additionally, the level of outflows from non-accruals has also improved due to increased liquidity in most secondary loan and RE markets, which should also cause NPL levels to peak by 1H09.

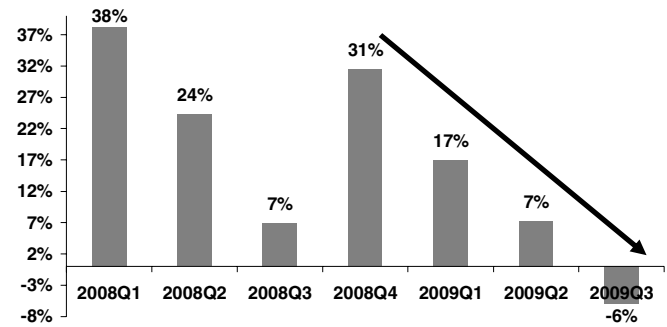
Exhibit 2: Regional Bank Non-Accrual Organic Growth



Non-Accrual Organic Growth = Non-Accrual Additions as a % of Beginning of Period Non-Accruals

Source: Y-9C Filings, SNL Financial, Credit Suisse Equity Research

Exhibit 3: Growth in Additions to Non-Accrual

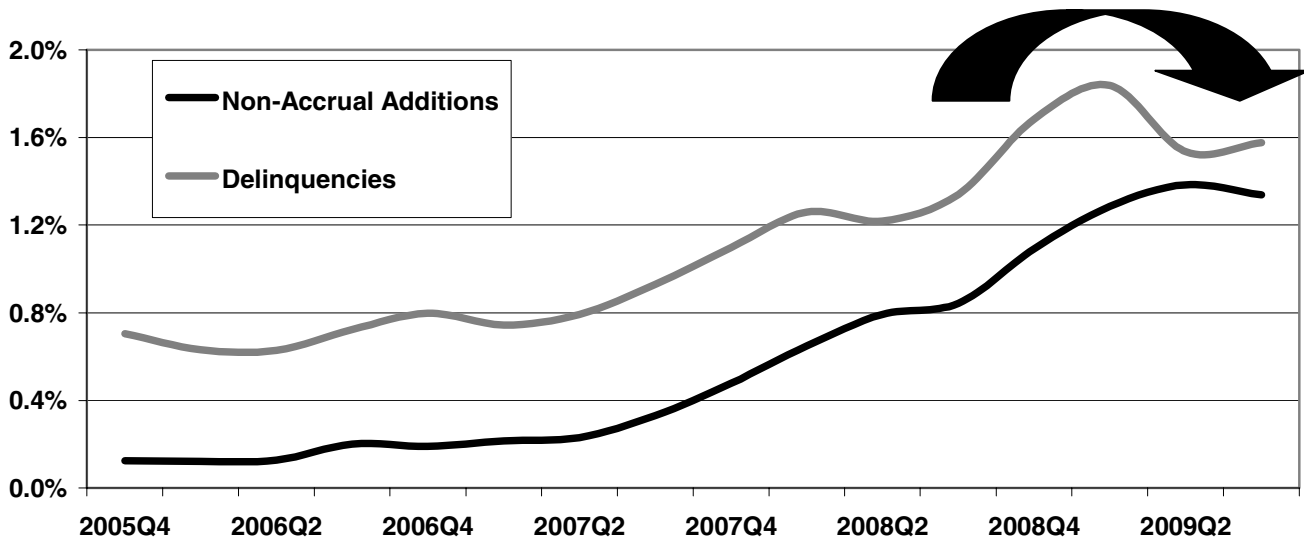


Growth in Additions to Non-Accruals = q/q % change in Additions to Non-Accruals

Source: Y-9C Filings, SNL Financial, Credit Suisse Equity Research

(2) Leading indicators for NPLs have already experienced inflection points. With delinquencies peaking in 1Q09, and improving significantly in 2Q09, we believe the clock is ticking for the inflection point in NPLs. Historically, early stage delinquencies have led NPLs by four quarters, which places the peak in NPLs in 1Q10.

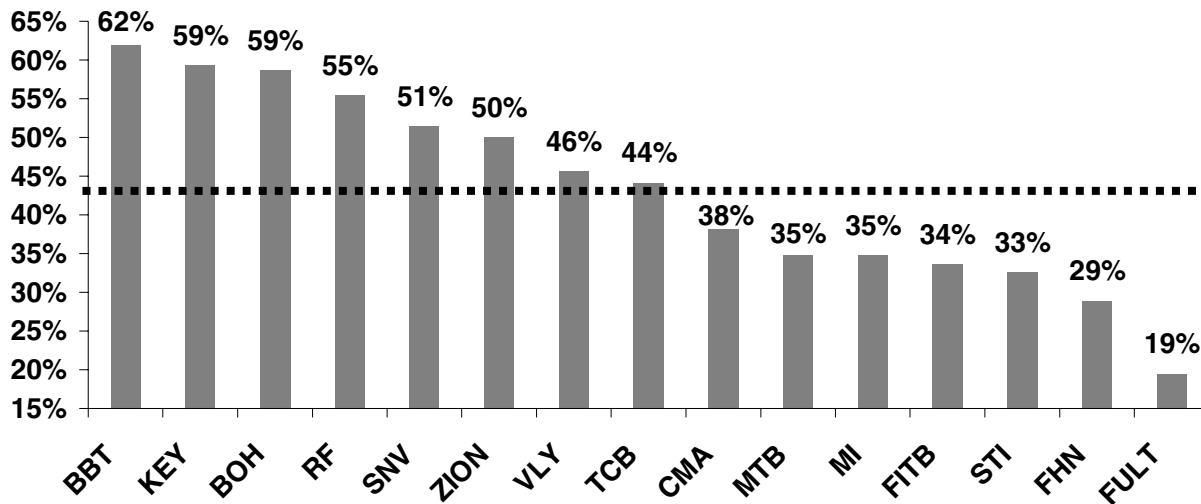
Exhibit 4: Non-Accrual Additions and Delinquency Ratios to Loans for the Regional Banks



Source: Y-9C Filings, SNL Financial, Credit Suisse Equity Research

(3) The rate of improvement will vary by regional bank. The difference will be based on (1) loan geography, (2) loan mix, and (3) level of conservatism embedded in previous charge-off and reserve build assumptions.

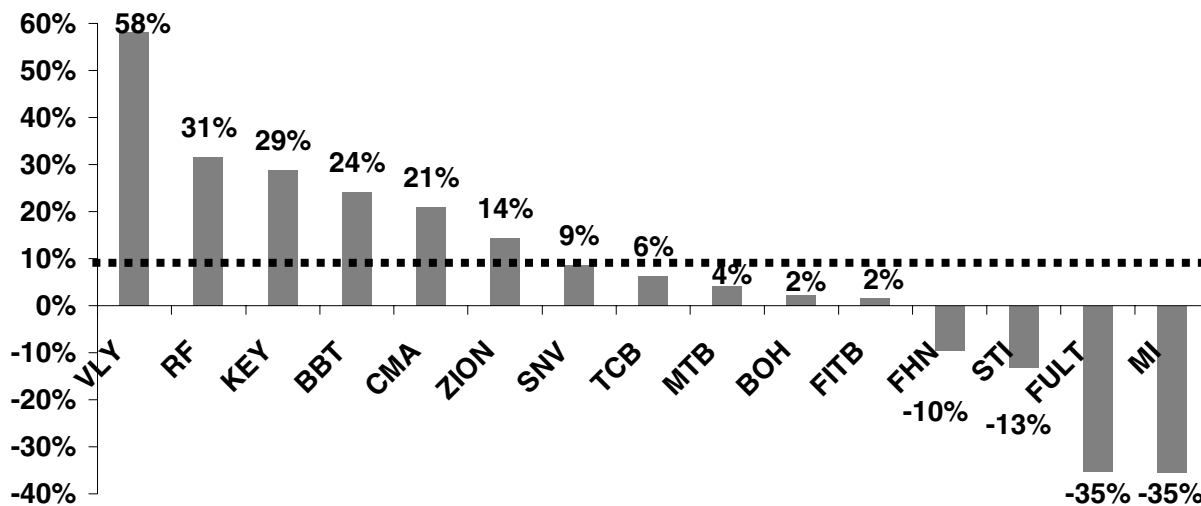
Exhibit 5: Regional Bank Non-Accrual Organic Growth



Non-Accrual Organic Growth = Non-Accrual Additions as a % of Beginning of Period Non-Accruals, as of 3Q09

