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Longevity investments as an alternative asset class

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Longevity / Mortality

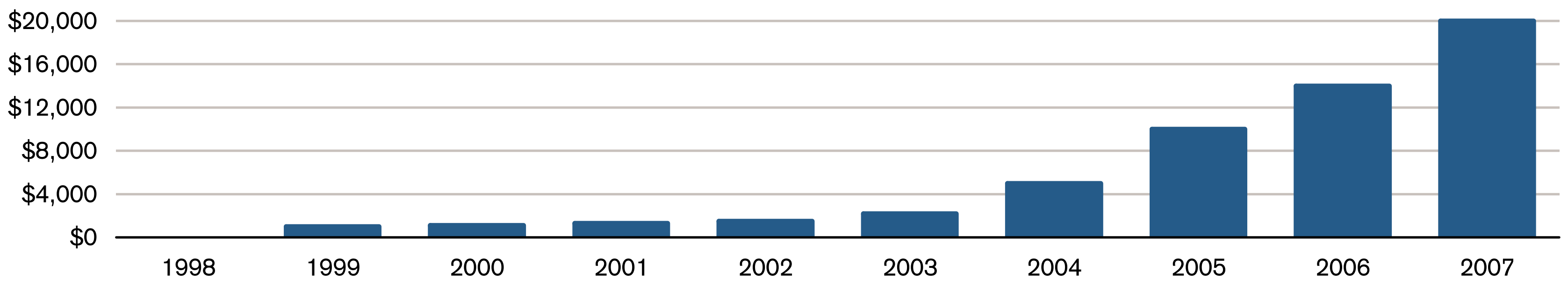
A Fast Growing, Non-correlated Alternative Asset Class

- The recent deterioration of the credit markets and increase in correlation among most asset classes has spurred interest in alternative investment ideas
- Life settlement / premium finance market in the US has developed into a robust market to now include individual policies, portfolios of policies and synthetic exposure to referenced lives
- Investment banking expertise has allowed for a range of structured products to provide tailored exposure to the asset class
- Traditional risks (and risk components) can be enhanced or mitigated

Life Settlements: A Growth Opportunity

- Aging population will increase the demand for life insurance policies and hence the supply of life settlements
- During the economic tumult of summer 2007, life settlements continued to offer yields of between 7% – 9%(1)
- Expected returns are dependent on the mortality assumptions of the individual
- Strong market growth with projected annual growth rate of 20 – 40%
  - $20 billion US market estimated as measured by total death benefits in 2007(2)
  - The life settlement market is expected to grow to $161 billion by 2030(2)
  - 69% of Americans own life insurance; voluntary terminations rate of 7% per annum show policy holders looking for options(3)
  - Nearly $10 trillion in death benefits on in-force individual life insurance policies in 2005 with an annual average growth rate of 6% since 1995(3)

Growth of the life settlement market



(1) The investment potential in Traded Life Policies for the UK investor, Merlin Stone Report (Oct. 2007)
(2) Cash in on the American way of death", Financial Times (12 Oct. 2007)
(3) Life Insurers Fact Book, 2006

The Life Settlement Market

An Answer to a Growing Financial Need

- Individual circumstances can change and the original reasons for buying a life insurance policy may no longer exist
  - Estate has had a reduction in size or projected tax liability
  - New insurance products may offer a more efficient policy cost structure
  - Key-man retires or changes employment
  - Insured outlives beneficiaries
  - Premium payments no longer affordable
  - Need to raise short term liquidity
  - Divorce

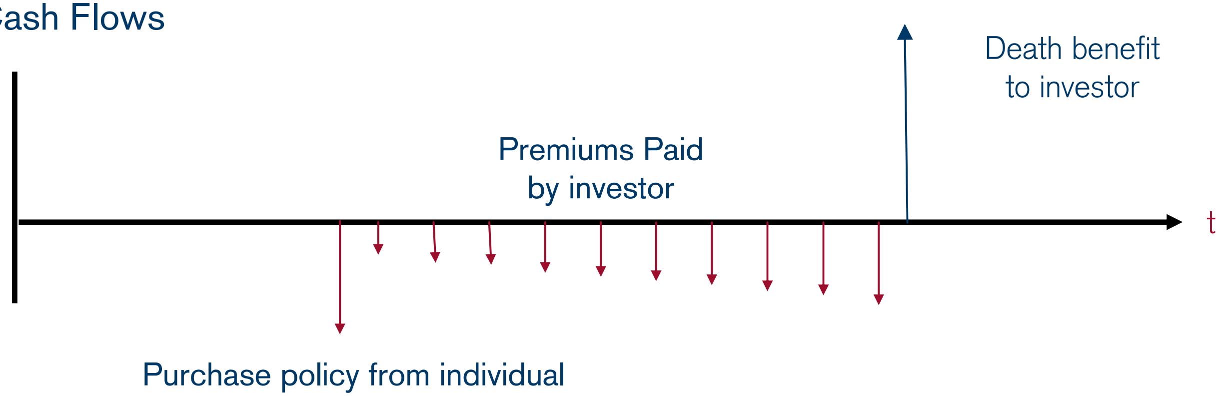
- Options to the insured were traditionally limited to
  - Letting the policy lapse and losing any value from the premiums that have already been paid
  - Surrendering the policy to the original issuer at unfavorable cash surrender values