Source: Y-9C Filings, SNL Financial, Credit Suisse Equity Research

Exhibit 6: % Change in Additions to Non-Accrual (3Q09 vs. average of 4Q08, 1Q09, 2Q09)

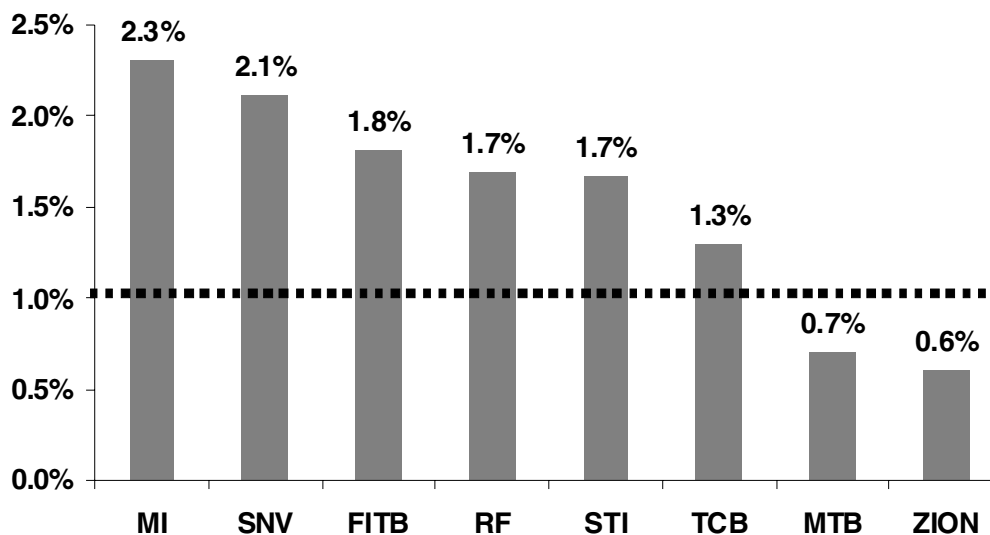


Source: Y-9C Filings, SNL Financial, Credit Suisse Equity Research, as of 3Q09

OREO Builds and Restructured Loans Will Be a Core Focus in 2010

- We believe elevated TDR/restructured loan activity will slow NPA increases over the next three quarters, but could prevent a meaningful recovery in 2011.** Additionally, while increasing OREO balances will negatively impact earnings over the next 4-6 quarters (2-4 quarters after the peak in NPLs), the normalization of (1) OREO impairments, (2) RE maintenance, and (3) other environmental expenses associated with OREO will provide a significant positive lift to ROE/ROA, which could be underestimated by investors in '11 – '13.
- While we still believe consensus 2010 estimates are too high, we believe this is embedded in the regional bank stocks' low valuation** (6.6x normalized EPS and 1.2x trough tangible book). Specifically, we believe poor results in 4Q will cause the street to re-adjust estimates for 2010 capital and provisions closer to our estimates. At this point, we look for provision declines (and even reserve reductions at FITB and FHN) to start the two to three year recovery in EPS. We also expect price to tangible book values to improve to 1.5x to 2.0x by year end from 1.3x currently.
- Increased restructuring activity and OREO builds are delaying loan losses, and shifting provisions and impairments into 2010 – 2012. Additionally, we believe the two main factors that will drive an EPS recovery, (1) reserve reduction (correlates to inflow of NPLs) and (2) loan growth, will be impacted by how restructured / refinanced loans perform in 2010.** We believe a second peak of delinquent loans will delay the EPS recovery, and drive several stocks to underperform. Additionally, with a fine line between a restructured loan and a refinanced loan, we estimate that tracking TDRs may only measure the tip of the iceberg for future non-accruals for several banks that have been aggressive in refinancing loans before default. While this is not a disaster scenario for the regional banks, we do look for EPS to recover slower at several banks (and have more potential to miss consensus estimates) due to the lack of significant improvement in NPAs.

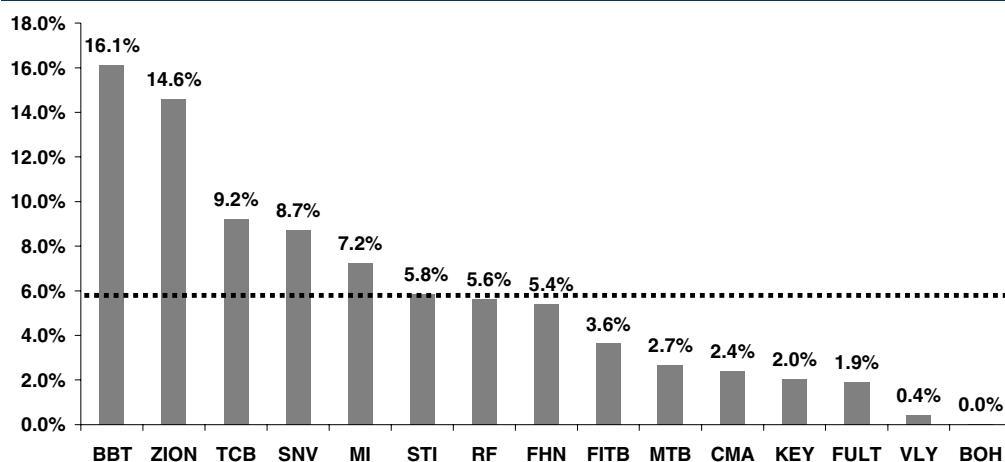
Exhibit 7: Restructured Loan Ratios for the Regional Banks



Source: Source: Y-9C Regulatory Filings, Credit Suisse Equity Research; Restructured Loans Ratio for BBT, BOH, CMA, FHN, FULT, KEY, VLY are under 50bps

- Regulators support increased workouts:** Restructuring activity has increased, which is partly supported by the joint regulatory policies in the CRE workout guidelines released last month. While a restructuring, if serving in the interest of borrower and lender, could help increase the present value of problem loan recoveries, we are concerned by several factors related to the pickup in restructured loans. First, if the restructured loan is accruing, it will likely be segmented within a banks accruing loan portfolio, but exhibit a delinquency rate several times higher. With a large portion of the accruing restructured bucket emptied out at calendar year end, it will become more difficult to distinguish between potential problem and healthy loans in 1Q. Second, there exists a fine line between a loan refinancing and a restructuring, but both of these pools should exhibit higher default rates than standard accruing loans. Accordingly, some banks may be relatively understating current delinquency levels due to aggressive refinancing / restructuring. While FITB, MI, and RF have been the most aggressive in restructuring loans, we estimate re-default rates are running higher at SNV and ZION.
- Discussions with Regulators:** After our discussions with several regulators over the past year, we believe a regulator’s definition of TDR may differ by governing body (FDIC is most conservative, OTS is least), and also the relationship that the bank has with its regulator. For example, if a banking workout strategy focuses on interest rate modifications on problem credits, which allows problem borrowers to remain current for six months, TDRs will decline significantly in 1Q10 after the yearend TDR cleanup, however, delinquencies will likely remain elevated in 2010.
- Impact from OREO Builds:** OREO builds into 2H10 will continue to pressure earnings from higher non-interest expenses. Specifically, BBT believes OREO generates an annual expense of roughly 10% of the asset balance to maintain the properties, which does not include the asset impairments. While we believe investors may be missing the negative impact that OREO builds will have on near-term earnings (4Q09 – 3Q10) through additional environmental expenses, and intermediate-term earnings (4Q09 – 4Q11) due to higher OREO asset impairments, investors may be also missing the positive impact to long-term EPS when these expenses normalize. This benefit will be significant, and will drive ROA/ROE improvements in 2012 and 2013. For more detail on OREO trends, see our report “Are OREO Portfolios Overvalued by Regional Banks?” published on July 14, 2009.