The life settlements market provides policy holders the ability to monetize the economic value of an insurance contract at a value potentially greater than traditional exit strategies.

Composition of a Life Settlement Investment

Life Settlement Trade Flow

Investor Cash Flows



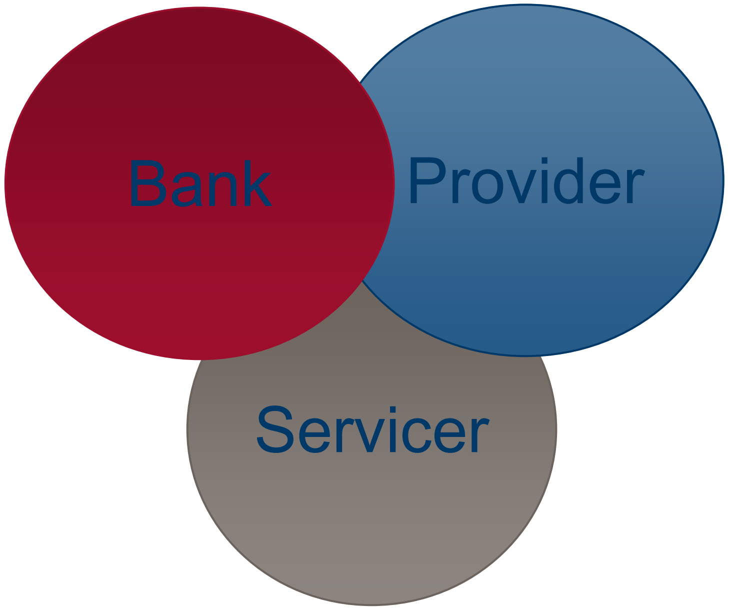
Life Finance Group Organizational Structure

Life Finance Group (LFG)

Institutional Structuring	Origination Sales	Product Structuring	Risk Management
London and New York based team. Offers institutional clients: • Risk management of longevity and mortality risk • Management of Interest Rate, FX, Credit and equity risks contingent on longevity • Investor access to the market	US national sales force covering 5 regions: • East Coast • Florida • Mid West • Southeast • California Provides efficient access to Life Settlements and various financing transactions	New York based team. Develops and executes: • Finance products • Life settlements Goal to provide liquidity or financing to our retail client base. Products offered through the retail sales force	A highly experienced and quantitative team, manages: • Longevity & mortality risk • Interest rate • FX • Credit risk Risk is an integral part in the development and structuring of new longevity & mortality transactions

- Sales/Origination: Experienced regional sales professionals, strategically located throughout the United States, work directly in the market providing retail client solutions at competitive rates
- Institutional Structuring: Highly skilled team in longevity/mortality structuring and quantitative analysis provide custom-tailored transactions based on specific client profiles
- Risk: Large balance sheet devoted to longevity /mortality risk, enables flexible and creative solutions
- Credit Suisse has extensive inventory and a track record of timely execution and delivery

Life Finance Group at Credit Suisse



Only Investment Bank to provide direct access to the Life Settlement market

- Licensed or unregulated states where Credit Suisse can purchase policies: 40
- States that Credit Suisse can purchase policies if the seller is an 'accredited investor': 4

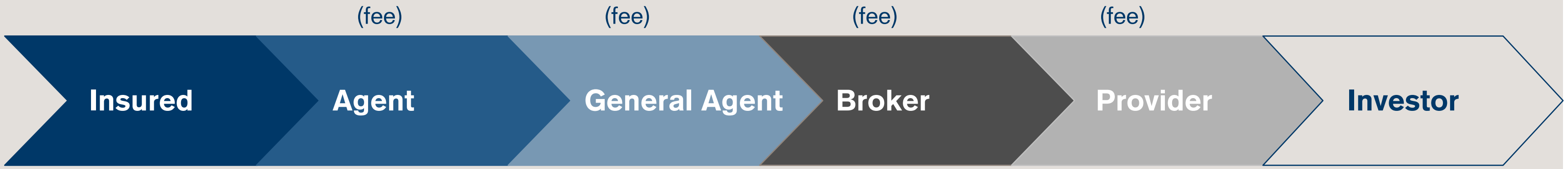
Credit Suisse is one of the most active providers in the market