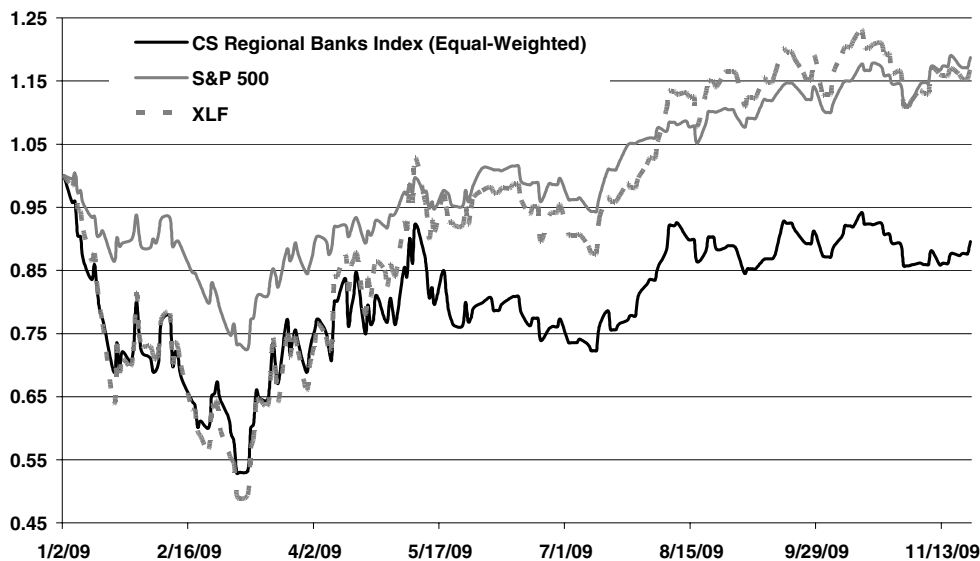
Exhibit 8: Other Real Estate Owned as a % of Tangible Common Equity



Source: Y-9C Filings, SNL Financial, Credit Suisse Equity Research

- Increased investor activity will support higher asset dispositions at lower discounts:** Due to the fact that higher defaults out of CMBS have not materialized (partly driven by JV takeouts), and there is little new construction, Andrew Rosivach (CS Senior REITs Analyst) believes it is not easy for CRE-focused REITs to put money to work. Accordingly, we believe the low rates and improved spreads will help banks dispose of problem assets (loans and RE). As inflows to NPLs are already declining (partly from higher restructuring activity), an increase in asset dispositions (outflow to NPL) will make it easier for NPL growth to reach an inflection point over the next few quarters, and turn negative.
- We expect the mean regional bank stock price to increase by 25% in 2010:** With downside to TSTB (trough stressed tangible book) of 25% for the average regional bank, and three year annualized upside of 75% driven by normalized earnings, we look for most regional banks to outperform in 2010. We are focused on regional banks that have built strong credit defenses (reserves + capital), taken proactive losses, and are positioned to improve returns (ROA, ROTE) in a weak loan demand environment. We believe FITB and FHN have the highest risk-adjusted upside.

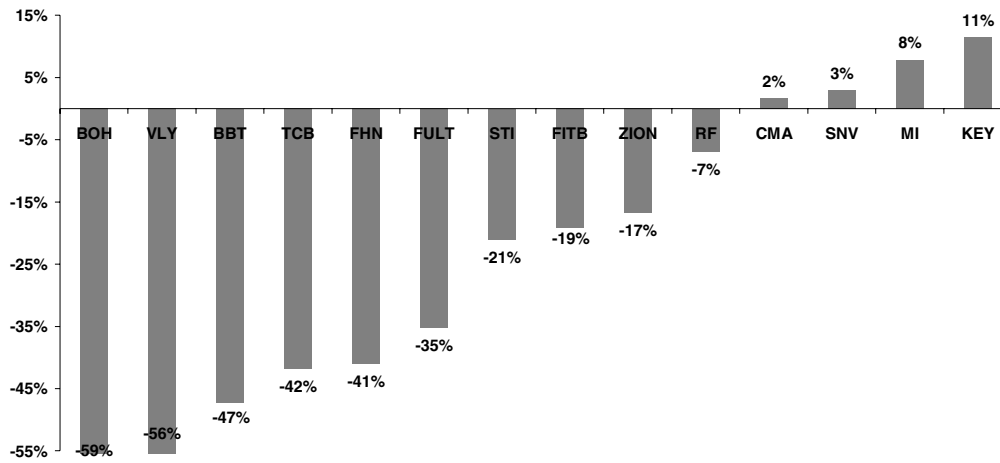
Exhibit 9: YTD Performance of the Credit Suisse Regional Banks Index (Equal-Weighted), S&P 500, and XLF



Source: Factset, Credit Suisse Equity Research

- Introducing TSTB:** Our preferred metric for identifying downside risk is TSTB (Trough Stressed Tangible Book, see Section on Valuation for more detail) which is our estimate of stock price downside – KEY and MI are stocks trading below this level. Given our expectation of capital raise risk at SNV and ZION (negatively impacted by elevated restructuring activity and OREO), we would recommend investors to underweight these stocks. We remain more concerned with SNV, which we believe could raise common equity by 2Q10 if NCOs do not improve significantly. While we also believe ZION will need capital, we believe there could be strong demand for the company’s first significant capital raise.

Exhibit 10: Downside to Trough Stressed Tangible Book Value



Source: Factset, Credit Suisse Equity Research

- Consensus Estimates Are Optimistic – 4Q09 Kitchen Sink?** We believe regulatory pressure will cause certain distressed banks to proactively provision for future loan losses in 4Q09, which will drive an increase in NCOs, and a reduction in capital ratios. Additionally, we also believe there is a risk that several banks may build valuation allowances for deferred tax assets, which could also negatively impact capital ratios. We believe FHN, RF, and ZION may have the most risk from a valuation allowance (see our report “Impact of Potential Deferred Tax Asset Valuation Allowances on the Capital Ratios of Regional Banks” on November 4, 2009).

Exhibit 11: Credit Suisse Estimates vs. Consensus Estimates

		4Q09 EPS Estimates				4Q10 EPS Estimates				2010 EPS Estimates			
		CS	Cons	\$ Diff	% Diff	CS	Cons	\$ Diff	% Diff	CS	Cons	\$ Diff	% Diff
BB&T CORP	BBT	\$0.10	\$0.22	(\$0.12)	-57%	\$0.43	\$0.49	(\$0.06)	-12%	\$1.15	\$1.51	(\$0.36)	-24%
BANK OF HAWAII CORP	BOH	\$0.79	\$0.73	\$0.06	8%	\$1.01	\$0.83	\$0.18	22%	\$3.64	\$3.07	\$0.57	19%
COMERICA INC	CMA	(\$0.67)	(\$0.51)	(\$0.16)	-31%	(\$0.05)	(\$0.02)	(\$0.03)	-157%	(\$0.98)	(\$0.79)	(\$0.19)	-24%
FIRST HORIZON NATIONAL COI	FHN	(\$0.27)	(\$0.22)	(\$0.05)	-23%	\$0.15	\$0.13	\$0.02	12%	(\$0.06)	\$0.04	(\$0.10)	-262%
FIFTH THIRD BANCORP	FITB	(\$0.44)	(\$0.31)	(\$0.13)	-42%	(\$0.10)	\$0.01	(\$0.11)	-1055%	(\$0.68)	(\$0.30)	(\$0.38)	-128%
FULTON FINANCIAL CORP	FULT	\$0.12	\$0.11	\$0.01	11%	\$0.17	\$0.17	\$0.00	1%	\$0.53	\$0.59	(\$0.06)	-10%
KEYCORP	KEY	(\$0.40)	(\$0.38)	(\$0.02)	-5%	(\$0.23)	(\$0.15)	(\$0.08)	-51%	(\$1.14)	(\$0.82)	(\$0.32)	-39%
MARSHALL & ILSLEY CORP	MI	(\$0.87)	(\$0.47)	(\$0.40)	-86%	(\$0.20)	(\$0.17)	(\$0.03)	-21%	(\$1.39)	(\$0.90)	(\$0.49)	-54%
M & T BANK CORP	MTB	\$0.66	\$0.88	(\$0.22)	-25%	\$0.84	\$0.98	(\$0.14)	-15%	\$2.24	\$3.69	(\$1.45)	-39%
REGIONS FINANCIAL CORP	RF	(\$0.37)	(\$0.33)	(\$0.04)	-12%	(\$0.14)	(\$0.12)	(\$0.02)	-18%	(\$0.90)	(\$0.64)	(\$0.26)	-41%
SYNOVUS FINANCIAL CORP	SNV	(\$0.81)	(\$0.58)	(\$0.23)	-40%	(\$0.22)	(\$0.12)	(\$0.10)	-85%	(\$1.69)	(\$1.03)	(\$0.66)	-64%
SUNTRUST BANKS INC	STI	(\$0.86)	(\$0.72)	(\$0.14)	-19%	(\$0.04)	\$0.03	(\$0.07)	-223%	(\$1.55)	(\$1.02)	(\$0.53)	-52%
TCF FINANCIAL CORP	TCB	\$0.04	\$0.12	(\$0.08)	-70%	\$0.19	\$0.24	(\$0.05)	-23%	\$0.38	\$0.72	(\$0.34)	-48%
VALLEY NATIONAL BANCORP	VLY	\$0.19	\$0.20	(\$0.01)	-4%	\$0.27	\$0.22	\$0.05	21%	\$0.96	\$0.86	\$0.10	12%
ZIONS BANCORPORATION	ZION	(\$2.20)	(\$1.61)	(\$0.59)	-37%	(\$0.98)	(\$0.25)	(\$0.73)	-290%	(\$4.81)	(\$2.16)	(\$2.65)	-123%
AVERAGE		(\$0.33)	(\$0.19)	(\$0.14)	-74%	\$0.07	\$0.15	(\$0.08)	-52%	(\$0.29)	\$0.19	(\$0.47)	-252%

Source: Factset, Credit Suisse Equity Research

An Analysis of Loan Restructuring Activity

Increased restructuring activity and OREO builds are delaying loan losses, and shifting provisions and impairments into 2010 – 2012. While the losses are delayed, they may also be reduced as a loan modification increases the ability of a borrower to remain current, and could also postpone a potential loan / OREO sale to a period after real estate price recovery. Accordingly, we believe the two key factors that drive EPS recovery, (1) reserve reduction (correlates to inflow of NPLs) and (2) loan growth, will be impacted by how restructured / refinanced loans perform in 2010. While we agree with the conclusions in the joint regulatory guidance on CRE workouts released last month (prudent restructurings can serve in the best interest of the borrower and lender), we believe the regional banks' activity levels and underwriting standards in restructuring loans varies, which implies recovery levels may also diverge.

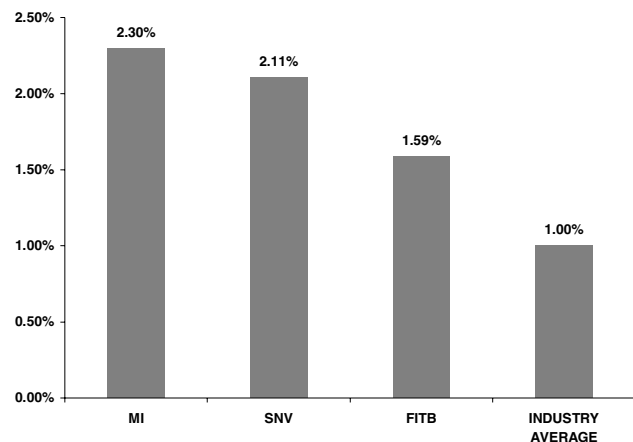
MI, FITB, and SNV are the most active in restructuring loans...

Exhibit 12: Total Restructured Loans as a % of Total Loans (Restructured Loans Ratio)

	2008Q1	2008Q2	2008Q3	2008Q4	2009Q1	2009Q2	2009Q3
BBT	0.00%	0.00%	0.00%	0.00%	0.06%	0.09%	0.12%
BOH	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%	0.06%
CMA	0.07%	0.06%	0.04%	0.03%	0.02%	0.03%	0.05%
FHN	0.03%	0.05%	0.06%	0.11%	0.13%	0.23%	0.36%
FITB	0.22%	0.38%	0.56%	0.82%	1.11%	1.40%	1.81%
FULT	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.35%
KEY	0.00%	0.01%	0.01%	0.02%	0.00%	0.02%	0.12%
MI	0.00%	0.03%	0.18%	0.54%	0.91%	1.73%	2.30%
MTB	0.19%	0.23%	0.33%	0.40%	0.63%	0.73%	0.70%
RF	0.03%	0.11%	0.15%	0.54%	0.86%	1.34%	1.69%
SNV	0.00%	0.01%	0.01%	0.00%	0.21%	1.24%	2.11%
STI	0.04%	0.19%	0.45%	0.59%	0.86%	1.34%	1.67%
TCB	0.19%	0.34%	0.38%	0.38%	0.31%	0.51%	1.29%
VLV	0.09%	0.04%	0.10%	0.09%	0.09%	0.23%	0.22%
ZION	0.03%	0.01%	0.01%	0.04%	0.02%	0.34%	0.61%
INDUSTRY	0.06%	0.12%	0.20%	0.34%	0.50%	0.81%	1.06%

Source: Y-9C Regulatory Filings, Credit Suisse Equity Research

Exhibit 13: Restructured Loans Ratio Growth for MI, FITB, and SNV vs. Industry Average (2008Q1 - 2009 Q3)



Source: Y-9C Regulatory Filings, Credit Suisse Equity Research

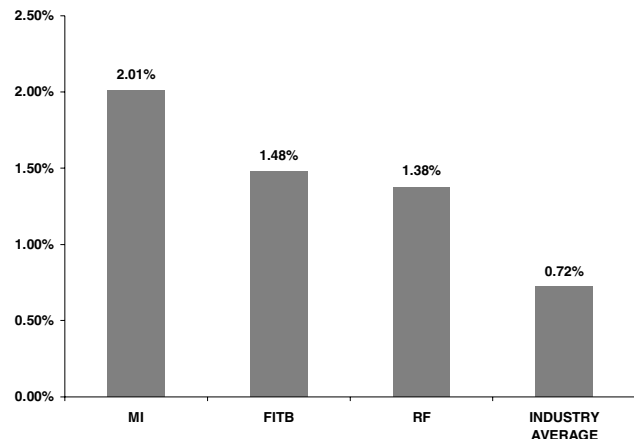
...while MI, FITB, and RF have the highest level of restructured loans still accruing interest.

Exhibit 14: Accruing Restructured Loans as a % of Total Loans (Accruing Restructured Loans Ratio)

	2008Q1	2008Q2	2008Q3	2008Q4	2009Q1	2009Q2	2009Q3
BBT	0.00%	0.00%	0.00%	0.00%	0.06%	0.07%	0.07%
BOH	0.00%	0.00%	0.00%	0.00%	0.00%	0.04%	0.05%
CMA	0.03%	0.03%	0.02%	0.00%	0.01%	0.00%	0.02%
FHN	0.00%	0.02%	0.02%	0.02%	0.03%	0.05%	0.15%
FITB	0.01%	0.02%	0.06%	0.12%	0.90%	1.14%	1.49%
FULT	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.27%
KEY	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%
MI	0.00%	0.02%	0.17%	0.49%	0.83%	1.70%	2.01%
MTB	0.00%	0.00%	0.00%	0.14%	0.23%	0.29%	0.29%
RF	0.02%	0.10%	0.12%	0.38%	0.68%	1.12%	1.40%
SNV	0.00%	0.01%	0.01%	0.00%	0.10%	0.07%	0.77%
STI	0.00%	0.08%	0.19%	0.25%	0.40%	0.75%	0.99%
TCB	0.07%	0.14%	0.16%	0.17%	0.14%	0.32%	1.06%
VLY	0.09%	0.03%	0.09%	0.08%	0.08%	0.23%	0.21%
ZION	0.03%	0.01%	0.01%	0.01%	0.00%	0.09%	0.28%
INDUSTRY	0.01%	0.04%	0.07%	0.15%	0.34%	0.55%	0.73%

Source: Y-9C Regulatory Filings, Credit Suisse Equity Research

Exhibit 15: Accruing Restructured Loans Ratio Growth for MI, FITB, and RF vs. Industry Average (2008Q1 - 2009 Q3)



Source: Y-9C Regulatory Filings, Credit Suisse Equity Research

MI, MTB, RF, SNV, and STI have the highest contribution of restructured loans in delinquencies and non-accruals.