- Over $2.2 billion of face is priced monthly
- Large regional sales force located throughout the United States

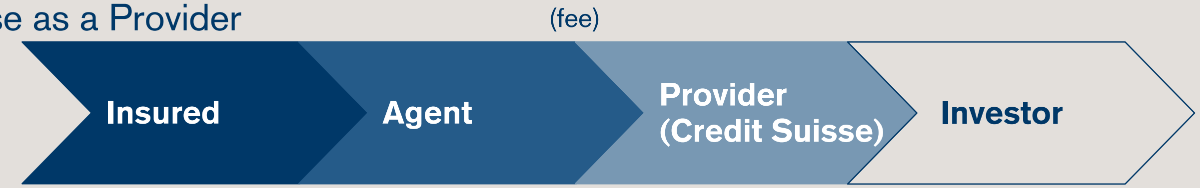
Life Settlement Aggregators Market Players

- Credit Suisse has direct origination in the Life Settlement Market:
  - Allows you to aggregate with less costs in the middle
  - Enables you to pass on more return to your investors, having a better product than other fund offerings in the market that do not have a 'direct-to-market' provider

- Traditional Market Place



- Credit Suisse as a Provider



Infrastructural Needs in Life Market

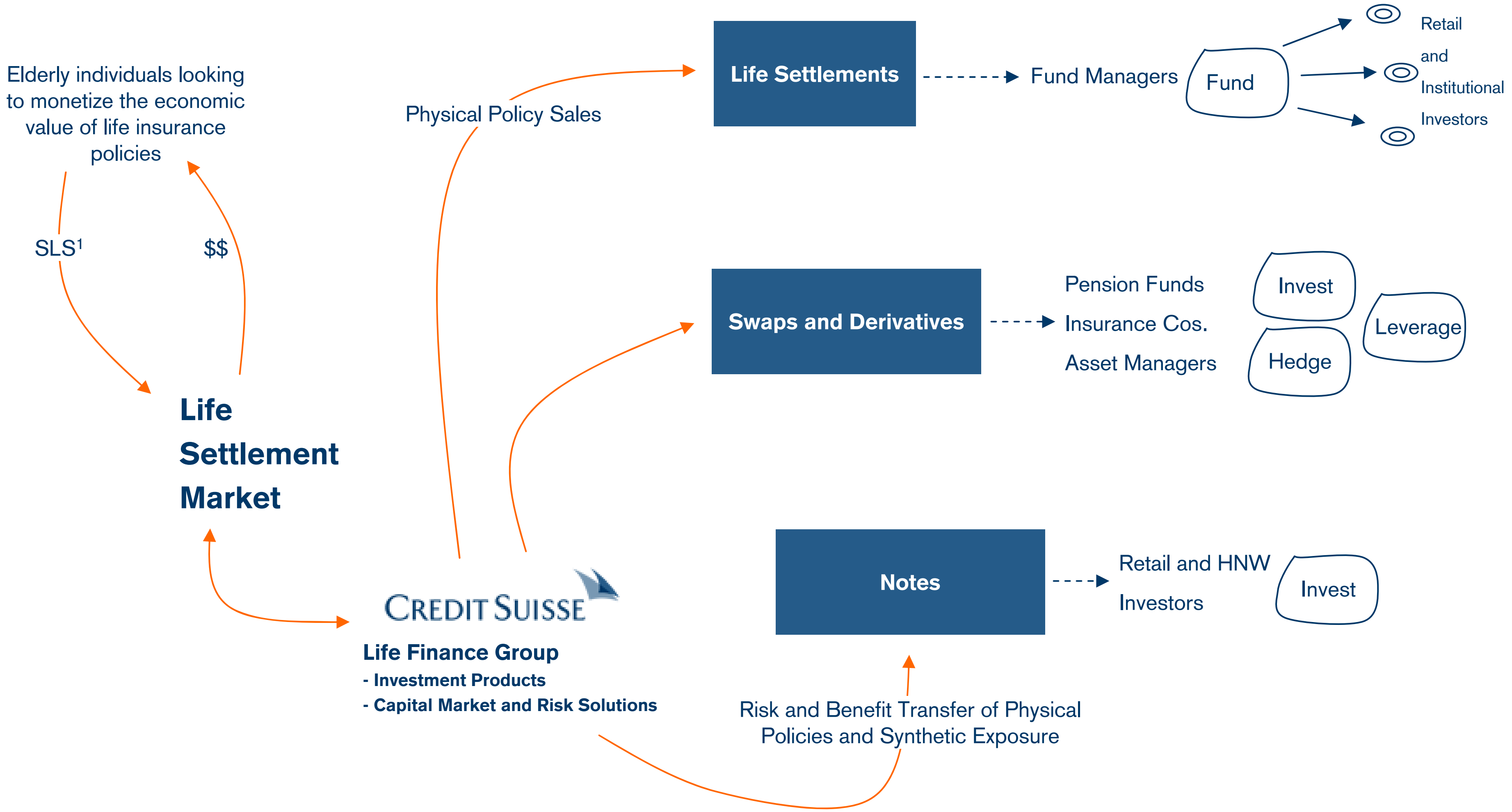
	Without Credit Suisse	With Credit Suisse
Servicer • Generates premium streams • Makes premium payments to Insurance Companies • Ensures all information for ownership of policy is processed correctly	• Premium streams are miscalculated and you over-fund a policy or cause one to lapse– equalling a loss to the fund performance • Premium payments are not made on time and the policy lapses • Information is not processed correctly and the fund never had ownership of the policy	• Highly rated counterparty that will take responsibility for these risks • Gives comfort that if there is a mistake, the fund performance may not be as effected
Trustee • Typically used to pay purchase price through the providers	• Usually put in place because dealing with an unrated counterparty as a provider • Can slow your purchasing time to fund significantly	• No need for Trustee as counterparty is Credit Suisse
Bank • FX Hedging • Financing for premiums	• A Bank not active in the asset class may over-charge for the hedges or financing desired	• Credit Suisse is a leading bank in this industry
Death Tracker • Notification upon the death of an individual in the portfolio you own	• Delay in notification causes an artificial drop in the performance of the fund	• Death tracking by a reliable counterparty