Exhibit 16: Delinquent Restructured Loans as a % of Total Delinquent Loans

	2008Q1	2008Q2	2008Q3	2008Q4	2009Q1	2009Q2	2009Q3
BBT	0.00%	0.00%	0.00%	0.00%	0.21%	0.54%	0.62%
BOH	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CMA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.29%
FHN	0.00%	0.00%	0.09%	0.28%	0.29%	0.16%	0.24%
FITB	0.02%	0.06%	0.29%	0.61%	3.98%	4.51%	5.12%
FULT	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.19%
KEY	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
MI	0.00%	0.57%	0.67%	3.62%	3.66%	4.61%	7.72%
MTB	0.03%	0.00%	0.01%	0.05%	1.31%	3.36%	2.55%
RF	0.00%	0.00%	0.85%	5.45%	6.05%	8.53%	12.47%
SNV	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
STI	0.55%	1.03%	4.01%	4.47%	4.50%	5.20%	6.18%
TCB	5.65%	5.34%	1.74%	3.36%	2.89%	3.74%	4.99%
VLY	0.00%	0.00%	0.00%	0.02%	0.04%	0.00%	0.00%
ZION	0.00%	0.00%	0.00%	0.00%	0.23%	0.30%	4.42%
INDUSTRY	0.16%	0.31%	1.04%	2.08%	2.66%	3.45%	4.25%

Source: Y-9C Regulatory Filings, Credit Suisse Equity Research

Exhibit 17: Nonaccruing Restructured Loans as a % of Total Nonaccruing Loans

	2008Q1	2008Q2	2008Q3	2008Q4	2009Q1	2009Q2	2009Q3
BBT	0.00%	0.00%	0.00%	0.00%	0.16%	0.65%	1.21%
BOH	0.00%	0.00%	0.00%	0.00%	0.00%	1.66%	1.34%
CMA	4.57%	2.51%	1.60%	1.37%	0.39%	1.07%	0.79%
FHN	1.13%	1.02%	1.15%	1.78%	1.78%	3.05%	3.57%
FITB	12.19%	15.72%	16.16%	21.44%	4.27%	5.26%	5.62%
FULT	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.82%
KEY	0.00%	0.87%	0.96%	1.44%	0.00%	0.57%	2.79%
MI	0.00%	0.00%	0.00%	0.00%	0.00%	0.59%	5.51%
MTB	19.37%	20.05%	23.18%	17.14%	19.08%	18.92%	16.13%
RF	1.06%	0.74%	0.67%	1.65%	1.34%	2.00%	1.62%
SNV	0.00%	0.00%	0.00%	0.00%	2.30%	21.80%	23.53%
STI	1.76%	4.28%	7.29%	7.61%	9.95%	11.82%	12.43%
TCB	10.33%	18.30%	17.80%	13.27%	8.90%	8.45%	9.21%
VLY	0.70%	0.53%	1.63%	4.28%	3.30%	1.27%	1.88%
ZION	0.01%	0.01%	0.00%	1.72%	0.35%	5.73%	4.87%
INDUSTRY	3.57%	4.75%	5.82%	6.53%	4.09%	6.34%	6.88%

Source: Y-9C Regulatory Filings, Credit Suisse Equity Research

We estimate that the re-default rates of restructured loans are highest at KEY, SNV, MTB, CMA, and ZION, while FITB, RF, and MI are low.

Exhibit 18: Nonaccruing Restructured Loans as a % of Total Restructured Loans

	2008Q1	2008Q2	2008Q3	2008Q4	2009Q1	2009Q2	2009Q3
BBT	0%	0%	nmf	nmf	4%	15%	24%
BOH	nmf	nmf	nmf	nmf	nmf	22%	22%
CMA	63%	56%	62%	95%	47%	100%	48%
FHN	87%	68%	71%	79%	73%	76%	59%
FITB	94%	95%	88%	84%	13%	13%	13%
FULT	nmf	nmf	nmf	nmf	nmf	nmf	21%
KEY	nmf	100%	100%	100%	nmf	100%	91%
MI	0%	0%	0%	0%	0%	2%	12%
MTB	100%	100%	100%	66%	62%	55%	54%
RF	38%	10%	7%	5%	3%	5%	4%
SNV	0%	0%	0%	0%	56%	95%	66%
STI	71%	46%	41%	39%	41%	37%	34%
TCB	37%	44%	52%	45%	42%	28%	13%
VLY	3%	5%	5%	16%	17%	3%	7%
ZION	0%	2%	0%	89%	58%	72%	42%
INDUSTRY	79%	66%	57%	44%	23%	26%	24%

Source: Y-9C Regulatory Filings, Credit Suisse Equity Research

Exhibit 19: Estimate of Restructured Loans Redefault Rates

	2008Q1	2008Q2	2008Q3	2008Q4	2009Q1	2009Q2	2009Q3
BBT		0%	nmf	nmf	12%	29%	43%
BOH		nmf	nmf	nmf	nmf	22%	22%
CMA		56%	62%	95%	47%	100%	56%
FHN		68%	75%	85%	81%	78%	61%
FITB		95%	89%	86%	22%	22%	21%
FULT		nmf	nmf	nmf	nmf	nmf	25%
KEY		100%	100%	100%	nmf	100%	91%
MI		27%	7%	12%	12%	7%	17%
MTB		100%	100%	66%	65%	61%	59%
RF		10%	17%	30%	22%	19%	21%
SNV		0%	0%	0%	56%	95%	66%
STI		57%	59%	59%	55%	47%	44%
TCB		59%	57%	56%	55%	38%	19%
VLY		5%	5%	16%	17%	3%	7%
ZION		2%	0%	89%	80%	73%	57%
INDUSTRY		70%	65%	57%	35%	35%	34%

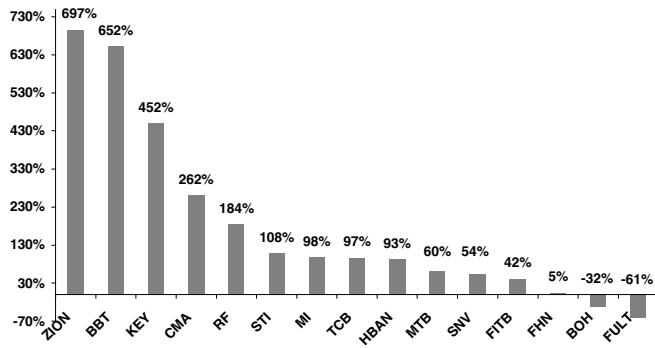
Source: Y-9C Regulatory Filings, Credit Suisse Equity Research

Redefault Rate = (Delinquent TDR + Nonaccruing TDR)/(Total TDR in previous period + Change in TDR)

An Analysis of OREO Builds

BBT and ZION have been the most aggressive in building OREO...

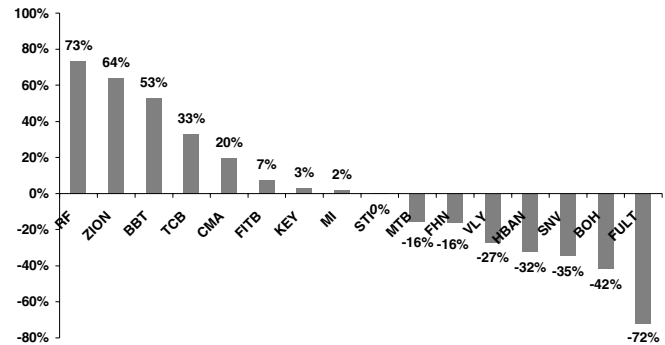
Exhibit 20: Growth in OREO Assets Since 1Q08



Source: Y-9C Filings, SNL Financial, Credit Suisse Equity Research.

CYN, VLY OREO assets grew 1052%, and 1538% respectively 3Q09 vs. 1Q08, excluded from table for purposes of scaling.

Exhibit 21: Growth in OREO Assets Since 1Q09

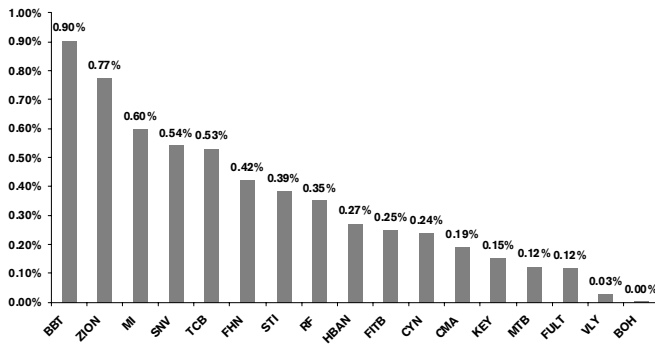


Source: Y-9C Filings, SNL Financial, Credit Suisse Equity Research.

CYN OREO assets grew 248% 3Q09 vs. 1Q09, excluded from table for purposes of scaling.

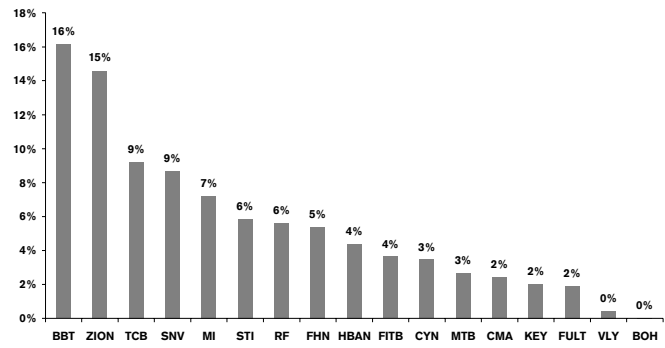
...and, consequently OREO balances represent 16% of BBT's, and 15% of ZION's tangible common equity, the highest in the group.

Exhibit 22: OREO as a percentage of Total Assets



Source: Y-9C Regulatory Filings, Credit Suisse Equity Research

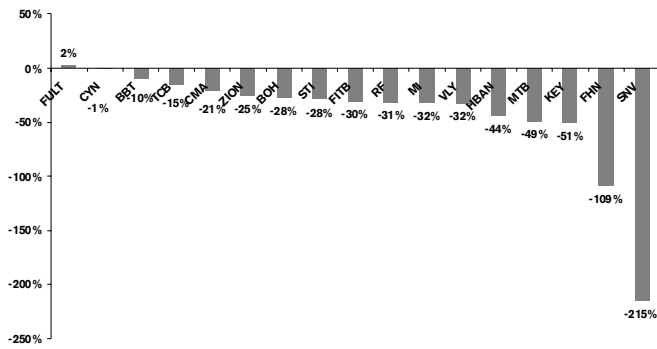
Exhibit 23: OREO as a percentage of TCE



Source: Y-9C Regulatory Filings, Credit Suisse Equity Research

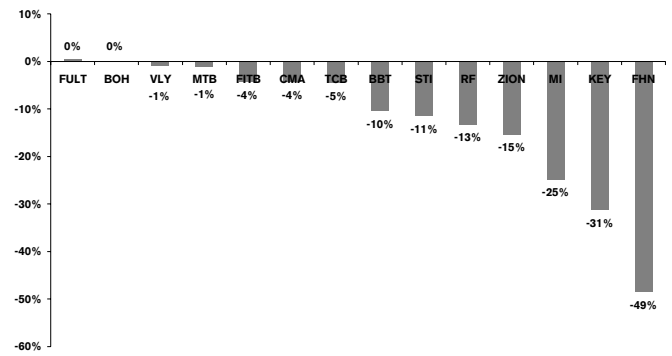
OREO write-downs have impacted the pretax, pre-provision earnings power of SNV, FHN, and KEY the most.

Exhibit 24: Five Quarter Cumulative Impairment Taken on OREO as a Percentage of OREO Asset



Source: Y-9C Regulatory Filings, Credit Suisse Equity Research

Exhibit 25: 3Q09 Impairment as a % of Pre Tax Pre Provision Earnings

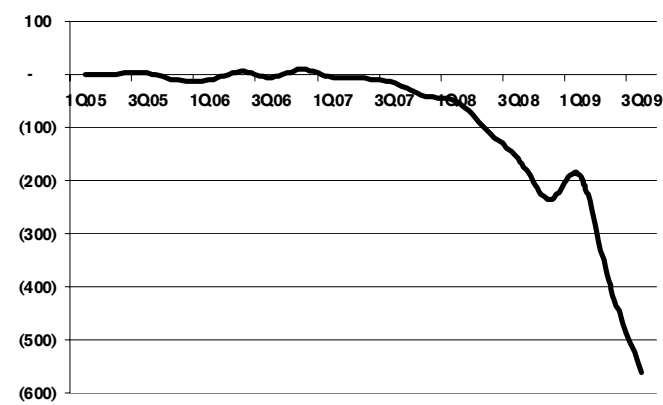


Source: Y-9C Regulatory Filings, Credit Suisse Equity Research

SNV excluded from chart, for purposes of scaling, as 3Q09 OREO impairments represent 367% of 3Q09 PTPP earnings.

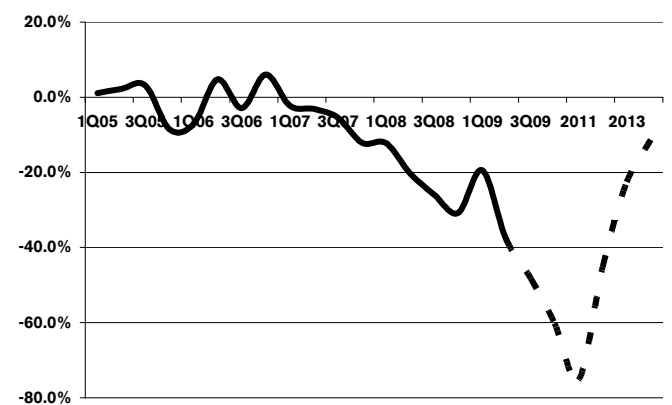
OREO Impairments are at peak levels, and as we look for losses to peak in 2H10, pre-provision earnings will continue to be negatively impacted from high non-interest expenses associated with the elevated OREO balances.

Exhibit 26: Cumulative OREO Impairments for 17 Regional Banks (Quarterly, in Millions)



Source: Y-9C Regulatory Filings, Credit Suisse Equity Research

Exhibit 27: Annualized OREO Impairments as a Percentage of OREO Asset



Source: Y-9C Regulatory Filings, Credit Suisse Equity Research

About Restructured Loans and OREO

Restructured Loans

While some banks may classify restructured, renegotiated, and modified loans as one and the same, there is usually a difference between these three categories and what defines a TDR (troubled debt restructuring). A TDR is a restructured loan where the borrower (1) is granted a concession and (2) is experiencing financial difficulty. Concessions include (1) principal forgiveness, (2) interest rate reduction below market rate, or (3) a term extension, and therefore the restructuring could be classified as a TDR. FAS 115, however, classifies these modifications as a restructuring activity. Accordingly, it is up to the bank and regulators to differentiate a TDR from a non-TDR. There does seem to be a level of subjectivity among TDR classifications, but regulators must approve of the bank's classification.

Regulators thought it would be best to encourage banks to increase restructuring activity, especially when the modification could act in the best interest of both the borrower and lender. Additionally, in the combined regulatory agency policy statement on CRE loan workouts (released last month), the joint regulatory bodies including the Federal Reserve, FDIC, OCC, OTS, and State Liaison Committee stated they would not criticize banks for engaging in aggressive restructuring activity, even in the event of higher adverse credit classification. We believe regulators are hoping that this strategy may help reduce the CRE loss curve over the next few years, but also allow banks to free up capital to help extend more credit to US businesses and consumers.

What Is OREO?

OREO, Other Real Estate Owned, is a portfolio of real estate properties owned by a bank that are not directly used for business purposes. Specifically, OREO is composed of real estate properties from foreclosed loans of which a bank takes possession, and holds on its balance sheet, when there were no attractive bids in the foreclosure auction process. The lack of attractive bids are particularly a problem in the current environment which are causing OREO balances to balloon. Additionally, loss content on these assets is high because the loan-to-value (LTV) ratios for such properties are generally above 100% (or the borrower would, generally, not have needed to default).