Credit Suisse in Life Market

Advantages of having Credit Suisse as a provider

- Assets originated by Credit Suisse have gone through an extensive due diligence process so the investor can feel comfortable with the risks they hold
- Highly rated investment bank that will stand behind representations and warranties regarding the quality of the origination of assets
- As the leading bank and leading provider, Credit Suisse is capable of being a one-stop shop– providing transparency, solutions, and cost efficiency
- Care and due diligence with all private individual information
- Credit Suisse is dedicated to the Life Market and has a proven successful track record

Longevity / Mortality: The Product Landscape

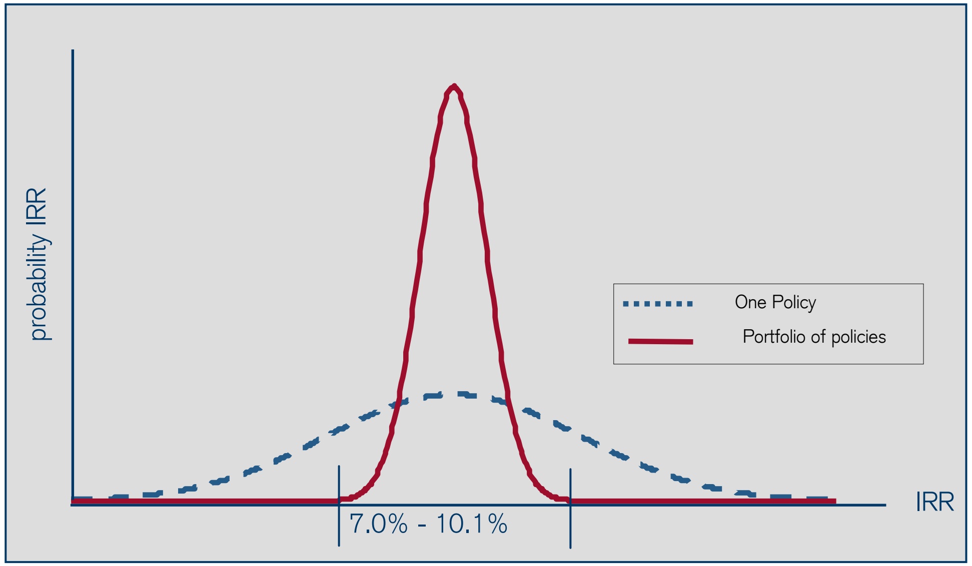


[1] Senior Life Settlement

Investing In One Policy vs. A Portfolio

- Investing in a pool of Life Settlement policies versus investing in just one Life Settlement policy diversifies the risk that one policy would provide. By way of example:
  - Typical 80 year old male with a Life Expectancy ("LE") of 10 years has a standard deviation of 5 years(1)
    - One standard deviation may cover a range of IRR from +70% to -3%(2)
  - Portfolio of 100 males with same characteristics has a standard deviation of 10 months(3)
    - One standard deviation may cover a range of IRR from 10.1% to 7.0%(4)

- Longer dated life expectancies generally show higher expected IRRs in the market currently, and when combined with a portfolio of short dated life expectancies may not have a dramatic effect on the average life expectancy, but can increase the expected IRR of the overall pool.



(1) VBT 2001, (Society of Actuaries) Ultimate composite male
(2) Negative IRR means receive back less money than put in
(3) Assumes zero correlation between lives
(4) Assuming mean estimated correctly

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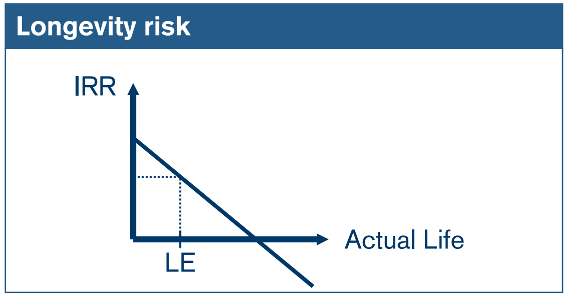
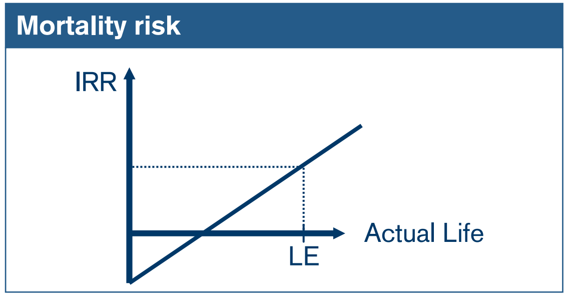
Synthetics

What is a Synthetic?

- Transfer of risk / return associated with a physical asset without the sale of any physical asset
- Provides an efficient way of gaining exposure to longevity or mortality risk :
  - Can be sourced readily, providing investors with an immediate scalable diversified exposure.
  - Greater flexibility to customize payoff profile, maturity, portfolio etc.
- Main risks: Longevity and Mortality

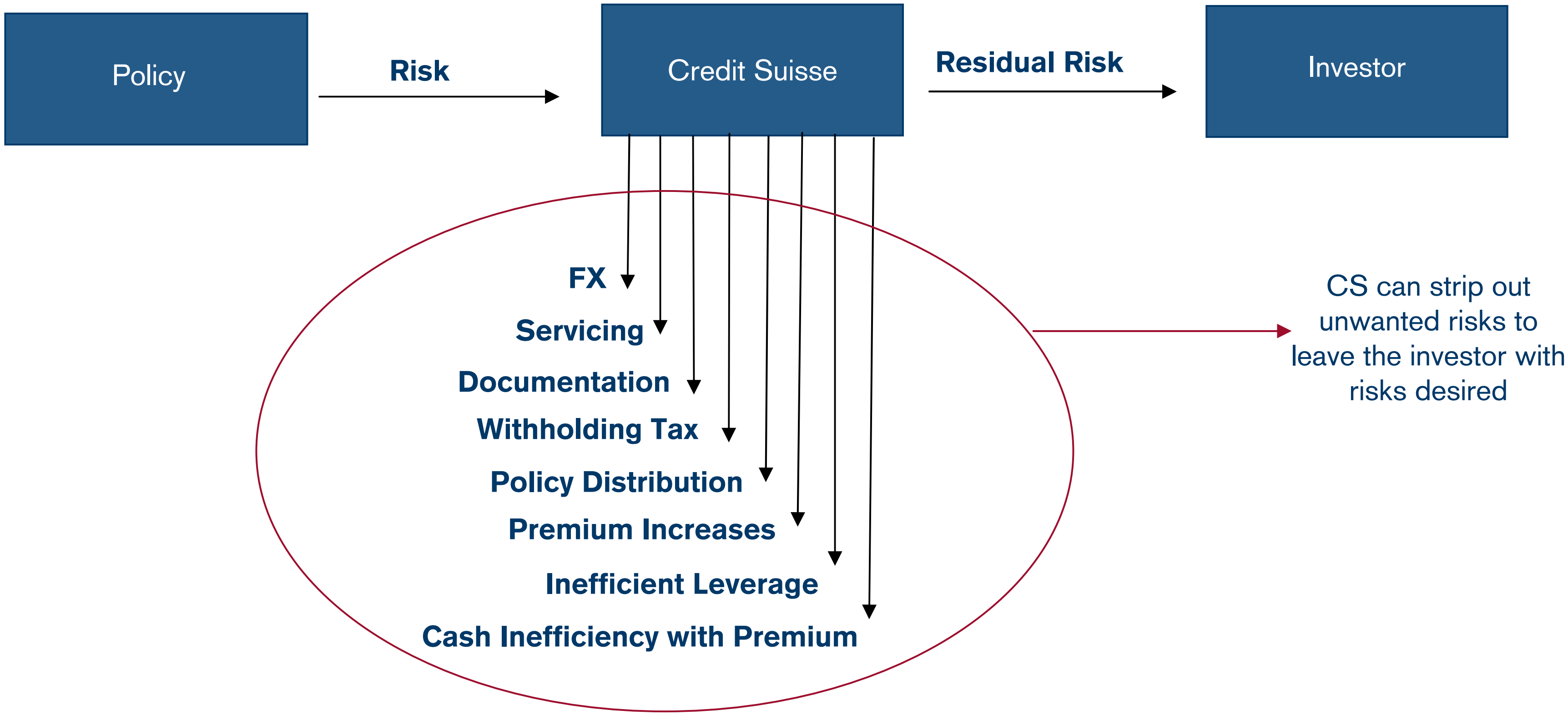




- Residual Risks: Insurance Carrier Credit Risk, Minimum Cost of Insurance, Documentation, Withholding Tax, Currency, Contestability
  - Can be mitigated or conversely added in depending on investor's appetite
- Can do bespoke structures with investors to match their requirements

Synthetic Life Investment

- Synthetic structures also allow new investors to enter into asset class with ease
- Additional features can be added to the structure, taking away certain risks the client does not want



Synthetic Swap Structures

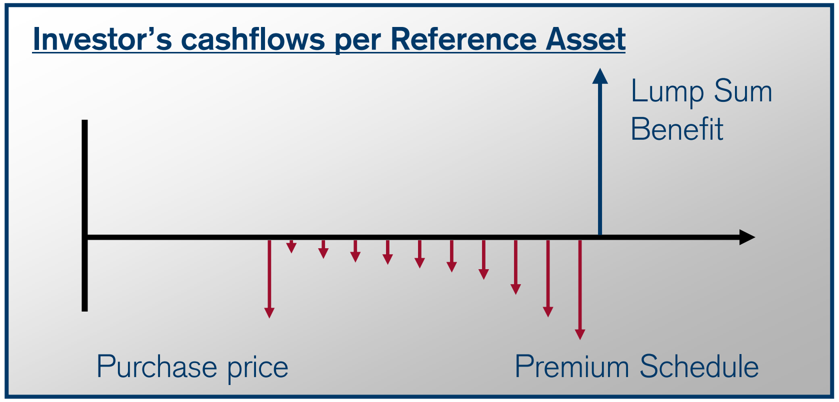
- Each Reference Asset will have the following cash flows associated with it:
  - Pre agreed upfront cost
  - Pre agreed monthly payment schedule from counterparty on each Reference Asset
  - Pre agreed life contingent final payment for each Reference Asset

- Collateral mechanic to mitigate counterparty exposure for both parties

- Maturity linked to the earlier of
  1) the last individual in the Reference Portfolio to experience a maturity event
  2) the Termination Date of the trade

Synthetic Swap Structures

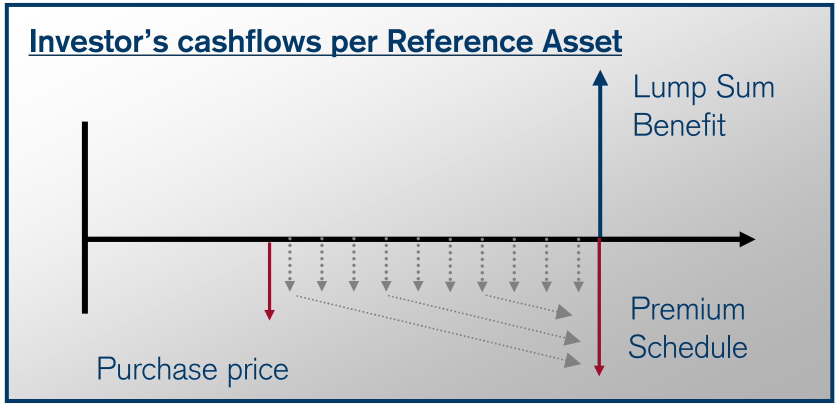
Incremental Premium Schedule



Incremental Premium Structure

- Pre agreed upfront cost
- Premium schedule variable and can start at zero and incrementally increase over time
- Upfront cost can also potentially be reduced against an increase in the premium schedule

Deferred Premium Schedule

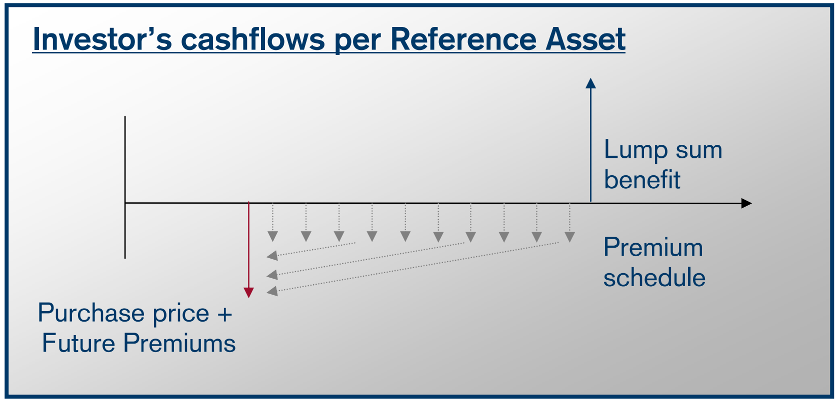


Deferred Premium Structure

- Pre agreed upfront cost
- Premium schedule accrues but is not payable until realization of the lump sum benefit
- Upfront cost can also potentially be reduced against an increase in the premium schedule

Synthetic Swap Structures

Single Premium swap



Single Premium swap

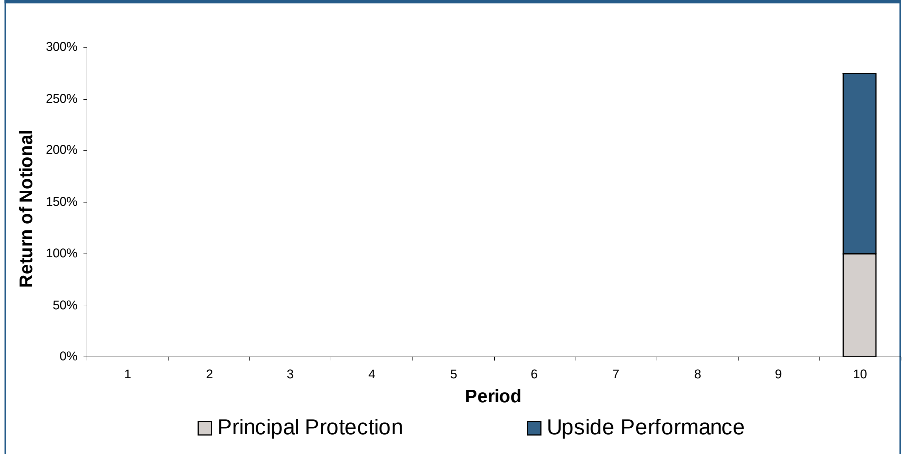
- All premiums paid upfront - no future premiums required be client
- Death Benefit paid upon maturity of reference asset
- No further collateral required

Longevity Contingent Notes - Overview

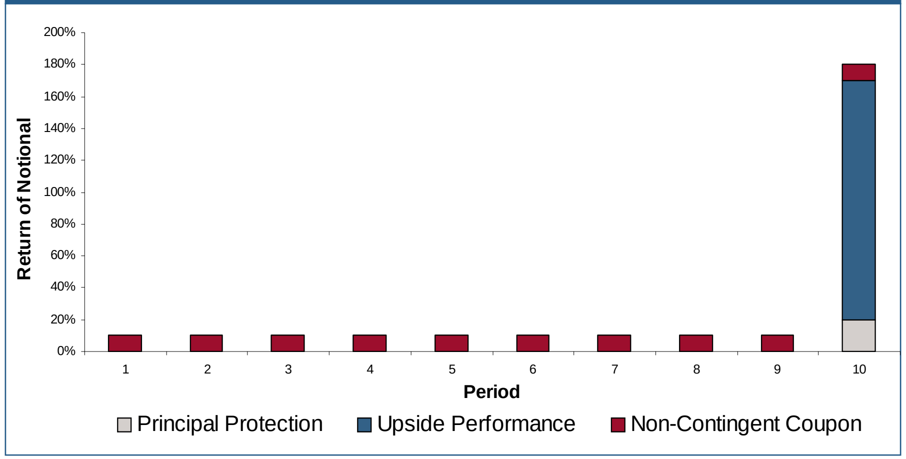
The proposed Note offers investors the opportunity to participate in the potential attractive returns of the Life Settlement market with with timely distribution of Contingent Payments and without premiums due.

- **Zero-coupon bond / interim coupons**
- **Principal protection**
- **Payouts may be levered**
  - **Unlevered payout: investor receives coupon per maturity**
  - **Levered payout: investor receives higher coupon per maturity above threshold**

Illustrative Longevity Contingent Zero Coupon Bond Cash Flows



Illustrative Longevity Contingent Note with Coupon Cash Flows

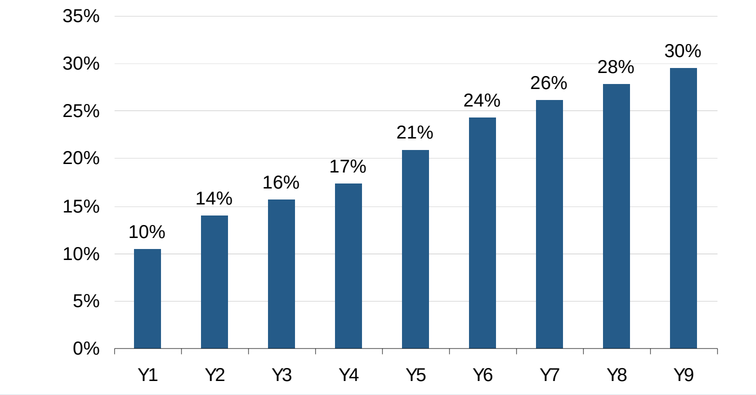


Longevity Contingent Notes - Example

Summary of Key Terms	
Maturity:	9 years
Upfront Investment	100%
Reference Pool	300 Reference Assets
Annual Coupon	1.74% per Reference Asset Maturity in each coupon period

- The projected number of Reference Asset Maturities is derived from the life expectancies provided by an independent 3rd party provider.
- Number and timing of reference asset maturities will have an impact on Note returns

Projected Cash-Flow[1]



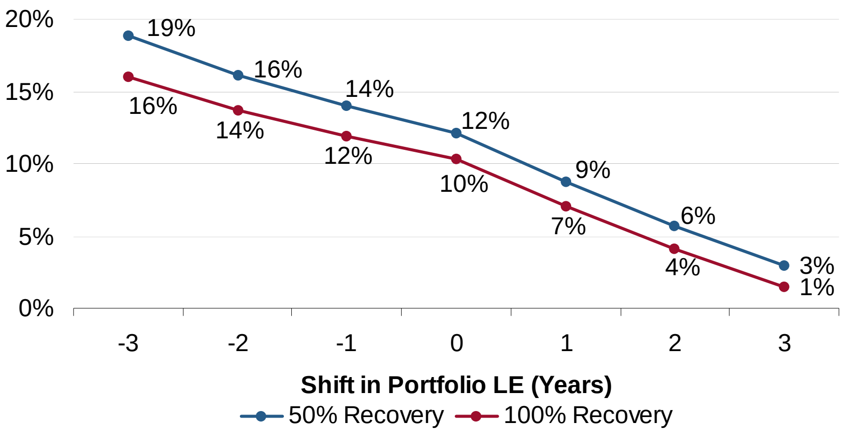
(1) Projected Cash-flow Analysis given the number of Reference Asset Maturities based on average Life Expectancy from [AVS] and [21st] as an independent 3rd party providers. Actual returns may vary materially and substantially lower returns could be possible. Please see slide 'Assumptions for Hypothetical Scenario Analysis'

Longevity Contingent Notes - Sample IRR Sensitivity

Market Reference[2]	
9 Year USD Swap Rate	**[3.21]%**
Note Target IRR	**12.1% assuming credit risk to selected insurance carriers with 50% recovery** **10.2% assuming no credit risk to selected insurance carriers**

- The projected number of Reference Asset Maturities is derived from the life expectancies provided by an independent 3rd party provider.
  - The projected IRR of the Notes increases as Life Expectancies reduce. Returns are not explicitly capped but they are limited by the overall number of Reference Assets.
  - Increased Credit Protection can be offered at lower yields.

Projected Yield Analysis[1]



(1) Projected Yield Analysis given the number of Reference Asset Maturities based on average Life Expectancy from [AVS] and [21st] as an independent 3rd party providers. Actual returns may vary materially and substantially lower returns could be possible. Please see slide ‘Assumptions for Hypothetical Scenario Analysis’.
(2) As of 20-May-09

Non-US risk: UK Pension Scheme Swaps

- Customised, individual life longevity swap:
  - Scheme payments are fixed – scheme pays expected pensions; Credit Suisse pays actual pensions
  - For pensioner lives
  - Collateralised
- Eliminates unrewarded longevity/mortality risk
- Unfunded – no initial cash outlay
- Scheme retains control of assets with resulting benefits. As longevity risk is eliminated, this allows a more informed spend of the scheme's total "risk budget" on investment risks it views are rewarded
- Benefit from Credit Suisse's longevity risk trading and distribution capability
- Benefit of Credit Suisse as counterparty

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