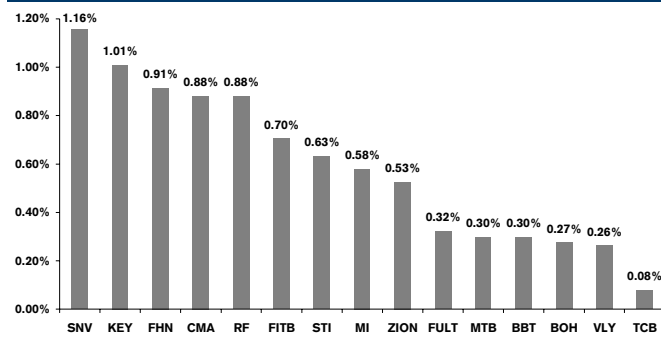
Net Interest Margin Opportunity

Exhibit 28: Net Interest Margin Opportunity from Asset/Liability Repricing

Company	Ticker	As a % of Total Assets...				At T=0 Annualized Yield/Cost of...				At T=1 Annualized Yield/Cost of...				NIM		
		Repricing In 1 Year as a %			Liquidity Position (1)	Earning Assets (2)	Time Deposits	LT Debt	Liquidity Position (1)	Earning Assets (3)	Time Deposits	LT Debt	Liquidity Position (1)	T=0	Impact on NIM	T=1
		Earning Assets	Total Deposits	LT Debt												
BB&T CORP	BBT	33%	18%	3%	2%	5.04%	2.23%	1.65%	0.44%	5.04%	0.80%	1.12%	0.44%	3.68%	0.30%	3.98%
BANK OF HAWAII CORP	BOH	19%	8%	0%	6%	4.84%	1.78%	NA	0.33%	4.84%	0.40%	0.00%	0.33%	3.89%	0.27%	4.16%
COMERICA INC	CMA	70%	17%	10%	6%	3.95%	2.87%	2.53%	0.37%	4.45%	0.70%	2.65%	0.37%	2.68%	0.88%	3.56%
FIRST HORIZON NATIONAL CORP	FHN	58%	33%	5%	7%	4.32%	2.31%	1.10%	3.05%	4.57%	0.85%	0.77%	3.05%	3.14%	0.91%	4.06%
FIFTH THIRD BANCORP	FTB	35%	16%	2%	5%	5.16%	3.20%	5.26%	1.46%	5.41%	0.50%	5.28%	1.46%	3.43%	0.70%	4.14%
FULTON FINANCIAL CORP	FULT	36%	25%	3%	2%	5.27%	2.68%	5.55%	0.07%	5.28%	1.24%	5.39%	0.07%	3.55%	0.32%	3.88%
KEYCORP	KEY	48%	18%	3%	6%	4.06%	3.74%	NA	1.66%	4.31%	0.35%	0.00%	1.66%	2.87%	1.01%	3.88%
MARSHALL & ILSLEY CORP	MI	54%	12%	5%	4%	4.73%	2.78%	3.10%	0.71%	5.23%	0.80%	3.43%	0.71%	2.82%	0.58%	3.40%
M & T BANK CORP	MTB	44%	12%	5%	3%	4.74%	2.31%	3.52%	1.69%	4.74%	0.50%	2.45%	1.69%	3.61%	0.30%	3.90%
REGIONS FINANCIAL CORP	RF	50%	17%	1%	7%	4.61%	3.12%	2.87%	0.92%	5.11%	1.29%	3.08%	0.92%	2.73%	0.88%	3.61%
SYNOVUS FINANCIAL CORP	SNV	71%	28%	2%	10%	5.18%	2.81%	5.04%	0.24%	5.19%	0.25%	5.28%	0.24%	3.22%	1.16%	4.37%
SUNTRUST BANKS INC	STI	40%	16%	3%	7%	4.69%	2.81%	0.43%	0.86%	4.69%	0.40%	0.43%	0.86%	3.10%	0.63%	3.73%
TCF FINANCIAL CORP	TCB	19%	9%	1%	2%	5.95%	2.55%	4.30%	1.35%	5.95%	1.00%	3.87%	1.35%	3.92%	0.08%	4.00%
VALLEY NATIONAL BANCORP	VLY	17%	18%	0%	4%	5.63%	2.49%	5.00%	2.50%	5.63%	1.49%	4.09%	2.50%	3.61%	0.26%	3.87%
ZIONS BANCORPORATION	ZION	51%	15%	0%	7%	5.64%	2.33%	16.50%	0.41%	5.65%	0.50%	16.73%	0.41%	3.91%	0.53%	4.44%
MEDIAN/TOTAL		44%	17%	3%	6%	4.84%	2.68%	3.52%	0.86%	5.11%	0.70%	3.08%	0.86%	3.43%	0.58%	3.90%

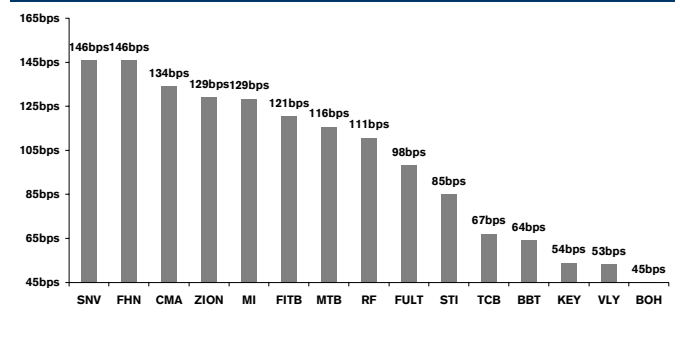
Source: Y-9C Filings, SNL Financial, Credit Suisse Equity Research

Exhibit 29: Potential Benefit to NIM from Asset/Liability Repricing



Source: Y-9C Filings, SNL Financial, Credit Suisse Equity Research

Exhibit 30: NIM Sensitivity to a Steepening Yield Curve

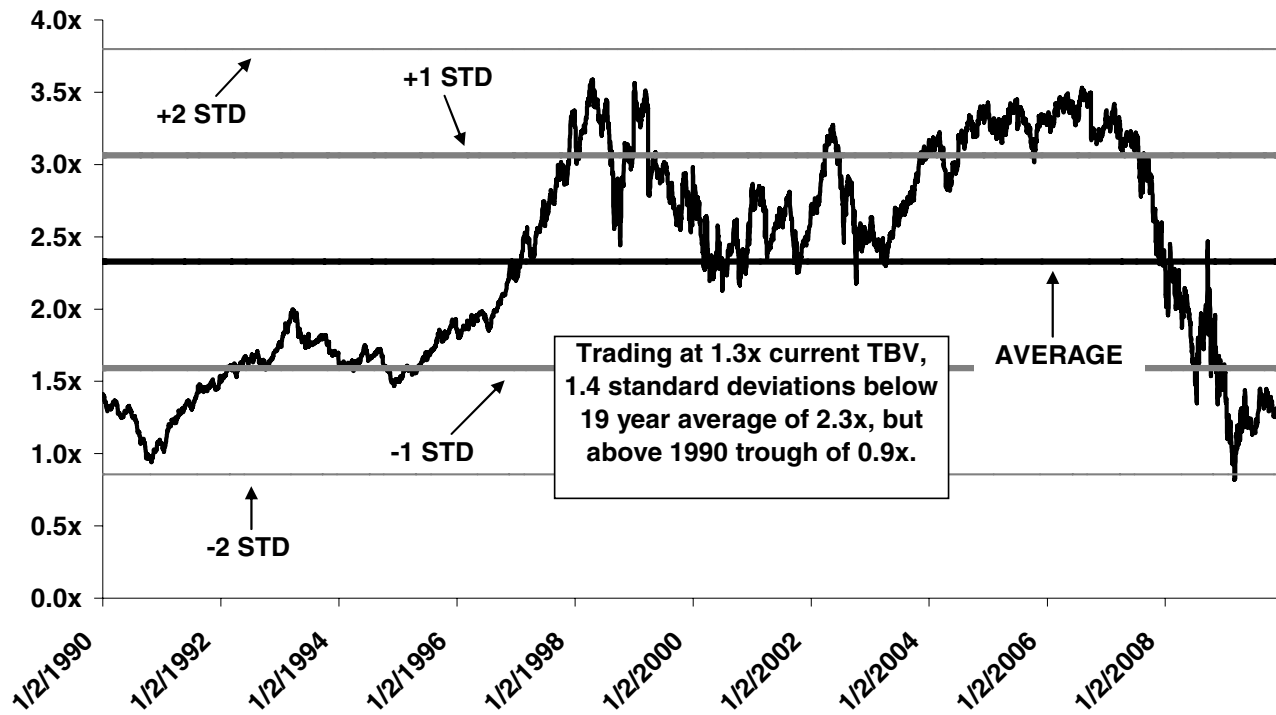


Assumes 40% steepening in the yield curve.

Source: Y-9C Filings, SNL Financial, Credit Suisse Equity Research

Valuation and Price Action

Exhibit 31: Regional Banks Index Price to Current Tangible Book Value Historically



Source: Factset, Credit Suisse Equity Research

Exhibit 32: Credit Suisse Coverage Universe Valuation Summary

		Price			Price to...				
		11/30/09	Target Price	Upside to TP	8Q Fwd TBV	Current Trough TBV	Stressed Trough TBV	06 EPS	2013 EPS
BB&T CORP	BBT	\$ 24.9	\$ 31.0	24%	1.6x	1.8x	1.9x	11.2x	6.2x
BANK OF HAWAII CORP	BOH	\$ 45.7	\$ 60.0	31%	1.9x	2.4x	2.4x	12.1x	7.3x
COMERICA INC	CMA	\$ 28.5	\$ 32.0	12%	0.9x	1.0x	1.0x	5.5x	6.6x
FIRST HORIZON NATIONAL CORP	FHN	\$ 13.6	\$ 18.0	33%	1.4x	1.5x	1.7x	11.8x	7.1x
FIFTH THIRD BANCORP	FITB	\$ 10.1	\$ 15.0	49%	1.1x	1.2x	1.2x	6.8x	5.8x
FULTON FINANCIAL CORP	FULT	\$ 8.6	\$ 8.0	-7%	1.2x	1.5x	1.5x	8.2x	7.9x
KEYCORP	KEY	\$ 5.9	\$ 8.0	37%	0.8x	0.9x	0.9x	4.3x	5.8x
MARSHALL & ILSLEY CORP	MI	\$ 5.8	\$ 8.0	39%	0.7x	0.8x	0.9x	4.7x	6.0x
M & T BANK CORP	MTB	\$ 65.6	\$ 56.0	-15%	2.2x	2.5x	2.5x	9.2x	9.3x
REGIONS FINANCIAL CORP	RF	\$ 5.9	\$ 6.0	2%	0.9x	0.9x	1.1x	5.1x	6.9x
SYNOVUS FINANCIAL CORP	SNV	\$ 2.0	\$ 2.0	3%	0.8x	0.9x	1.0x	2.7x	5.0x
SUNTRUST BANKS INC	STI	\$ 23.6	\$ 29.0	23%	1.1x	1.2x	1.3x	5.6x	7.1x
TCF FINANCIAL CORP	TCB	\$ 13.1	\$ 15.0	14%	1.5x	1.7x	1.7x	6.9x	6.6x
VALLEY NATIONAL BANCORP	VLY	\$ 13.2	\$ 14.0	6%	2.0x	2.2x	2.3x	11.9x	8.8x
ZIONS BANCORPORATION	ZION	\$ 13.2	\$ 13.0	-1%	0.8x	0.9x	1.2x	3.3x	5.9x
TOTAL				14%	1.1x	1.2x	1.3x	6.8x	6.6x

Source: Company data, Credit Suisse estimates

Exhibit 33: Target Price Analytics

		2013 EPS	Normal Multiple	Implied Target Price		Price	Upside			Stressed Trough TBV	Potential Downside
				2012	2010	11/30/09	to 2012 TP	Yrly Annua.	to 2010 TP		
BB&T CORP	BBT	\$ 4.00	12.0x	\$ 48	\$ 31	\$ 24.9	93%	24%	24%	\$ 13.14	-47%
BANK OF HAWAII CORP	BOH	\$ 6.30	13.0x	\$ 82	\$ 60	\$ 45.7	79%	21%	31%	\$ 18.68	-59%
COMERICA INC	CMA	\$ 4.28	11.0x	\$ 47	\$ 32	\$ 28.5	65%	18%	12%	\$ 28.95	2%
FIRST HORIZON NATIONAL CO	FHN	\$ 1.91	12.0x	\$ 23	\$ 18	\$ 13.6	69%	19%	33%	\$ 7.99	-41%
FIFTH THIRD BANCORP	FITB	\$ 1.75	12.0x	\$ 21	\$ 15	\$ 10.1	108%	28%	49%	\$ 8.14	-19%
FULTON FINANCIAL CORP	FULT	\$ 1.09	12.0x	\$ 13	\$ 8	\$ 8.6	52%	15%	-7%	\$ 5.58	-35%
KEYCORP	KEY	\$ 1.01	11.0x	\$ 11	\$ 8	\$ 5.9	90%	24%	37%	\$ 6.53	11%
MARSHALL & ILSLEY CORP	MI	\$ 0.96	11.0x	\$ 11	\$ 8	\$ 5.8	83%	22%	39%	\$ 6.20	8%
M & T BANK CORP	MTB	\$ 7.03	13.0x	\$ 91	\$ 56	\$ 65.6	39%	12%	-15%	\$ 25.79	-61%
REGIONS FINANCIAL CORP	RF	\$ 0.85	11.0x	\$ 9	\$ 6	\$ 5.9	59%	17%	2%	\$ 5.46	-7%
SYNOVUS FINANCIAL CORP	SNV	\$ 0.39	10.0x	\$ 4	\$ 2	\$ 2.0	98%	26%	3%	\$ 2.01	3%
SUNTRUST BANKS INC	STI	\$ 3.35	13.0x	\$ 44	\$ 29	\$ 23.6	84%	23%	23%	\$ 18.66	-21%
TCF FINANCIAL CORP	TCB	\$ 1.99	12.0x	\$ 24	\$ 15	\$ 13.1	82%	22%	14%	\$ 7.64	-42%
VALLEY NATIONAL BANCORP	VLY	\$ 1.50	13.0x	\$ 20	\$ 14	\$ 13.2	48%	14%	6%	\$ 5.84	-56%
ZIONS BANCORPORATION	ZION	\$ 2.22	12.0x	\$ 27	\$ 13	\$ 13.2	103%	27%	-1%	\$ 10.94	-17%
TOTAL/AVERAGE							77%	21%	17%		-25%

RF, FHN, MI, ZION trough stressed tangible book value adjusts for potential DTA valuation allowance/impairment risk.

Source: Credit Suisse Equity Research, Factset

Disclosures

Companies Mentioned (Price as of 30 Nov 09)

Bank of Hawaii (BOH, \$45.70, OUTPERFORM, TP \$60.00)
 BB&T Corp. (BBT, \$24.90, NEUTRAL [V], TP \$31.00)
 Comerica (CMA, \$28.47, NEUTRAL [V], TP \$32.00)
 Fifth Third Bancorp (FITB, \$10.08, OUTPERFORM [V], TP \$15.00)
 First Horizon National Corp (FHN, \$13.55, OUTPERFORM [V], TP \$18.00)
 Fulton Financial Corp (FULT, \$8.62, NEUTRAL [V], TP \$8.00)
 KeyCorp (KEY, \$5.86, NEUTRAL [V], TP \$8.00)
 M&T Bank Corporation (MTB, \$65.58, NEUTRAL [V], TP \$56.00)
 Marshall & Ilsley Corporation (MI, \$5.75, NEUTRAL [V], TP \$8.00)
 Regions Financial Corporation (RF, \$5.86, NEUTRAL [V], TP \$6.00)
 SunTrust Banks Inc. (STI, \$23.63, OUTPERFORM [V], TP \$29.00)
 Synovus Financial (SNV, \$1.95, UNDERPERFORM [V], TP \$2.00)
 TCF Financial (TCB, \$13.14, NEUTRAL [V], TP \$15.00)
 Valley National Bancorp (VLY, \$13.22, NEUTRAL [V], TP \$14.00)
 Zions Bancorporation (ZION, \$13.15, UNDERPERFORM [V], TP \$13.00)

Disclosure Appendix

Important Global Disclosures

I, Craig Siegenthaler, CFA, certify that (1) the views expressed in this report accurately reflect my personal views about all of the subject companies and securities and (2) no part of my 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 outperform the relevant benchmark* 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 relevant benchmark* (range of $\pm 10-15\%$) over the next 12 months.

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

Relevant benchmark by region: As of 29th May 2009, Australia, New Zealand, U.S. and Canadian ratings are based on (1) a stock's absolute total return potential to its current share price and (2) the relative attractiveness of a stock's total return potential within an analyst's coverage universe, with Outperforms representing the most attractive, Neutrals the less attractive, and Underperforms the least attractive investment opportunities. Some U.S. and Canadian ratings may fall outside the absolute total return ranges defined above, depending on market conditions and industry factors. For Latin American, Japanese, and non-Japan Asia stocks, ratings are based on a stock's total return relative to the average total return of the relevant country or regional benchmark; for European stocks, ratings are based on a stock's total return relative to the analyst's coverage universe**. For Australian and New Zealand stocks a 22% and a 12% threshold replace the 10-15% level in the Outperform and Underperform stock rating definitions, respectively, subject to analysts' perceived risk. The 22% and 12% thresholds replace the +10-15% and -10-15% levels in the Neutral stock rating definition, respectively, subject to analysts' perceived risk.*

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

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*	42%	(58% banking clients)

Neutral/Hold*	41%	(58% banking clients)
Underperform/Sell*	15%	(52% 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

Singapore recipients should contact a Singapore financial adviser for any matters arising from this research report.

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.

CS may have issued a Trade Alert regarding this security. Trade Alerts are short term trading opportunities identified by an analyst on the basis of market events and catalysts, while stock ratings reflect an analyst's investment recommendations based on expected total return over a 12-month period relative to the relevant coverage universe. Because Trade Alerts and stock ratings reflect different assumptions and analytical methods, Trade Alerts may differ directionally from the analyst's stock rating.

The author(s) of this report maintains a CS Model Portfolio that he/she regularly adjusts. The security or securities discussed in this report may be a component of the CS Model Portfolio and subject to such adjustments (which, given the composition of the CS Model Portfolio as a whole, may differ from the recommendation in this report, as well as opportunities or strategies identified in Trading Alerts concerning the same security). The CS Model Portfolio and important disclosures about it are available at www.credit-suisse.com/ti.

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.

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 AG, 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 ADR's, 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 AG; 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 AG, Singapore Branch, Credit Suisse Securities (India) Private Limited, Credit Suisse Securities (Europe) Limited, Seoul Branch, Credit Suisse AG, Taipei Securities 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 AG, Taipei Securities 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 AG, 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 AG, 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 AG and/or its affiliates. All rights reserved.

CREDIT SUISSE SECURITIES (USA) LLC
United States of America: