CREDIT SUISSE

Financial Report 2Q13

Financial highlights

			in / end of		% change		in / end of	% change
	2Q13	1Q13	2Q12	QoQ	YoY	**6M13**	6M12	YoY
Net income (CHF million)								
Net income attributable to shareholders	1,045	1,303	788	(20)	33	2,348	832	182
Earnings per share (CHF)								
Basic earnings per share	0.54	0.76	0.46	(29)	17	1.31	0.51	157
Diluted earnings per share	0.52	0.75	0.44	(31)	18	1.28	0.49	161
Return on equity (%, annualized)								
Return on equity attributable to shareholders	10.1	14.2	9.2	–	–	12.0	4.9	–
Core Results (CHF million) [1]								
Net revenues	6,904	7,099	6,227	(3)	11	14,003	12,095	16
Provision for credit losses	51	22	25	132	104	73	59	24
Total operating expenses	5,319	5,255	5,091	1	4	10,574	10,885	(3)
Income before taxes	1,534	1,822	1,111	(16)	38	3,356	1,151	192
Core Results statement of operations metrics (%) [1]								
Cost/income ratio	77.0	74.0	81.8	–	–	75.5	90.0	–
Pre-tax income margin	22.2	25.7	17.8	–	–	24.0	9.5	–
Effective tax rate	31.0	28.0	28.0	–	–	29.4	25.6	–
Net income margin [2]	15.1	18.4	12.7	–	–	16.8	6.9	–
Assets under management and net new assets (CHF billion)								
Assets under management	1,296.6	1,311.6	1,213.1	(1.1)	6.9	1,296.6	1,213.1	6.9
Net new assets	7.6	12.0	4.4	(36.7)	72.7	19.6	(1.3)	–
Balance sheet statistics (CHF million)								
Total assets	919,903	946,618	1,043,455	(3)	(12)	919,903	1,043,455	(12)
Net loans	246,186	248,995	239,164	(1)	3	246,186	239,164	3
Total shareholders' equity	42,402	37,825	34,774	12	22	42,402	34,774	22
Tangible shareholders' equity [3]	33,611	28,985	25,831	16	30	33,611	25,831	30
Book value per share outstanding (CHF)								
Total book value per share	26.63	28.83	27.10	(8)	(2)	26.63	27.10	(2)
Tangible book value per share [3]	21.11	22.09	20.13	(4)	5	21.11	20.13	5
Shares outstanding (million)								
Common shares issued	1,594.3	1,339.7	1,286.6	19	24	1,594.3	1,286.6	24
Treasury shares	(2.3)	(27.5)	(3.5)	(92)	(34)	(2.3)	(3.5)	(34)
Shares outstanding	1,592.0	1,312.2	1,283.1	21	24	1,592.0	1,283.1	24
Market capitalization								
Market capitalization (CHF million)	39,937	33,371	22,207	20	80	39,937	22,207	80
Market capitalization (USD million)	42,185	35,099	23,583	20	79	42,185	23,583	79
BIS statistics (Basel III) [4]								
Risk-weighted assets (CHF million)	289,747	298,155	–	(3)	–	289,747	–	–
Tier 1 ratio (%)	15.9	15.1	–	–	–	15.9	–	–
CET 1 ratio (%)	15.3	14.6	–	–	–	15.3	–	–
Number of employees (full-time equivalents)								
Number of employees	46,300	46,900	48,200	(1)	(4)	46,300	48,200	(4)

[1] Refer to "Credit Suisse Reporting structure and Core Results" in I – Credit Suisse results – Credit Suisse for further information on Core Results.
[2] Based on amounts attributable to shareholders.
[3] A non-GAAP financial measure. Tangible shareholders' equity is calculated by deducting goodwill and other intangible assets from total shareholders' equity.
[4] Basel III became effective as of January 1, 2013.

Dear shareholders

Brady W. Dougan, Chief Executive Officer (left) and Urs Rohner, Chairman of the Board of Directors.

Our results for the second quarter and first half of 2013 demonstrate that our business model is performing well and delivering solid revenues, while we continue to make progress in reducing our cost base and balance sheet, thus generating good returns.

For the second quarter of 2013, we delivered Core pre-tax income of CHF 1,534 million, an increase of 38% compared to last year's second quarter, and net income attributable to shareholders of CHF 1,045 million. Our return on equity was 10% for the quarter. For the first half of 2013, we reported Core pre-tax income of CHF 3,356 million, an increase of 192% compared to the first half of last year, net income attributable to shareholders of CHF 2,348 million and a return on equity of 12%. Excluding certain significant items, such as business realignment costs and fair value gains on own debt due to the widening of our own credit spreads, we delivered underlying* Core pre-tax income of CHF 3,587 million, underlying* net income attributable to shareholders of CHF 2,503 million and an underlying* return on equity of 13%.

Our Look-through Swiss Core Capital ratio significantly increased from 9.6% at the end of the first quarter to 10.4% at the end of the second quarter 2013. We are pleased to have exceeded our target of 10% for the middle of this year. Operating under Basel III, we are generating one of the highest returns on equity in our peer group with a strong capital base.

Performance of our businesses in the second quarter

In Private Banking & Wealth Management, we delivered pre-tax income of CHF 917 million for the second quarter of 2013. Net revenues of CHF 3,424 million were stable compared to the second quarter of the previous year, as higher transaction- and performance-based revenues, and higher recurring commissions and fees were offset by lower other revenues and lower net interest income. Total operating expenses of CHF 2,461 million were 3% higher than in the prior-year quarter, mainly driven by an expense provision of CHF 100 million relating to the withholding tax treaty between Switzerland and the UK. Excluding the UK withholding tax charge, Private Banking & Wealth Management pre-tax income was CHF 1,017 million. The cost/income ratio improved to 69% on the same basis. Private Banking & Wealth Management generated net new assets of CHF 7.6 billion in the second quarter, with strong inflows in Wealth Management Clients from emerging markets and from our ultra-high-net-worth individual (UHNWI) client segment, partially offset by continued outflows in Western Europe. The gross margin in Wealth Management Clients improved to 111 basis points from 109 basis points in the prior quarter, mainly reflecting higher transaction- and performance-based revenues and a stable recurring commissions and fees margin.

In Investment Banking, we generated pre-tax income of CHF 754 million – more than double the CHF 314 million recorded in the prior-year quarter. Net revenues of CHF 3,400 million increased 24% compared to the second quarter of 2012, reflecting higher revenues in the majority of our Investment Banking businesses. Total operating expenses of CHF 2,642 million increased 8% compared to the prior-year quarter, driven by higher litigation provisions and increased discretionary performance-related compensation expenses, reflecting higher results. Investment Banking delivered a strong return on Basel III allocated capital of 12% for the second quarter and 18% for the first six months of 2013, double the 9% reported in the first half of 2012 and supporting our through-the-cycle Group return on equity target of above 15%.

Strategic development of our businesses

We have significantly advanced the transformation of our business model. Since the third quarter of 2011, we have reduced our Look-through Basel III risk-weighted assets by CHF 89 billion, achieving our year-end 2013 target of CHF 285 billion six months earlier than planned. Over the past nine months, we have lowered our Swiss leverage exposure by CHF 147 billion as of the end of the second quarter of 2013 and are on track to meet our year-end

2013 target. Furthermore, we have exceeded our Look-through Swiss Core Capital ratio target of 10%.

The transformation of our Private Banking & Wealth Management business is well underway. Over the past six months, we have successfully established the integrated Private Banking & Wealth Management division, have intensified our focus on our core markets and businesses and are further optimizing the way in which we deliver our services and products to our clients. With our improved operating efficiency and our continued focus on targeted growth in the emerging markets and the UHNWI client segment, as well as our efforts to leverage our strong position in our Swiss home market, we are confident that we will achieve our targeted cost/income ratio of 65% and net new asset growth rate of 6% in the Wealth Management Clients business.

We are making continued progress in evolving our business model in Investment Banking in response to the changed market and regulatory environment. Compared to peak levels in the third quarter of 2011, we have reduced the division's risk-weighted assets by USD 112 billion to USD 177 billion and we are thus close to our year-end target of USD 175 billion. As of the end of the second quarter of 2013, we lowered the Swiss leverage exposure in Investment Banking to USD 909 billion and we are on track to reach our target of USD 840 billion by end-2013. In the first six months of 2013, we improved the cost/income ratio to 72% from 82% in the prior-year period. This demonstrates our successful transition to Basel III, the effectiveness of our diversified business model and our significantly improved capital and operating efficiency.

We would like to thank our shareholders and clients for the trust they have placed in Credit Suisse and, in particular, our employees for their contribution to the success of our business.

Sincerely

Urs Rohner Brady W. Dougan

July 2013

* Underlying results are non-GAAP financial measures. For a reconciliation of our underlying results to the most directly comparable US GAAP measures, see "Reconciliation to underlying results – Core Results" in I – Credit Suisse results – Information and developments in the 2Q13 Financial Report.

As of January 1, 2013, Basel III was implemented in Switzerland along with the Swiss "Too Big to Fail" legislation and regulations thereunder. Our related disclosures are in accordance with our current interpretation of such requirements, including relevant assumptions. Changes in the interpretation of these requirements in Switzerland or in any of our assumptions or estimates could result in different numbers from those shown herein. The calculation of Investment Banking's return on Basel III allocated capital assumes 30%, 27% and 25% tax rates for 2Q13, 6M13 and 6M12 respectively, as well as capital allocated at 10% of Basel III risk-weighted assets.

Financial Report 2Q13

Credit Suisse at a glance

Credit Suisse

As one of the world's leading financial services providers, we are committed to delivering our combined financial experience and expertise to corporate, institutional and government clients and to high-net-worth individuals worldwide, as well as to private clients in Switzerland. Founded in 1856, today we have a global reach with operations in over 50 countries and 46,300 employees from approximately 100 different nations. Our broad footprint helps us to generate a geographically balanced stream of revenues and net new assets and allows us to capture diverse growth opportunities around the world. We serve our diverse clients through our two divisions, which cooperate closely to provide holistic financial solutions, including innovative products and specially tailored advice.

Private Banking & Wealth Management

Private Banking & Wealth Management offers comprehensive advice and a wide range of financial solutions to private, corporate and institutional clients. The Private Banking & Wealth Management division comprises the Wealth Management Clients, Corporate & Institutional Clients and Asset Management businesses. In Wealth Management Clients we serve ultra-high-net-worth and high-net-worth individuals around the globe and private clients in Switzerland. Our Corporate & Institutional Clients business serves the needs of corporations and institutional clients, mainly in Switzerland. Asset Management offers a wide range of investment products and solutions across diverse asset classes and investment styles, serving governments, institutions, corporations and individuals worldwide.

Investment Banking

Investment Banking provides a broad range of financial products and services, including global securities sales, trading and execution, prime brokerage and capital raising services, corporate advisory and comprehensive investment research, with a focus on businesses that are client-driven, flow-based and capital-efficient. Clients include corporations, governments, institutional investors, including hedge funds, and private individuals around the world. Credit Suisse delivers its investment banking capabilities via regional and local teams based in major global financial centers. Strongly anchored in Credit Suisse's integrated model, Investment Banking works closely with Private Banking & Wealth Management to provide clients with customized financial solutions.

I

Credit Suisse results

Operating environment

Global economic growth was relatively resilient in 2Q13, but weakened in some emerging markets. Equity markets ended the quarter slightly stronger. Bond yields increased significantly, particularly after the US Federal Reserve indicated that it may reduce asset purchases earlier than markets anticipated. Gold prices declined substantially.

Economic environment

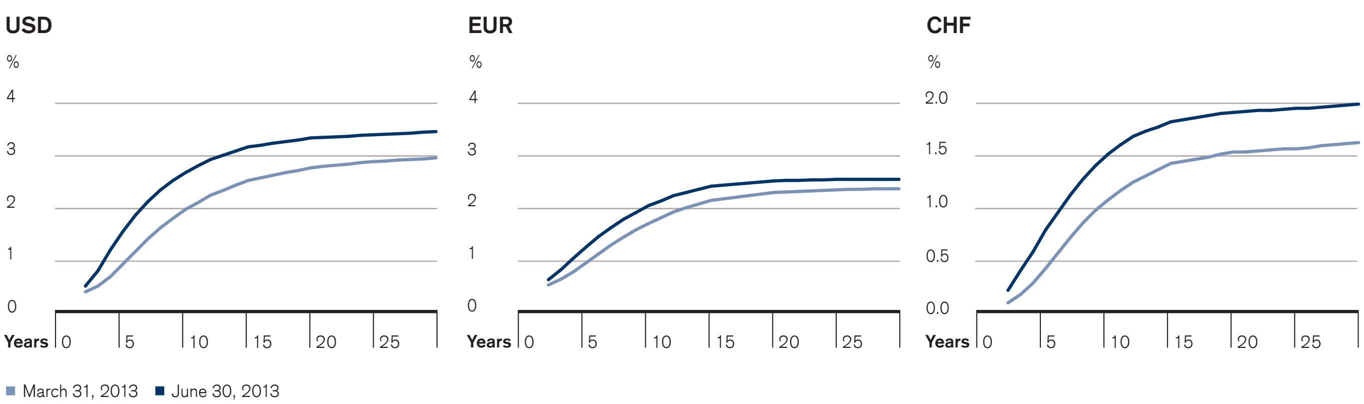
The global economy was relatively resilient in 2Q13. According to economic indicators, business activity expanded slightly, though remained subdued. In the US, the impact to date of the automatic government spending cuts was less negative than expected. The US labor market improved, and the housing market continued its recovery. The eurozone economy showed some early signs of stabilization, with some purchasing managers' indices improving to their best levels in more than a year, though still signaling weak conditions. Growth in several emerging economies decelerated. Chinese industrial production and retail sales metrics indicated a slower pace of growth.

The US Federal Reserve (Fed) announced after its June 2013 meeting that it may reduce the pace of its financial asset purchases associated with its quantitative easing program later this year and could discontinue them altogether in mid-2014 if economic conditions evolve as the central bank expects. In early May, the European Central Bank (ECB) cut its main refinancing rate to a historic low of 0.5% and signaled that a negative deposit rate was an available measure. Concerns continued to be expressed in the EU about tight bank credit conditions faced by small- and medium-sized enterprises, particularly in southern member states of the eurozone. The Bank of Japan (BoJ) announced a massive monetary stimulus program in April in order to achieve a 2% inflation target within two years. As part of the program the monetary base is targeted to almost double by year-end 2014.

After a strong start into the year, many equity markets reversed some of their gains. While cyclical stocks, such as materials and industrials company shares, and emerging markets underperformed due to fears of slowing economic growth, less monetary easing and rising interest rates, US markets and most European markets were resilient overall (refer to the charts "Equity markets"). Exchange-traded volumes on average improved compared to 1Q13 but remained below historical averages. Equity market volatility, as indicated by the Chicago Board Options Exchange Market Volatility Index (VIX), started to increase in June (refer to the charts "Equity markets"). The Dow Jones Credit Suisse Hedge Fund Index increased 0.1% in 2Q13.

Yield curves

Bond yields increased significantly due to uncertainty about the reduction of the Fed asset purchases.



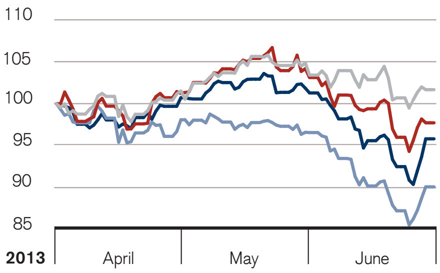
Source: Datastream, Credit Suisse

Equity markets

Equity markets increased slightly in 2Q13. Volatility increased mainly in June.

Performance region

Index (March 31, 2013 = 100)

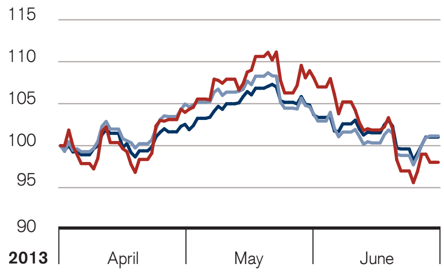


■ Emerging markets Asia ■ Europe
■ Emerging markets Latin America ■ North America

Source: Bloomberg, MSCI Barra, Credit Suisse

Performance world banks

Index (March 31, 2013 = 100)

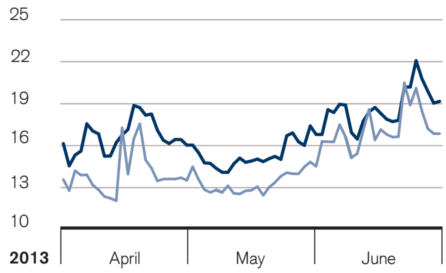


■ MSCI World banks ■ MSCI European banks
■ MSCI World

Source: Datastream, MSCI Barra, Credit Suisse

Volatility

%



■ VDAX
■ VIX Index

Source: Datastream, Credit Suisse

In fixed income, yields increased significantly over the course of 2Q13, reflecting a change in market expectation with regard to the future course of asset purchases by the Fed (refer to the charts "Yield curves"). The eurozone periphery was also impacted by increasing real yields for German Bunds. However, yields for Italian, Spanish and Portuguese bonds remained below the high levels seen in 2012. Corporate investment grade credit spreads widened moderately in US dollars, while they tightened slightly in euros. High yield and emerging markets credit spreads, however, widened considerably in June given the Fed asset purchasing concerns.

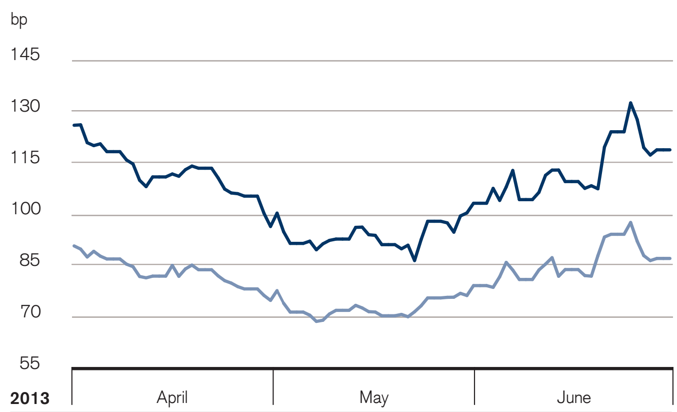
The US dollar showed a mixed performance in 2Q13 against the euro. It initially weakened but rebounded at the end of the quarter with the Fed announcement and the related rise of US yields. Commodity currencies, such as the Australian dollar, weakened sharply against the US dollar, mainly due to a decline in commodity prices. The Swiss franc ended the quarter almost unchanged against the US dollar, but weakened slightly against the euro, mainly due to less demand for safe haven assets. The Japanese yen continued to weaken with increased volatility after the BoJ announced its monetary stimulus program.

Overall, commodity prices declined during the quarter, with the Credit Suisse Commodity Benchmark decreasing more than 7%. Lower inflation expectations triggered significant selling activity in gold and silver markets, with gold prices declining more than 23%. The West Texas Intermediate oil price was relatively stable. Toward the end of the quarter, agriculture markets weakened amid expectations of increased supply in the current year.

Credit spreads

Credit spreads widened in the second half of 2Q13.

■ European CDS (iTraxx) ■ North American CDS (CDX) bp: basis points



Source: Bloomberg, Credit Suisse

Market volumes (growth in %)

	Global		Europe	
end of 2Q13	QoQ	YoY	QoQ	YoY
Equity trading volume [1]	4	(9)	3	(7)
Announced mergers and acquisitions [2]	(11)	(10)	(7)	(13)
Completed mergers and acquisitions [2]	(10)	(16)	(2)	13
Equity underwriting [2]	16	56	47	190
Debt underwriting [2]	(16)	33	(16)	57
Syndicated lending – investment grade [2, 3]	(4)	(6)	–	–

[1] London Stock Exchange, Borsa Italiana, Deutsche Börse, BME and Euronext. Global also includes New York Stock Exchange and NASDAQ.
[2] Dealogic.
[3] 6M13 vs 6M12.

Sector environment

European bank stocks underperformed the broader equity market as measured by the MSCI World index during the quarter, decreasing 4%. North American banks, however, outperformed the broader equity market in 2Q13, increasing 5% (refer to the charts "Equity Markets").

In private banking, clients continued to be cautious given ongoing market uncertainty with cash deposits remaining high despite low interest rates. The low interest rate environment continued to limit earnings in Swiss retail banking, and concerns about the real estate market overheating in certain areas of Switzerland continued. The wealth management sector continued to adapt to further industry-specific regulatory charges.

In investment banking, global completed mergers and acquisitions (M&A) volumes declined compared to 2Q12 and 1Q13, reflecting subdued industry activity. Global debt underwriting volumes increased compared to 2Q12, driven by strong high yield volumes and higher investment grade volumes. Volumes declined quarter on quarter, driven by lower investment grade and high yield volumes. Global equity underwriting volumes increased significantly year on year, driven by higher issuance volumes across follow-on offerings, convertibles and initial public offerings (IPOs). Volumes also increased quarter on quarter, primarily due to substantially higher IPO issuance volumes. Global equity trading volumes declined year over year, driven by lower activity in both European and US markets. However, volumes increased quarter on quarter in both US and European markets, reflecting improved trading conditions relative to 1Q13. US fixed income volumes, including treasuries, federal agency, mortgage backed and corporates, were higher year on year and quarter on quarter. The investment banking sector overall continued to adjust its business model as necessitated by regulatory change.

Credit Suisse

In 2Q13, we recorded net income attributable to shareholders of CHF 1,045 million. Diluted earnings per share were CHF 0.52 and return on equity attributable to shareholders was 10.1%.

Results

			in / end of		% change		in / end of	% change
	2Q13	1Q13	2Q12	QoQ	YoY	**6M13**	6M12	YoY
Statements of operations (CHF million)								
Net revenues	**7,026**	**7,170**	**6,261**	(2)	12	**14,196**	**12,298**	15
Provision for credit losses	**51**	**22**	**25**	132	104	**73**	**59**	24
Compensation and benefits	2,973	3,024	3,005	(2)	(1)	5,997	6,716	(11)
General and administrative expenses	1,901	1,754	1,673	8	14	3,655	3,326	10
Commission expenses	462	479	427	(4)	8	941	868	8
Total other operating expenses	2,363	2,233	2,100	6	13	4,596	4,194	10
Total operating expenses	**5,336**	**5,257**	**5,105**	2	5	**10,593**	**10,910**	(3)
Income before taxes	**1,639**	**1,891**	**1,131**	(13)	45	**3,530**	**1,329**	166
Income tax expense	475	510	311	(7)	53	985	295	234
Net income	**1,164**	**1,381**	**820**	(16)	42	**2,545**	**1,034**	146
Net income attributable to noncontrolling interests	119	78	32	53	272	197	202	(2)
Net income attributable to shareholders	**1,045**	**1,303**	**788**	(20)	33	**2,348**	**832**	182
Earnings per share (CHF)								
Basic earnings per share	0.54	0.76	0.46	(29)	17	1.31	0.51	157
Diluted earnings per share	0.52	0.75	0.44	(31)	18	1.28	0.49	161
Return on equity (%, annualized)								
Return on equity attributable to shareholders	10.1	14.2	9.2	–	–	12.0	4.9	–
Return on tangible equity attributable to shareholders [1]	12.8	18.6	12.5	–	–	15.5	6.6	–
Number of employees (full-time equivalents)								
Number of employees	46,300	46,900	48,200	(1)	(4)	46,300	48,200	(4)

[1] Based on tangible shareholders' equity attributable to shareholders, a non-GAAP financial measure, which is calculated by deducting goodwill and other intangible assets from total shareholders' equity attributable to shareholders. Management believes that the return on tangible shareholders' equity attributable to shareholders is meaningful as it allows consistent measurement of the performance of businesses without regard to whether the businesses were acquired.

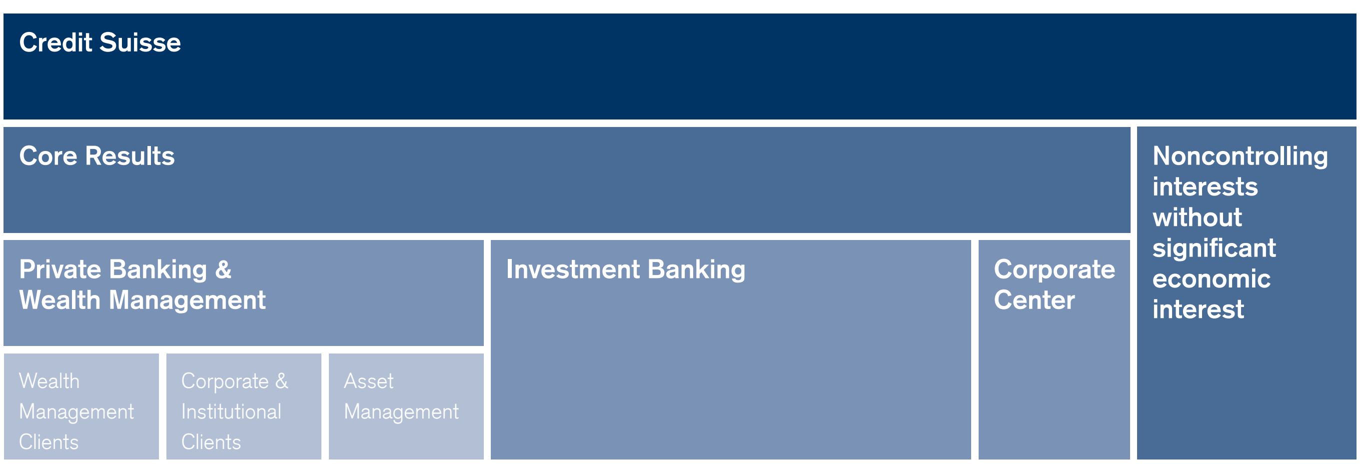
Credit Suisse and Core Results

			Core Results			Noncontrolling interests without SEI			Credit Suisse
in	**2Q13**	1Q13	2Q12	**2Q13**	1Q13	2Q12	**2Q13**	1Q13	2Q12
Statements of operations (CHF million)									
Net revenues	**6,904**	**7,099**	**6,227**	**122**	**71**	**34**	**7,026**	**7,170**	**6,261**
Provision for credit losses	**51**	**22**	**25**	**0**	**0**	**0**	**51**	**22**	**25**
Compensation and benefits	2,961	3,023	3,000	12	1	5	2,973	3,024	3,005
General and administrative expenses	1,896	1,753	1,664	5	1	9	1,901	1,754	1,673
Commission expenses	462	479	427	0	0	0	462	479	427
Total other operating expenses	2,358	2,232	2,091	5	1	9	2,363	2,233	2,100
Total operating expenses	**5,319**	**5,255**	**5,091**	**17**	**2**	**14**	**5,336**	**5,257**	**5,105**
Income before taxes	**1,534**	**1,822**	**1,111**	**105**	**69**	**20**	**1,639**	**1,891**	**1,131**
Income tax expense	475	510	311	0	0	0	475	510	311
Net income	**1,059**	**1,312**	**800**	**105**	**69**	**20**	**1,164**	**1,381**	**820**
Net income attributable to noncontrolling interests	14	9	12	105	69	20	119	78	32
Net income attributable to shareholders	**1,045**	**1,303**	**788**	**–**	**–**	**–**	**1,045**	**1,303**	**788**
Statement of operations metrics (%)									
Cost/income ratio	77.0	74.0	81.8	–	–	–	75.9	73.3	81.5
Pre-tax income margin	22.2	25.7	17.8	–	–	–	23.3	26.4	18.1
Effective tax rate	31.0	28.0	28.0	–	–	–	29.0	27.0	27.5
Net income margin [1]	15.1	18.4	12.7	–	–	–	14.9	18.2	12.6

[1] Based on amounts attributable to shareholders.

Credit Suisse reporting structure and Core Results

Credit Suisse results include revenues and expenses from the consolidation of certain private equity funds and other entities in which we have noncontrolling interests without significant economic interest (SEI) in such revenues and expenses. Core Results include the results of our two segments and the Corporate Center and discontinued operations, but do not include noncontrolling interests without SEI.



Core Results

In 2Q13, we recorded net income attributable to shareholders of CHF 1,045 million. Net revenues were CHF 6,904 million and total operating expenses were CHF 5,319 million.

Results in 2Q13 included fair value gains from movements in own credit spreads of CHF 130 million before tax and realignment costs of CHF 133 million before tax.

We recorded net new assets of CHF 7.6 billion in Private Banking & Wealth Management.

Our Basel III CET1 ratio was 15.3% as of the end of 2Q13. Our Swiss Core Capital ratio was 15.7% and our Look-through Swiss Core Capital ratio was 10.4% as of the end of 2Q13.

Core Results

			in / end of		% change		in / end of	% change
	2Q13	1Q13	2Q12	QoQ	YoY	**6M13**	6M12	YoY
Statements of operations (CHF million)								
Net interest income	2,639	1,802	1,633	46	62	4,441	3,494	27
Commissions and fees	3,617	3,334	3,123	8	16	6,951	6,292	10
Trading revenues	383	1,807	1,147	(79)	(67)	2,190	1,327	65
Other revenues	265	156	324	70	(18)	421	982	(57)
Net revenues	**6,904**	**7,099**	**6,227**	(3)	11	**14,003**	**12,095**	16
Provision for credit losses	**51**	**22**	**25**	132	104	**73**	**59**	24
Compensation and benefits	2,961	3,023	3,000	(2)	(1)	5,984	6,707	(11)
General and administrative expenses	1,896	1,753	1,664	8	14	3,649	3,310	10
Commission expenses	462	479	427	(4)	8	941	868	8
Total other operating expenses	2,358	2,232	2,091	6	13	4,590	4,178	10
Total operating expenses	**5,319**	**5,255**	**5,091**	1	4	**10,574**	**10,885**	(3)
Income before taxes	**1,534**	**1,822**	**1,111**	(16)	38	**3,356**	**1,151**	192
Income tax expense	475	510	311	(7)	53	985	295	234
Net income	**1,059**	**1,312**	**800**	(19)	32	**2,371**	**856**	177
Net income attributable to noncontrolling interests	14	9	12	56	17	23	24	(4)
Net income attributable to shareholders	**1,045**	**1,303**	**788**	(20)	33	**2,348**	**832**	182
Statement of operations metrics (%)								
Cost/income ratio	77.0	74.0	81.8	–	–	75.5	90.0	–
Pre-tax income margin	22.2	25.7	17.8	–	–	24.0	9.5	–
Effective tax rate	31.0	28.0	28.0	–	–	29.4	25.6	–
Net income margin [1]	15.1	18.4	12.7	–	–	16.8	6.9	–
Number of employees (full-time equivalents)								
Number of employees	46,300	46,900	48,200	(1)	(4)	46,300	48,200	(4)

[1] Based on amounts attributable to shareholders.

Results overview

Certain reclassifications have been made to prior periods to conform to the current presentation.

In **Private Banking & Wealth Management**, net revenues of CHF 3,424 million were stable compared to 2Q12, as higher transaction- and performance-based revenues and higher recurring commissions and fees were offset by lower other revenues and lower net interest income. Higher transaction- and performance-based revenues reflected improved client activity with significantly higher brokerage and product issuing fees, and higher carried interest on realized private equity gains, higher equity participations income and higher foreign exchange fees from client transactions. These increases were partially offset by lower performance fees from our Hedging-Griffo subsidiary. Recurring commissions and fees increased 5% due to higher revenues across most revenue categories. Lower other revenues mainly reflected a gain of CHF 66 million from the partial sales of our investment in Aberdeen Asset Management and gains of CHF 41 million related to the sale of a non-core business, both in 2Q12. In a low interest rate environment, net interest income decreased due to significantly lower deposit margins on higher average deposit volumes and slightly higher loan margins on higher average loan volumes.

In **Investment Banking**, net revenues of CHF 3,400 million were up 24% compared to 2Q12. We delivered strong results in 2Q13, with less volatile results from a year ago, reflecting the effectiveness of our diversified and capital efficient Investment Banking business model. Fixed income sales and trading revenues increased compared to 2Q12, driven by higher results across most of our businesses. 2Q13 was characterized by a strong first half of the quarter, followed by more challenging conditions in the latter part due to market volatility resulting from rising interest rates which had an adverse impact on client activity. Equity sales and trading revenues increased compared to 2Q12, driven by higher client activity, improved market conditions and strong market shares across most of our equities businesses. Underwriting and advisory results were higher compared to 2Q12 as higher debt and equity underwriting revenues were partially offset by lower M&A fees.

▸ Refer to "Private Banking & Wealth Management" and "Investment Banking" for further information.

Corporate Center includes parent company operations such as Group financing, expenses for projects sponsored by the Group and certain expenses and revenues that have not been allocated to the segments. In addition, the Corporate Center includes consolidation and elimination adjustments required to eliminate intercompany revenues and expenses. In 2Q13, losses before taxes were CHF 137 million, including business realignment costs of CHF 133 million, primarily consisting of severance and other compensation expenses relating to the Group-wide cost efficiency initiatives. 2Q13 results also included fair value gains on our long-term vanilla debt of CHF 17 million, debit valuation adjustments (DVA) gains on certain structured notes liabilities of CHF 79 million and fair value gains on stand-alone derivatives of CHF 34 million, resulting in overall fair value gains on such items of CHF 130 million in the quarter. The fair value gains on own vanilla debt reflected the widening of credit spreads on senior and subordinated debt across most currencies.

▸ Refer to "Impact from movements in own credit spreads" for further information.

Impact from movements in own credit spreads

Our Core Results revenues are impacted by changes in credit spreads on fair-valued Credit Suisse long-term vanilla debt and DVA relating to certain structured notes liabilities carried at fair value. Our Core Results are also impacted by fair value gains/(losses) on stand-alone derivatives relating to certain of our funding liabilities and reflect the volatility of cross-currency swaps and yield curve volatility and, over the life of the derivatives, will result in no net gains/(losses). These fair value gains/(losses) are recorded in the Corporate Center.

▸ Refer to "Impact from movements in own credit spreads" in II – Operating and financial review – Core Results in the Credit Suisse Annual Report 2012 for further information.

in	**2Q13**	1Q13	2Q12	**6M13**	6M12
Net income/(loss) attributable to shareholders, excluding impact from movements in own credit spreads (CHF million)	**927**	**1,370**	**770**	**2,297**	**1,924**
Fair value gains/(losses) from movements in own credit spreads	130	(80)	39	50	(1,515)
Of which fair value gains/(losses) on own long-term vanilla debt	17	(37)	109	(20)	(785)
Of which fair value gains/(losses) from DVA on structured notes	79	(41)	(18)	38	(500)
Of which fair value gains/(losses) on stand-alone derivatives	34	(2)	(52)	32	(230)
Tax expense/(benefit)	12	(13)	21	(1)	(423)
Net income attributable to shareholders	**1,045**	**1,303**	**788**	**2,348**	**832**

For the effect of these items on capital, refer to "Capital management" in II – Treasury, risk, balance sheet and off-balance sheet.

Core Results reporting by division

			in	% change			in	% change
	2Q13	1Q13	2Q12	QoQ	YoY	**6M13**	6M12	YoY
Net revenues (CHF million)								
Wealth Management Clients	2,337	2,232	2,298	5	2	4,569	4,535	1
Corporate & Institutional Clients	525	520	534	1	(2)	1,045	1,071	(2)
Asset Management	562	533	566	5	(1)	1,095	1,267	(14)
Private Banking & Wealth Management	3,424	3,285	3,398	4	1	6,709	6,873	(2)
Investment Banking	3,400	3,945	2,751	(14)	24	7,345	6,710	9
Corporate Center	80	(131)	78	–	3	(51)	(1,488)	(97)
Net revenues	**6,904**	**7,099**	**6,227**	(3)	11	**14,003**	**12,095**	16
Provision for credit losses (CHF million)								
Wealth Management Clients	20	19	29	5	(31)	39	49	(20)
Corporate & Institutional Clients	26	9	11	189	136	35	30	17
Private Banking & Wealth Management	46	28	40	64	15	74	79	(6)
Investment Banking	4	(6)	(15)	–	–	(2)	(20)	(90)
Corporate Center	1	0	0	–	–	1	0	–
Provision for credit losses	**51**	**22**	**25**	132	104	**73**	**59**	24
Total operating expenses (CHF million)								
Wealth Management Clients	1,788	1,702	1,677	5	7	3,490	3,453	1
Corporate & Institutional Clients	255	261	278	(2)	(8)	516	549	(6)
Asset Management	418	413	426	1	(2)	831	864	(4)
Private Banking & Wealth Management	2,461	2,376	2,381	4	3	4,837	4,866	(1)
Investment Banking	2,642	2,651	2,452	0	8	5,293	5,509	(4)
Corporate Center	216	228	258	(5)	(16)	444	510	(13)
Total operating expenses	**5,319**	**5,255**	**5,091**	1	4	**10,574**	**10,885**	(3)
Income/(loss) before taxes (CHF million)								
Wealth Management Clients	529	511	592	4	(11)	1,040	1,033	1
Corporate & Institutional Clients	244	250	245	(2)	0	494	492	0
Asset Management	144	120	140	20	3	264	403	(34)
Private Banking & Wealth Management	917	881	977	4	(6)	1,798	1,928	(7)
Investment Banking	754	1,300	314	(42)	140	2,054	1,221	68
Corporate Center	(137)	(359)	(180)	(62)	(24)	(496)	(1,998)	(75)
Income before taxes	**1,534**	**1,822**	**1,111**	(16)	38	**3,356**	**1,151**	192

Provision for credit losses were net provisions of CHF 51 million in 2Q13, with net provisions of CHF 46 million in Private Banking & Wealth Management and CHF 4 million in Investment Banking.

Total operating expenses of CHF 5,319 million were up 4% compared to 2Q12, primarily reflecting 14% higher general and administrative expenses, mainly driven by higher litigation provisions in Investment Banking and an expense provision in Private Banking & Wealth Management of CHF 100 million related to the withholding tax treaty between Switzerland and the UK. Compensation and benefits were stable at CHF 2,961 million compared to 2Q12, as a decrease in salaries was offset by higher pension expenses, both reflecting headcount reductions resulting from our cost efficiency initiatives.

Income tax expense of CHF 475 million recorded in 2Q13 mainly reflected the impact of the geographical mix of results and a tax charge related to re-assessment of a pre-existing deferred tax asset in Switzerland due to changes in earnings-mix assumptions in the current year. Overall, net deferred tax assets decreased CHF 374 million to CHF 6,434 million as of the end of 2Q13 compared to 1Q13. Deferred tax assets on net operating losses decreased by CHF 58 million to CHF 1,857 million during 2Q13. The Core Results effective tax rate was 31.0% in 2Q13, compared to 28.0% in 1Q13.

▸ Refer to "Note 21 – Tax" in III – Condensed consolidated financial statements – unaudited for further information.

Core Results reporting by region

			in		% change		in	% change
	2Q13	1Q13	2Q12	QoQ	YoY	**6M13**	6M12	YoY
Net revenues (CHF million)								
Switzerland	1,867	1,792	1,919	4	(3)	3,659	3,837	(5)
EMEA	1,711	1,947	1,705	(12)	0	3,658	3,736	(2)
Americas	2,431	2,551	2,000	(5)	22	4,982	4,618	8
Asia Pacific	815	940	525	(13)	55	1,755	1,392	26
Corporate Center	80	(131)	78	–	3	(51)	(1,488)	(97)
Net revenues	**6,904**	**7,099**	**6,227**	(3)	11	**14,003**	**12,095**	16
Income/(loss) before taxes (CHF million)								
Switzerland	694	560	738	24	(6)	1,254	1,405	(11)
EMEA	183	600	227	(70)	(19)	783	618	27
Americas	573	669	419	(14)	37	1,242	1,038	20
Asia Pacific	221	352	(93)	(37)	–	573	88	–
Corporate Center	(137)	(359)	(180)	(62)	(24)	(496)	(1,998)	(75)
Income before taxes	**1,534**	**1,822**	**1,111**	(16)	38	**3,356**	**1,151**	192

A significant portion of our business requires inter-regional coordination in order to facilitate the needs of our clients. The methodology for allocating our results by region is dependent on management judgment. For Wealth Management Clients and Corporate & Institutional Clients, results are allocated based on the management reporting structure of our relationship managers and the region where the transaction is recorded. For Asset Management, results are allocated based on the location of the investment advisors and sales teams. For Investment Banking, trading results are allocated based on where the risk is primarily managed and fee-based results are allocated where the client is domiciled.

Assets under management of CHF 1,296.6 billion decreased 1.1% compared to the end of 1Q13, as negative market movements and adverse foreign exchange-related movements were partially offset by solid net new assets. Wealth Management Clients contributed net new assets of CHF 7.5 billion with continued strong inflows from emerging markets and from our ultra-high-net-worth individual (UHNWI) client segment, partially offset by continued outflows in Western Europe. Corporate & Institutional Clients in Switzerland reported outflows of CHF 0.2 billion, driven by a small number of large Swiss institutional clients rebalancing their investment strategy out of some of our index products into cash. Asset Management reported net new assets of CHF 1.5 billion in 2Q13 with inflows mainly in credit, hedge fund and fixed income and equities products and multi-asset class solutions, partially offset by outflows from index strategies and outflows of CHF 1.0 billion from businesses we decided to exit.

Information and developments

Format of presentation and changes in reporting

In managing the business, revenues are evaluated in the aggregate, including an assessment of trading gains and losses and the related interest income and expense from financing and hedging positions. For this reason, individual revenue categories may not be indicative of performance.

As of January 1, 2013, the Basel Committee on Banking Supervision (BCBS) Basel III framework was implemented in Switzerland along with the Swiss "Too Big to Fail" legislation and regulations thereunder. Our related disclosures are in accordance with our current interpretation of such requirements, including relevant assumptions. Changes in the interpretation of these requirements in Switzerland or in any of our assumptions or estimates could result in different numbers from those shown in this report. Our calculations of 4Q12 capital and ratio amounts, which are presented in order to show meaningful comparative information, use estimates as of December 31, 2012, as if the Basel III framework had been implemented in Switzerland as of such date.

Key performance indicators

Our key performance indicators (KPIs) for the Group and for our Private Banking & Wealth Management and Investment Banking divisions reflect our strategic plan, the regulatory environment and the market cycle. Income statement-based KPIs are measured on the basis of underlying results, which are non-GAAP financial measures.

- ▸ Refer to "Reconciliation to underlying results – Core Results" for further information on underlying results.
- ▸ Refer to "Key performance indicators" in Private Banking & Wealth Management and Investment Banking for further information on divisional KPIs.

Collaboration revenues

Beginning 2Q13, collaboration revenues are calculated as the percentage of the Group's net revenues represented by the aggregate collaboration revenues arising when more than one of the

Group's divisions participate in a transaction. Additionally, within the Private Banking & Wealth Management division, collaboration revenues include revenues arising from cross-selling and client referral activities between the Wealth Management Clients and Corporate & Institutional Clients businesses on the one hand and the Asset Management and the securities trading and sales businesses on the other hand. Prior period measures of collaboration revenues were not materially impacted by this change and have not been restated. Collaboration revenues are measured by a dedicated governance structure and implemented through an internal revenue sharing structure. Only the net revenues generated by a transaction are considered. Position risk related to trading revenues, private equity and other investment-related gains, valuation adjustments and centrally managed treasury revenues are not included in collaboration revenues.

Key performance indicators

Our KPIs are targets to be achieved over a three to five year period across market cycles. As such, year to date results may be more meaningful than individual quarterly results. Our KPIs are assessed annually as part of our normal planning process and may be revised to reflect our strategic plan, the regulatory environment and market and industry trends.

in / end of	Target	2Q13	6M13	2012
Growth (%)				
Collaboration revenues	18 – 20% of net revenues	17.3	16.1	18.6
Efficiency and performance (%)				
Total shareholder return (Credit Suisse) [1]	Superior return vs. peer group	3.4	15.7	4.8
Total shareholder return of peer group [1, 2]	–	5.8	8.8	49.2
Return on equity attributable to shareholders (annualized) – underlying [3]	Above 15%	10.0	12.8	10.0
Core Results cost/income ratio – underlying [3]	Below 70%	76.3	73.8	79.8
Capital (%)				
Look-through Swiss Core Capital ratio	Above 10%	10.4	10.4	9.0

1 Source: Bloomberg. Total shareholder return is calculated as equal to the appreciation or depreciation of a particular share, plus any dividends, over a given period, expressed as a percentage of the share's value at the beginning of the period.
2 The peer group for this comparison comprises Bank of America, Barclays, BNP Paribas, Citigroup, Deutsche Bank, HSBC, JPMorgan Chase, Société Générale and UBS. The total shareholder return of this peer group is calculated as a simple, unweighted average of the return reported by Bloomberg for each of the members of the peer group.
3 Measured on the basis of underlying results. Refer to "Reconciliation to underlying results – Core Results" for further information on underlying results.

Cost savings and strategy implementation

We continued to adapt our client-focused, capital-efficient strategy to optimize our use of capital and improve our cost structure. We target cost savings of CHF 3.2 billion in 2013, CHF 3.8 billion by the end of 2014 and CHF 4.4 billion by the end of 2015. These targets are measured against our annualized 6M11 expense run rate measured at constant foreign exchange rates and adjusted to exclude business realignment and other significant non-operating expenses and variable compensation expenses. The majority of the expected future savings will be realized from shared infrastructure and support services across the Group, mainly through the consolidation of fragmented and duplicate functions globally and the continued consolidation of IT applications and functions. We have also targeted further savings within our two operating divisions. Within Private Banking & Wealth Management, we expect to deliver cost benefits from the creation of the integrated Private Banking & Wealth Management division, rationalization of front office and support functions, including simplification of our operating platform, streamlining of the offshore affluent and Swiss client coverage model and from announced divestitures. Within Investment Banking, we expect to deliver cost benefits from initiatives already completed in 2012, from continuing to review and realize efficiencies across business lines and geographic regions and from continuing to refine our business mix and align resources with highest returning opportunities. We expect to incur approximately CHF 1.6 billion of business realignment costs associated with these measures during the course of 2013 to 2015.

We incurred CHF 133 million of business realignment costs associated with these measures in 2Q13.

▸ Refer to "Cost savings and strategy implementation" in II – Operating and financial review – Core Results – Information and developments in the Credit Suisse Annual Report 2012 for further information.

Overview of results

in / end of period	Private Banking & Wealth Management			Investment Banking		
	2Q13	1Q13	2Q12	**2Q13**	1Q13	2Q12
Statements of operations (CHF million)						
Net revenues	**3,424**	**3,285**	**3,398**	**3,400**	**3,945**	**2,751**
Provision for credit losses	**46**	**28**	**40**	**4**	**(6)**	**(15)**
Compensation and benefits	1,353	1,379	1,412	1,466	1,485	1,408
General and administrative expenses	896	794	783	934	915	812
Commission expenses	212	203	186	242	251	232
Total other operating expenses	1,108	997	969	1,176	1,166	1,044
Total operating expenses	**2,461**	**2,376**	**2,381**	**2,642**	**2,651**	**2,452**
Income/(loss) before taxes	**917**	**881**	**977**	**754**	**1,300**	**314**
Income tax expense	–	–	–	–	–	–
Net income	**–**	**–**	**–**	**–**	**–**	**–**
Net income attributable to noncontrolling interests	–	–	–	–	–	–
Net income attributable to shareholders	**–**	**–**	**–**	**–**	**–**	**–**
Statement of operations metrics (%)						
Cost/income ratio	71.9	72.3	70.1	77.7	67.2	89.1
Pre-tax income margin	26.8	26.8	28.8	22.2	33.0	11.4
Effective tax rate	–	–	–	–	–	–
Net income margin	–	–	–	–	–	–
Utilized economic capital and return						
Average utilized economic capital (CHF million)	9,682	9,670	9,911	19,939	19,292	20,103
Pre-tax return on average utilized economic capital (%) [3]	38.5	37.1	40.1	15.6	27.5	6.9
Balance sheet statistics (CHF million)						
Total assets [4]	279,340	284,588	277,922	561,980	582,272	650,591
Net loans	214,292	212,238	202,529	31,872	36,735	36,623
Goodwill	2,426	2,448	2,516	6,128	6,136	6,149
Number of employees (full-time equivalents)						
Number of employees	26,500	27,000	27,300	19,500	19,600	20,000

[1] Core Results include the results of our integrated banking business, excluding revenues and expenses in respect of noncontrolling interests without SEI.
[2] Includes diversification benefit.
[3] Calculated using a return excluding interest costs for allocated goodwill.
[4] Beginning in 1Q13, segment assets exclude intra-Group balances between the segments. Prior periods have been reclassified to conform to the current presentation.

Share issuances

In 2Q13, we issued 200.0 million Group shares out of conditional, conversion and authorized capital in connection with the conversion of mandatory and contingent convertible securities (MACCS). The shares were delivered on April 8, 2013.

At the April 2013 Annual General Meeting (AGM), shareholders approved a distribution in the form of CHF 0.10 per registered share in cash and in the form of new shares with an equivalent value of approximately CHF 0.65 per registered share for the 2012 financial year. As a result, we issued 37.6 million new Group shares out of authorized capital in May 2013.

We also issued 17.1 million new Group shares in connection with share-based compensation awards.

▸ Refer to "Additional share information" in III – Condensed consolidated financial statements – unaudited – Note 19 – Accumulated other comprehensive income and additional share information for further information on share issuances.

Compensation and benefits

Compensation and benefits for a given year reflect the strength and breadth of the business results and staffing levels and include fixed components, such as salaries, benefits and the amortization of share-based and other deferred compensation from prior-year awards, and a discretionary variable component.

	Corporate Center			**Core Results** [1]			Noncontrolling Interests without SEI			**Credit Suisse**		
	2Q13	1Q13	2Q12	**2Q13**	1Q13	2Q12	**2Q13**	1Q13	2Q12	**2Q13**	1Q13	2Q12
	80	**(131)**	**78**	**6,904**	**7,099**	**6,227**	**122**	**71**	**34**	**7,026**	**7,170**	**6,261**
	1	**0**	**0**	**51**	**22**	**25**	**0**	**0**	**0**	**51**	**22**	**25**
	142	159	180	2,961	3,023	3,000	12	1	5	2,973	3,024	3,005
	66	44	69	1,896	1,753	1,664	5	1	9	1,901	1,754	1,673
	8	25	9	462	479	427	0	0	0	462	479	427
	74	69	78	2,358	2,232	2,091	5	1	9	2,363	2,233	2,100
	216	**228**	**258**	**5,319**	**5,255**	**5,091**	**17**	**2**	**14**	**5,336**	**5,257**	**5,105**
	(137)	**(359)**	**(180)**	**1,534**	**1,822**	**1,111**	**105**	**69**	**20**	**1,639**	**1,891**	**1,131**
	–	–	–	475	510	311	0	0	0	475	510	311
	–	**–**	**–**	**1,059**	**1,312**	**800**	**105**	**69**	**20**	**1,164**	**1,381**	**820**
	–	–	–	14	9	12	105	69	20	119	78	32
	–	**–**	**–**	**1,045**	**1,303**	**788**	**–**	**–**	**–**	**1,045**	**1,303**	**788**
	–	–	–	77.0	74.0	81.8	–	–	–	75.9	73.3	81.5
	–	–	–	22.2	25.7	17.8	–	–	–	23.3	26.4	18.1
	–	–	–	31.0	28.0	28.0	–	–	–	29.0	27.0	27.5
	–	–	–	15.1	18.4	12.7	–	–	–	14.9	18.2	12.6
	2,254 [2]	2,250 [2]	2,552 [2]	31,856	31,193	32,544	–	–	–	31,856	31,193	32,544
	–	–	–	19.8	23.9	14.3	–	–	–	21.1	24.8	14.5
	74,316	75,339	110,350	915,636	942,199	1,038,863	4,267	4,419	4,592	919,903	946,618	1,043,455
	22	22	12	246,186	248,995	239,164	–	–	–	246,186	248,995	239,164
	–	–	–	8,554	8,584	8,665	–	–	–	8,554	8,584	8,665
	300	300	900	46,300	46,900	48,200	–	–	–	46,300	46,900	48,200

The variable component reflects the performance-based variable compensation for the current year. The portion of the performance-based compensation for the current year deferred through share-based and other awards is expensed in future periods and is subject to vesting and other conditions.

▸ Refer to “Compensation and benefits” in II – Operating and financial review – Core Results – Information and developments in the Credit Suisse Annual Report 2012 for further information.

Board of Directors and Management changes

At our AGM in April 2013, shareholders approved the election of Kai S. Nargolwala as a new member to the Board of Directors, and the re-election of Noreen Doyle and Jassim Bin Hamad J.J. Al Thani, each for a term of three years. Robert H. Benmosche, Aziz R.D. Syriani and David W. Syz retired from the Board of Directors at the AGM 2013.

In July 2013, we announced that effective January 1, 2014 Joachim Oechslin will succeed Tobias Guldimann as Chief Risk Officer and a member of the Executive Board. At such time, Mr. Guldimann will take on a new role as Head of Reputational Risk, Corporate Responsibility and Regulatory Policy, reporting to the Chairman of the Board of Directors.

Regulatory developments and proposals

Government leaders and regulators continued to focus on reform of the financial services industry, including capital, leverage and liquidity requirements, changes in compensation practices and systemic risk.

On April 15, 2013, the Fed and the US Federal Deposit Insurance Corporation (FDIC) released additional guidance requiring certain financial companies, including Credit Suisse, to provide additional analysis and data in future resolution plans, and extended the deadline to submit an updated plan from July 1, 2013 to October 1, 2013.

On June 4, 2013, the US Commodity Futures Trading Commission (CFTC) published new rules governing the regulation of swap execution facilities and the application of mandatory trade execution requirements for swaps. We expect that by the end of 2013 as a result of these rules, many or all of the standardized interest rate swaps and index credit default swaps (CDS) that the CFTC currently requires to be cleared will be required to be executed on a swap execution facility or exchange, rather than over-the-counter (OTC).

On July 1, 2013, Credit Suisse Securities (Europe) Limited (CSSEL), the entity through which we conduct certain of our equity swap trading business, registered with the CFTC as a swap dealer.

On July 12, 2013, the CFTC adopted final cross-border guidance and a temporary exemptive order governing the application of CFTC rules to non-US swap dealers, which include Credit Suisse International (CSI) and CSSEL. The guidance adopted by the CFTC allows non-US swap dealers to request substituted compliance, which permits non-US swap dealers to comply with comparable home country rules in lieu of complying with certain CFTC rules. In this regard, the European Commission (EC) and the European Securities and Markets Authority (ESMA) have made an application to the CFTC for substituted compliance on behalf of firms based in the EU, including CSI and CSSEL. Under the CFTC's temporary exemptive order, CSI and CSSEL are not required to comply with certain CFTC requirements applicable to swap dealers for which substituted compliance would be available under the final guidance until the earlier of December 21, 2013 or 30 days after the issuance by the CFTC of a substituted compliance determination. If the CFTC rejects the EC/ESMA application or approves it on terms and conditions less favorable than expected, CSI and CSSEL could be subject to duplicative or conflicting requirements across multiple jurisdictions. In addition, the CFTC's final cross-border guidance is highly complex and includes several concepts that were not readily apparent from the CFTC's earlier proposals regarding the regulation of non-US swap dealers. While we are still evaluating the guidance, we believe it is possible that it could result in an unanticipated expansion of CFTC requirements to our non-US derivatives business or require us to restructure certain aspects of that business to come into compliance.

On June 27, 2013, the final text of the Capital Requirement Directive IV (CRD IV) was published in the Official Journal of the EU. With effect from January 1, 2014, CRD IV will replace the current CRD directive with new measures implementing Basel III and other requirements. Compliance with these requirements will include receiving certification by the UK's Prudential Regulation Authority of models with respect to regulatory capital requirements of certain of our UK subsidiaries.

In July 2013, the Fed, FDIC and the Office of the Comptroller of the Currency released final capital rules that overhaul the existing US bank regulatory capital rules and implement the Basel III framework and certain provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). The final rules are largely consistent with the Basel III framework published by the BCBS, although they diverge in several important respects due to requirements of the Dodd-Frank Act and do not address other, more recent aspects of the Basel III framework. Although we are not currently subject to US bank regulatory capital standards, if Credit Suisse is required to form an intermediate holding company under the Fed's proposed rule, such company will likely be required to comply with the final capital rules on a stand-alone basis (i.e., without consideration of parental support).

On July 12, 2013, the US Department of the Treasury published a notice postponing the entry into force of the Foreign Account Tax Compliance Act by six months to July 1, 2014.

The Swiss Federal Supreme Court, in a July 2013 decision concerning a former Credit Suisse client, confirmed that so-called group requests which are not targeting an identified client but instead describe a behavioral pattern are permissible under the existing 1996 Swiss/US double taxation treaty for the avoidance of double taxation.

The Swiss Federal Supreme Court issued a decision in 4Q12 in a case brought by a client of another bank seeking reimbursement of commissions paid to the client's bank by providers of investment products. The court ruled that such payments ("retrocessions") received in the context of a discretionary asset management mandate from issuers of investment products are owed to the client (including payments from intra-group companies) unless a client waiver is in place. The Swiss Financial Market Supervisory Authority FINMA (FINMA) subsequently issued a notice requiring all banks to inform potentially affected clients and we have done so by informing all of our discretionary mandate clients in 2Q13. Based on our current evaluation, we expect no material exposure from this decision.

▸ Refer to "Regulation and supervision" in I – Information on the company in the Credit Suisse Annual Report 2012 for further information.

Reconciliation to underlying results – Core Results

Underlying results are non-GAAP financial measures that exclude valuation impacts from movements in own credit spreads and certain other items included in our reported Core Results. Management believes that underlying results provide a useful presentation of our operating results for purposes of assessing our Group and divisional performance over time, on a basis that excludes items that management does not consider representative of our underlying performance. Provided below is a reconciliation of our underlying Core Results to the most directly comparable US GAAP measures.

▸ Refer to "Core Results", "Private Banking & Wealth Management" and "Investment Banking" in this report and prior Financial Reports for the periods indicated for further information.

in	**2Q13**	1Q13	2Q12	**6M13**	6M12	2012
Reconciliation (CHF million)						
Net revenues – as reported	6,904	7,099	6,227	14,003	12,095	23,557
Fair value impact from movements in own credit spreads	(124)	68	(39)	(56)	1,515	2,912
Realignment costs	–	–	7	–	7	15
Gain on sale of stake in Aberdeen Asset Management	–	–	(66)	–	(244)	(384)
Gain on sale of a non-core business from the integration of Clariden Leu	–	–	(41)	–	(41)	(41)
Impairment of Asset Management Finance LLC and other losses	–	–	–	–	–	68
Gain on sale of real estate	–	–	–	–	–	(533)
Gain on sale of Wincasa	–	–	–	–	–	(45)
Losses/(gains) on private equity disposals	(6)	(13)	–	(19)	–	82
Loss on sale of JO Hambro	–	46	–	46	–	–
Net revenues – underlying	**6,774**	**7,200**	**6,088**	**13,974**	**13,332**	**25,631**
Provisions for credit losses	**51**	**22**	**25**	**73**	**59**	**170**
Total operating expenses – as reported	5,319	5,255	5,091	10,574	10,885	21,508
Fair value impact from movements in own credit spreads	6	(12)	–	(6)	–	(27)
Realignment costs	(133)	(92)	(176)	(225)	(244)	(665)
Certain litigation provisions	–	–	–	–	–	(363) [1]
Legal fees relating to Asset Management disposals	(5)	(5)	–	(10)	–	–
IT architecture simplification	(19)	–	–	(19)	–	–
Total operating expenses – underlying	**5,168**	**5,146**	**4,915**	**10,314**	**10,641**	**20,453**
Income before taxes – underlying	**1,555**	**2,032**	**1,148**	**3,587**	**2,632**	**5,008**
Income tax expense/(benefit) – as reported	475	510	311	985	295	496
Fair value impact from movements in own credit spreads	(12)	13	(21)	1	423	678
Realignment costs	34	29	43	63	64	203
Gain on sale of stake in Aberdeen Asset Management	–	–	(8)	–	(40)	(58)
Gain on sale of a non-core business from the integration of Clariden Leu	–	–	(4)	–	(4)	(4)
Impairment of Asset Management Finance LLC and other losses	–	–	–	–	–	27
Gain on sale of real estate	–	–	–	–	–	(88)
Losses/(gains) on private equity disposals	(3)	(6)	–	(9)	–	10
Loss on sale of JO Hambro	–	13	–	13	–	–
Certain litigation provisions	–	–	–	–	–	133 [1]
Legal fees relating to Asset Management disposals	2	2	–	4	–	–
IT architecture simplification	4	–	–	4	–	–
Income tax expense/(benefit) – underlying	**500**	**561**	**321**	**1,061**	**738**	**1,397**
Net income attributable to noncontrolling interests	**14**	**9**	**12**	**23**	**24**	**34**
Net income attributable to shareholders – underlying	**1,041**	**1,462**	**815**	**2,503**	**1,870**	**3,577**
Statement of operations metrics – underlying (%)						
Return on equity attributable to shareholders – underlying	10.0	15.9	9.3	12.8	10.8	10.0
Cost/income ratio – underlying	76.3	71.5	80.7	73.8	79.8	79.8

[1] Includes CHF 136 million (CHF 96 million after tax) related to significant Investment Banking litigation provisions in 3Q12 and CHF 227 million (CHF 134 million after tax) of litigation provisions related to National Century Financial Enterprises, Inc. in 4Q12.

Allocations and funding

Responsibility for each product is allocated to a segment, which records all related revenues and expenses. Revenue-sharing and service level agreements, which aim to reflect the pricing structure of unrelated third-party transactions, govern the compensation received by one segment for generating revenue or providing services on behalf of another. Corporate services and business support are provided by the Shared Services area and these costs are allocated to the segments and Corporate Center based on their requirements and other relevant measures.

We centrally manage our funding activities, with new securities for funding and capital purposes issued primarily by the Bank which lends funds to our operating subsidiaries and affiliates. Capital is distributed to the segments considering factors such as regulatory capital requirements, utilized economic capital and the historic and future potential return on capital. Transfer pricing, using market rates, is used to record net revenues and expenses relating to this funding in each of the segments, and our businesses are also credited to the extent they provide long-term stable funding.

▸ Refer to “Allocations and funding” in II – Operating and financial review – Core Results in the Credit Suisse Annual Report 2012 for further information.

Fair valuations

Fair value can be a relevant measurement for financial instruments when it aligns the accounting for these instruments with how we manage our business. The levels of the fair value hierarchy as defined by the relevant accounting guidance are not a measurement of economic risk, but rather an indication of the observability of prices or valuation inputs.

▸ Refer to “Note 1 – Summary of significant accounting policies” and “Note 27 – Financial instruments” in III – Condensed consolidated financial statements – unaudited for further information.

Models were used to value financial instruments for which no prices are available and which have little or no observable inputs (level 3). Models are developed internally and are reviewed by functions independent of the front office to ensure they are appropriate for current market conditions. The models require subjective assessment and varying degrees of judgment depending on liquidity, concentration, pricing assumptions and risks affecting the specific instrument. The models consider observable and unobservable parameters in calculating the value of these products, including certain indices relating to these products. Consideration of these indices is more significant in periods of lower market activity.

As of the end of 2Q13, 48% and 33% of our total assets and total liabilities, respectively, were measured at fair value.

While the majority of our level 3 assets are recorded in Investment Banking, some are recorded in Private Banking & Wealth Management’s Asset Management business, specifically certain private equity investments. Total assets at fair value recorded as level 3 increased by CHF 1.6 billion during 2Q13, primarily due to an increase in loans held-for-sale and trading assets. The increase in loans held-for-sale primarily reflected net purchases and transfers of such loans into level 3 assets. The increase in trading assets primarily reflected net purchases of other trading assets.

Our level 3 assets, excluding assets attributable to noncontrolling interests and assets of consolidated variable interest entities (VIEs) that are not risk-weighted assets under the Basel framework, were CHF 29.6 billion, compared to CHF 28.7 billion as of the end of 1Q13. As of the end of 2Q13, these assets comprised 3% of total assets and 7% of total assets measured at fair value, both adjusted on the same basis, compared to 3% and 6%, respectively, as of the end of 1Q13.

We believe that the range of any valuation uncertainty, in the aggregate, would not be material to our financial condition, however, it may be material to our operating results for any particular period, depending, in part, upon the operating results for such period.

Personnel

Headcount at the end of 2Q13 was 46,300, down 600 from 1Q13 and down 1,900 from 2Q12. The decrease in 2Q13 primarily reflected headcount reductions resulting from our cost efficiency initiatives.

Number of employees by division

		end of		% change	
	2Q13	1Q13	2Q12	QoQ	YoY
Number of employees by division (full-time equivalents)					
Private Banking & Wealth Management	26,500	27,000	27,300	(2)	(3)
Investment Banking	19,500	19,600	20,000	(1)	(3)
Corporate Center	300	300	900	0	(67)
Number of employees	**46,300**	**46,900**	**48,200**	(1)	(4)

Private Banking & Wealth Management

In 2Q13, we reported income before taxes of CHF 917 million and net revenues of CHF 3,424 million.

Net revenues were higher compared to 1Q13, reflecting higher transaction- and performance-based revenues and higher recurring commissions and fees. Compared to 2Q12, net revenues were stable, as higher transaction- and performance-based revenues, reflecting improved client activity, and higher recurring commissions and fees were offset by lower other revenues and lower net interest income.

Provision for credit losses were CHF 46 million on a net loan portfolio of CHF 214 billion.

Total operating expenses increased compared to 1Q13 and 2Q12, mainly driven by an expense provision relating to the withholding tax treaty between Switzerland and the UK.

In 2Q13, assets under management were CHF 1,296.6 billion, 1.1% lower compared to 1Q13. We attracted net new assets of CHF 7.6 billion.

Results

			in / end of		% change		in / end of	% change
	2Q13	1Q13	2Q12	QoQ	YoY	**6M13**	6M12	YoY
Statements of operations (CHF million)								
Net revenues	**3,424**	**3,285**	**3,398**	4	1	**6,709**	**6,873**	(2)
Provision for credit losses	**46**	**28**	**40**	64	15	**74**	**79**	(6)
Compensation and benefits	1,353	1,379	1,412	(2)	(4)	2,732	2,939	(7)
General and administrative expenses	896	794	783	13	14	1,690	1,557	9
Commission expenses	212	203	186	4	14	415	370	12
Total other operating expenses	1,108	997	969	11	14	2,105	1,927	9
Total operating expenses	**2,461**	**2,376**	**2,381**	4	3	**4,837**	**4,866**	(1)
Income before taxes	**917**	**881**	**977**	4	(6)	**1,798**	**1,928**	(7)
of which Wealth Management Clients	529	511	592	4	(11)	1,040	1,033	1
of which Corporate & Institutional Clients	244	250	245	(2)	0	494	492	0
of which Asset Management	144	120	140	20	3	264	403	(34)
Statement of operations metrics (%)								
Cost/income ratio	71.9	72.3	70.1	–	–	72.1	70.8	–
Pre-tax income margin	26.8	26.8	28.8	–	–	26.8	28.1	–
Utilized economic capital and return								
Average utilized economic capital (CHF million)	9,682	9,670	9,911	0	(2)	9,652	10,018	(4)
Pre-tax return on average utilized economic capital (%) [1]	38.5	37.1	40.1	–	–	37.8	39.2	–
Number of employees (full-time equivalents)								
Number of employees	26,500	27,000	27,300	(2)	(3)	26,500	27,300	(3)

[1] Calculated using a return excluding interest costs for allocated goodwill.

Results (continued)

	in / end of			% change		in / end of		% change
	2Q13	1Q13	2Q12	QoQ	YoY	**6M13**	6M12	YoY
Net revenue detail (CHF million)								
Net interest income	1,079	1,045	1,158	3	(7)	2,124	2,280	(7)
Recurring commissions and fees	1,275	1,226	1,212	4	5	2,501	2,423	3
Transaction- and performance-based revenues	1,064	919	923	16	15	1,983	1,829	8
Other revenues [1]	6	95	105	(94)	(94)	101	341	(70)
Net revenues	**3,424**	**3,285**	**3,398**	4	1	**6,709**	**6,873**	(2)
Provision for credit losses (CHF million)								
New provisions	88	52	69	69	28	140	149	(6)
Releases of provisions	(42)	(24)	(29)	75	45	(66)	(70)	(6)
Provision for credit losses	**46**	**28**	**40**	64	15	**74**	**79**	(6)
Balance sheet statistics (CHF million)								
Net loans	**214,292**	**212,238**	**202,529**	1	6	**214,292**	**202,529**	6
of which Wealth Management Clients [2]	151,700	150,018	143,559	1	6	151,700	143,559	6
of which Corporate & Institutional Clients	62,592	62,220	58,886	1	6	62,592	58,886	6
Deposits	**285,577**	**282,422**	**272,561**	1	5	**285,577**	**272,561**	5
of which Wealth Management Clients [2]	217,055	214,744	212,566	1	2	217,055	212,566	2
of which Corporate & Institutional Clients	68,522	67,678	59,995	1	14	68,522	59,995	14
Number of relationship managers								
Switzerland [3]	1,600	1,610	1,650	(1)	(3)	1,600	1,650	(3)
EMEA	1,260	1,290	1,340	(2)	(6)	1,260	1,340	(6)
Americas	610	630	600	(3)	2	610	600	2
Asia Pacific	450	430	390	5	15	450	390	15
Wealth Management Clients	3,920	3,960	3,980	(1)	(2)	3,920	3,980	(2)
Corporate & Institutional Clients (Switzerland)	570	570	550	0	4	570	550	4
Number of relationship managers	**4,490**	**4,530**	**4,530**	(1)	(1)	**4,490**	**4,530**	(1)

[1] Includes investment-related gains/(losses), equity participations and other gains/(losses) and fair value gains/(losses) on the Clock Finance transaction.
[2] Wealth Management Clients covers individual clients, including affluent, high-net-worth and ultra-high-net-worth individual clients.
[3] Adjusted to reflect relationship managers in mortgage centers in Switzerland.

Results detail

The following provides a comparison of our 2Q13 results versus 2Q12 (YoY) and versus 1Q13 (QoQ).

Net revenues

Net interest income includes a term spread credit on stable deposit funding and a term spread charge on loans. Recurring commissions and fees includes investment product management, discretionary mandate and other asset management-related fees and fees for general banking products and services. Transaction- and performance-based revenues arise primarily from brokerage and product issuing fees, foreign exchange fees from client transactions, performance-based fees related to assets under management and custody assets, trading and sales income, placement fees, equity participations income and other transaction-based income. Other revenues include investment-related gains and losses and equity participations and other gains and losses.

YoY: Stable at CHF 3,424 million

Net revenues were stable as higher transaction- and performance-based revenues and higher recurring commissions and fees were offset by lower other revenues and lower net interest income. Higher transaction- and performance-based revenues reflected improved client activity with significantly higher brokerage and product issuing fees, and higher carried interest on realized private equity gains, higher equity participations income and higher foreign exchange fees from client transactions. These increases were partially offset by lower performance fees from our Hedging-Griffo subsidiary. Recurring commissions and fees increased 5% due to higher revenues across most revenue categories. Lower other revenues mainly reflected a gain of CHF 66 million from the partial sales of our investment in Aberdeen Asset Management and gains of CHF 41 million related to the sale of a non-core business, both in 2Q12. In a low interest rate environment, net interest income decreased due to significantly lower deposit margins on higher average deposit volumes and slightly higher loan margins on higher average loan volumes.

QoQ: Up 4% from CHF 3,285 million to CHF 3,424 million

Higher net revenues reflected higher transaction- and performance-based revenues, higher recurring commissions and fees and slightly higher net interest income partially offset by lower other revenues. Transaction- and performance-based revenues increased 16%, driven by higher equity participations income, higher carried interest on realized private equity gains and the semi-annual performance fees from Hedging-Griffo, partially offset by lower private equity placement fees and lower trading and sales income. Higher recurring commissions and fees reflected higher investment account and services fees and higher asset management fees, partially offset by lower banking services fees. Slightly higher net interest income reflected slightly lower deposit margins and higher loan margins on slightly higher average deposit and loan volumes. The decrease in other revenues reflected lower investment-related gains and a gain in 1Q13 on the sale of JO Hambro Investment Management (JO Hambro).

Provision for credit losses

The Wealth Management Clients loan portfolio is substantially comprised of residential mortgages in Switzerland and loans collateralized by securities. Our Corporate & Institutional Clients loan portfolio has relatively low concentrations and is mainly secured by mortgages, securities and other financial collateral.

YoY: Up 15% from CHF 40 million to CHF 46 million

Provision for credit losses increased, mainly reflecting higher new provisions in Corporate & Institutional Clients, driven by isolated cases. Wealth Management Clients recorded net provisions of CHF 20 million and Corporate & Institutional Clients recorded net provisions of CHF 26 million in 2Q13.

QoQ: Up 64% from CHF 28 million to CHF 46 million

Provision for credit losses was higher in both Wealth Management Clients and Corporate & Institutional Clients mainly reflecting higher new provisions driven by the isolated cases in Corporate & Institutional Clients. In 1Q13, Wealth Management Clients recorded net provisions of CHF 19 million while Corporate & Institutional Clients recorded net provisions of CHF 9 million.

Operating expenses

Compensation and benefits

YoY: Down 4% from CHF 1,412 million to CHF 1,353 million

The decrease in compensation and benefits reflected lower salary expenses, mainly driven by lower headcount resulting from our ongoing efficiency measures.

QoQ: Down 2% from CHF 1,379 million to CHF 1,353 million

Slightly lower compensation and benefit expenses primarily reflected lower deferred compensation expense from prior year awards and lower discretionary performance-related compensation accruals.

General and administrative expenses

YoY: Up 14% from CHF 783 million to CHF 896 million

The increase in general and administrative expenses primarily reflected a 2Q13 expense provision of CHF 100 million related to the withholding tax treaty between Switzerland and the UK, whereby Swiss banks were collectively obliged to fund CHF 500 million as a guarantee for client regularization payments above a minimum level of CHF 800 million. As announced by the Swiss Bankers Association, the amount of undeclared assets held by UK citizens and liable for the payment is substantially less than originally estimated by the Swiss banking industry, and it cannot be excluded that the banks' guarantee payment will not, or only to a very limited extent, be reimbursed through client regularization payments under the treaty. In accordance with the allocation key of the guaranteed amount provided under Swiss law, we would bear 20% of the ultimate cost. The recorded expense provision represents the full amount of that expected cost.

QoQ: Up 13% from CHF 794 million to CHF 896 million

The increase was driven by the expense provision related to the withholding tax treaty between Switzerland and the UK.

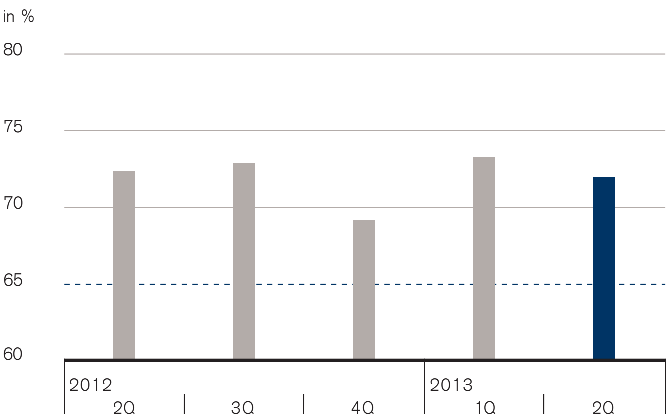
Key performance indicators

We target a divisional cost/income ratio of 65% measured on the basis of underlying results for the Private Banking & Wealth Management division. Underlying results are non-GAAP financial measures. In 2Q13, the underlying cost/income ratio was 71.9%, stable compared to 2Q12 and down one percentage point from 1Q13. The underlying cost/income ratio further excluding the expense provision of CHF 100 million related to the withholding tax treaty would be 68.9%.

▸ Refer to table "Reconciliation to underlying results – Private Banking & Wealth Management" for further information on underlying results.

We also target net new asset growth of 6% for both the Wealth Management Clients and Asset Management businesses. In 2Q13, the annualized quarterly growth rates in Wealth Management Clients and Asset Management were 3.6% and 1.5%, respectively.

Cost/income ratio (KPI) – Underlying



--- Target is a cost/income ratio of 65% measured on the basis of underlying results.

Assets under management

Assets under management continued to reflect a risk-averse asset mix, with investments in less complex, lower-margin products and a significant portion of assets in cash and money market products.

Assets under management of CHF 1,296.6 billion decreased 1.1% compared to the end of 1Q13, as negative market movements and adverse foreign exchange-related movements were partially offset by solid net new assets. Wealth Management Clients contributed net new assets of CHF 7.5 billion with continued strong inflows from emerging markets and from our UHNWI client segment, partially offset by continued outflows in Western Europe. Corporate & Institutional Clients in Switzerland reported outflows of CHF 0.2 billion, driven by a small number of large Swiss institutional clients rebalancing their investment strategy out of some of our index products into cash. Asset Management reported net new assets of CHF 1.5 billion in 2Q13 with inflows mainly in credit, hedge fund and fixed income and equities products and multi-asset class solutions, partially offset by outflows from index strategies and outflows of CHF 1.0 billion from businesses we decided to exit.

Assets under management were 6.9% higher compared to the end of 2Q12, primarily driven by positive market movements and net new assets.

Business developments

On July 1, 2013, the sale of Credit Suisse's exchange-traded funds (ETF) business to BlackRock was completed. Related gains of approximately CHF 140 million will be recognized in 3Q13.

In April 2013 we announced an agreement to sell Strategic Partners, Credit Suisse's dedicated secondary private equity business, to Blackstone. The transaction is expected to close in 3Q13.

Reconciliation to underlying results – Private Banking & Wealth Management

Underlying results are non-GAAP financial measures that exclude certain items that management does not consider representative of our underlying performance. Provided below is a reconciliation of underlying results for the Private Banking & Wealth Management division to the most directly comparable US GAAP measures. For more information, see Private Banking & Wealth Management in this report and prior Financial Reports for the periods indicated.

in	**2Q13**	1Q13	2Q12	**6M13**	6M12
Reconciliation (CHF million)					
Net revenues – as reported	3,424	3,285	3,398	6,709	6,873
Gain on sale of stake in Aberdeen Asset Management	–	–	(66)	–	(244)
Gain on sale of a non-core business from the integration of Clariden Leu	–	–	(41)	–	(41)
Losses/(gains) on private equity disposals	(6)	(13)	–	(19)	–
Gain on sale of JO Hambro	–	(34)	–	(34)	–
Net revenues – underlying	**3,418**	**3,238**	**3,291**	**6,656**	**6,588**
Provisions for credit losses	**46**	**28**	**40**	**74**	**79**
Total operating expenses – as reported	2,461	2,376	2,381	4,837	4,866
Legal fees relating to Asset Management disposals	(5)	(5)	–	(10)	–
Total operating expenses – underlying	**2,456**	**2,371**	**2,381**	**4,827**	**4,866**
Income before taxes – underlying	**916**	**839**	**870**	**1,755**	**1,643**
Statement of operations metrics – underlying (%)					
Cost/income ratio – underlying	71.9	73.2	72.3	72.5	73.9

Assets under management – Private Banking & Wealth Management

			in / end of		% change		in / end of	% change
	2Q13	1Q13	2Q12	QoQ	YoY	**6M13**	6M12	YoY
Assets under management by business (CHF billion)								
Wealth Management Clients	823.7	835.8	774.1	(1.4)	6.4	823.7	774.1	6.4
Corporate & Institutional Clients	238.3	238.6	213.8	(0.1)	11.5	238.3	213.8	11.5
Asset Management	390.7	393.1	360.5	(0.6)	8.4	390.7	360.5	8.4
Assets managed across businesses [1]	(156.1)	(155.9)	(135.3)	0.1	15.4	(156.1)	(135.3)	15.4
Assets under management	**1,296.6**	**1,311.6**	**1,213.1**	(1.1)	6.9	**1,296.6**	**1,213.1**	6.9
Average assets under management (CHF billion)								
Average assets under management	1,318.9	1,285.4	1,208.3	2.6	9.2	1,302.1	1,204.5	8.1
Net new assets by business (CHF billion)								
Wealth Management Clients	7.5	5.5	5.5	36.4	36.4	13.0	11.0	18.2
Corporate & Institutional Clients	(0.2)	4.5	(2.1)	–	(90.5)	4.3	0.3	–
Asset Management	1.5	6.4	0.4	(76.6)	275.0	7.9	(11.0)	–
Assets managed across businesses [1]	(1.2)	(4.4)	0.6	(72.7)	–	(5.6)	(1.6)	250.0
Net new assets	**7.6**	**12.0**	**4.4**	(36.7)	72.7	**19.6**	**(1.3)**	–

[1] Assets managed by Asset Management for Wealth Management Clients and Corporate & Institutional Clients.

Wealth Management Clients

Net revenues

Net interest income

YoY: Down 7% from CHF 855 million to CHF 794 million

Lower net interest income reflected significantly lower deposit margins and stable loan margins on higher average deposit and loan volumes.

QoQ: Up 4% from CHF 762 million to CHF 794 million

Higher net interest income reflected stable deposit margins on slightly higher average deposit volumes and higher loan margins on slightly higher average loan volumes.

Recurring commissions and fees

YoY: Up 6% from CHF 771 million to CHF 815 million

Higher recurring commissions and fees reflected higher investment account and services fees, mainly from security account fees, higher investment product management fees, including higher funds management fees, and higher discretionary mandate management fees.

QoQ: Up 4% from CHF 782 million to CHF 815 million

Higher recurring commissions and fees mainly reflected higher investment account and services fees, primarily from security account fees, and higher investment product management fees, partially offset by lower banking services fees due to lower account statement fees.

Transaction- and performance-based revenues

YoY: Up 15% from CHF 631 million to CHF 728 million

Higher transaction- and performance-based revenues mainly reflected improved client activity with significantly higher brokerage and product issuing fees, and higher equity participations income, primarily from the dividend of CHF 36 million from our ownership interest in SIX Group AG, and higher foreign exchange fees from client transactions. These increases were partially offset by lower performance fees from Hedging-Griffo and lower revenues from integrated solutions.

QoQ: Up 11% from CHF 654 million to CHF 728 million

The increase was mainly driven by higher equity participations income, primarily from the dividend from our ownership interest in SIX Group AG, higher foreign exchange fees from client transactions, the semi-annual performance fees from Hedging-Griffo and higher brokerage and product issuing fees.

Gross margin

Our gross margin was 111 basis points in 2Q13, eight basis points lower compared to 2Q12, mainly reflecting a continued adverse interest rate environment and the impact from the growth in our UHNWI client segment where we have lower gross margins but higher profitability. Compared to 1Q13, the gross margin increased by two basis points, mainly reflecting higher transaction- and performance-based revenues. Average assets under management increased 8.8% and 2.5% compared to 2Q12 and 1Q13, respectively.

Results – Wealth Management Clients

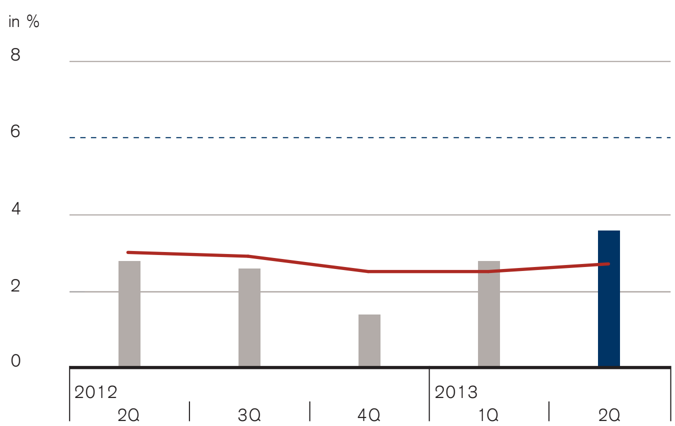
			in / end of		% change		in / end of	% change
	2Q13	1Q13	2Q12	QoQ	YoY	**6M13**	6M12	YoY
Statements of operations (CHF million)								
Net revenues	**2,337**	**2,232**	**2,298**	5	2	**4,569**	**4,535**	1
Provision for credit losses	**20**	**19**	**29**	5	(31)	**39**	**49**	(20)
Total operating expenses	**1,788**	**1,702**	**1,677**	5	7	**3,490**	**3,453**	1
Income before taxes	**529**	**511**	**592**	4	(11)	**1,040**	**1,033**	1
Statement of operations metrics (%)								
Cost/income ratio	76.5	76.3	73.0	–	–	76.4	76.1	–
Pre-tax income margin	22.6	22.9	25.8	–	–	22.8	22.8	–
Net revenue detail (CHF million)								
Net interest income	794	762	855	4	(7)	1,556	1,680	(7)
Recurring commissions and fees	815	782	771	4	6	1,597	1,538	4
Transaction- and performance-based revenues	728	654	631	11	15	1,382	1,276	8
Other revenues [1]	0	34	41	(100)	(100)	34	41	(17)
Net revenues	**2,337**	**2,232**	**2,298**	5	2	**4,569**	**4,535**	1
Gross margin (annualized) (bp) [2]								
Net interest income	38	37	44	–	–	38	44	–
Recurring commissions and fees	39	38	40	–	–	38	40	–
Transaction- and performance-based revenues	34	32	33	–	–	33	33	–
Other revenues	0	2	2	–	–	1	1	–
Gross margin	**111**	**109**	**119**	–	–	**110**	**118**	–

Beginning in 2Q13, fees collected in an agent role in connection with certain customized fund services we provide to clients where those fees are passed on directly to a third-party investment manager are now presented on a net basis per the applicable accounting standards. These fees were previously recorded on a gross basis as fee income and commission expense. Prior periods have been restated to conform to the current presentation. The impact on the gross margins in 1Q13 and 2Q12 was a reduction of one basis point.

[1] Reflects gains related to the sale of JO Hambro in 1Q13 and gains related to the sale of a non-core business from the integration of Clariden Leu in 2Q12.

[2] Net revenues divided by average assets under management.

Net new asset growth rate (KPI)



--- Target is an annualized rate of 6%.

— Net new asset growth rate (rolling four-quarter average)

Assets under management – Wealth Management Clients

	in / end of			% change		in / end of		% change
	2Q13	1Q13	2Q12	QoQ	YoY	**6M13**	6M12	YoY
Assets under management by region (CHF billion)								
Switzerland	272.1	272.3	251.3	(0.1)	8.3	272.1	251.3	8.3
EMEA	267.5	274.1	271.3	(2.4)	(1.4)	267.5	271.3	(1.4)
Americas	173.0	177.2	153.9	(2.4)	12.4	173.0	153.9	12.4
Asia Pacific	111.1	112.2	97.6	(1.0)	13.8	111.1	97.6	13.8
Assets under management	**823.7**	**835.8**	**774.1**	(1.4)	6.4	**823.7**	**774.1**	6.4
Average assets under management (CHF billion)								
Average assets under management	840.1	819.8	772.0	2.5	8.8	830.0	767.6	8.1
Assets under management by currency (CHF billion)								
USD	310.5	312.1	283.9	(0.5)	9.4	310.5	283.9	9.4
EUR	174.3	175.0	171.9	(0.4)	1.4	174.3	171.9	1.4
CHF	189.4	194.8	183.6	(2.8)	3.2	189.4	183.6	3.2
Other	149.5	153.9	134.7	(2.9)	11.0	149.5	134.7	11.0
Assets under management	**823.7**	**835.8**	**774.1**	(1.4)	6.4	**823.7**	**774.1**	6.4
Net new assets by region (CHF billion)								
Switzerland	2.7	0.4	0.7	–	285.7	3.1	2.0	55.0
EMEA	1.9	0.9	0.3	111.1	–	2.8	(2.1)	–
Americas	0.0	1.6	2.5	(100.0)	(100.0)	1.6	6.3	(74.6)
Asia Pacific	2.9	2.6	2.0	11.5	45.0	5.5	4.8	14.6
Net new assets	**7.5**	**5.5**	**5.5**	36.4	36.4	**13.0**	**11.0**	18.2
Growth in assets under management (CHF billion)								
Net new assets	7.5	5.5	5.5	–	–	13.0	11.0	–
Other effects	(19.6)	31.8	(3.6)	–	–	12.2	12.9	–
of which market movements	(14.6)	20.7	(18.3)	–	–	6.1	13.6	–
of which currency	(3.5)	13.6	14.8	–	–	10.1	(0.3)	
of which other	(1.5)	(2.5)	(0.1)	–	–	(4.0)	(0.4)	
Growth in assets under management	**(12.1)**	**37.3**	**1.9**	–	–	**25.2**	**23.9**	–
Growth in assets under management (annualized) (%)								
Net new assets	3.6	2.8	2.8	–	–	3.3	2.9	–
Other effects	(9.4)	15.9	(1.8)	–	–	3.0	3.5	–
Growth in assets under management (annualized)	**(5.8)**	**18.7**	**1.0**	–	–	**6.3**	**6.4**	–
Growth in assets under management (rolling four-quarter average) (%)								
Net new assets	2.7	2.5	3.0	–	–	–	–	–
Other effects	3.7	5.7	1.1	–	–	–	–	–
Growth in assets under management (rolling four-quarter average)	**6.4**	**8.2**	**4.1**	–	–	–	–	–

Results – Corporate & Institutional Clients

			in / end of		% change		in / end of	% change
	2Q13	1Q13	2Q12	QoQ	YoY	**6M13**	6M12	YoY
Statements of operations (CHF million)								
Net revenues	**525**	**520**	**534**	1	(2)	**1,045**	**1,071**	(2)
Provision for credit losses	**26**	**9**	**11**	189	136	**35**	**30**	17
Total operating expenses	**255**	**261**	**278**	(2)	(8)	**516**	**549**	(6)
Income before taxes	**244**	**250**	**245**	(2)	0	**494**	**492**	0
Statement of operations metrics (%)								
Cost/income ratio	48.6	50.2	52.1	–	–	49.4	51.3	–
Pre-tax income margin	46.5	48.1	45.9	–	–	47.3	45.9	–
Net revenue detail (CHF million)								
Net interest income	285	283	303	1	(6)	568	600	(5)
Recurring commissions and fees	115	113	115	2	0	228	230	(1)
Transaction- and performance-based revenues	131	129	120	2	9	260	261	0
Other revenues [1]	(6)	(5)	(4)	20	50	(11)	(20)	(45)
Net revenues	**525**	**520**	**534**	1	(2)	**1,045**	**1,071**	(2)

[1] Reflects fair value losses on the Clock Finance transaction.

Corporate & Institutional Clients

Net revenues

Net interest income

YoY: Down 6% from CHF 303 million to CHF 285 million

The decrease reflected significantly lower deposit margins on higher average deposit volumes and higher loan margins on higher average loan volumes.

QoQ: Stable at CHF 285 million

Stable net interest income reflected lower deposit margins on higher average deposit volumes and higher loan margins on slightly higher average loan volumes.

Recurring commissions and fees

YoY: Stable at CHF 115 million

Stable recurring commissions and fees reflected lower discretionary mandate management fees offset by higher banking services fees and higher investment product management fees.

QoQ: Up 2% from CHF 113 million to CHF 115 million

Slightly higher recurring commissions and fees included higher investment account and services fees, higher banking services fees and lower investment product management fees.

Transaction- and performance-based revenues

YoY: Up 9% from CHF 120 million to CHF 131 million

The increase primarily reflected higher foreign exchange fees from client transactions, higher revenues from integrated solutions and higher equity participations income.

QoQ: Up 2% from CHF 129 million to CHF 131 million

Transaction- and performance-based revenues were slightly higher as higher foreign exchange fees from client transactions and higher revenues from integrated solutions were partially offset by lower trading and sales income.

Results – Asset Management

			in / end of		% change		in / end of	% change
	2Q13	1Q13	2Q12	QoQ	YoY	**6M13**	6M12	YoY
Statements of operations (CHF million)								
Net revenues	**562**	**533**	**566**	5	(1)	**1,095**	**1,267**	(14)
Provision for credit losses	**0**	**0**	**0**	–	–	**0**	**0**	–
Total operating expenses	**418**	**413**	**426**	1	(2)	**831**	**864**	(4)
Income before taxes	**144**	**120**	**140**	20	3	**264**	**403**	(34)
Statement of operations metrics (%)								
Cost/income ratio	74.4	77.5	75.3	–	–	75.9	68.2	–
Pre-tax income margin	25.6	22.5	24.7	–	–	24.1	31.8	–
Net revenue detail (CHF million)								
Recurring commissions and fees	345	331	326	4	6	676	655	3
Transaction- and performance-based revenues	205	136	172	51	19	341	292	17
Other revenues	12	66	68	(82)	(82)	78	320	(76)
Net revenues	**562**	**533**	**566**	5	(1)	**1,095**	**1,267**	(14)
Net revenue detail by type (CHF million)								
Asset management fees	345	331	326	4	6	676	655	3
Placement, transaction and other fees	49	62	51	(21)	(4)	111	95	17
Performance fees and carried interest	123	47	74	162	66	170	108	57
Equity participations income	14	10	27	40	(48)	24	47	(49)
Fee-based revenues	531	450	478	18	11	981	905	8
Investment-related gains/(losses)	28	88	27	(68)	4	116	128	(9)
Equity participations and other gains/(losses)	0	0	69	–	(100)	0	239	(100)
Other revenues [1]	3	(5)	(8)	–	–	(2)	(5)	(60)
Net revenues	**562**	**533**	**566**	5	(1)	**1,095**	**1,267**	(14)
Fee-based margin on assets under management (annualized) (bp)								
Fee-based margin [2]	54	47	53	–	–	50	50	–

[1] Includes allocated funding costs.
[2] Fee-based revenues divided by average assets under management.

Asset Management

Net revenues

Fee-based revenues

YoY: Up 11% from CHF 478 million to CHF 531 million

The increase primarily reflected higher carried interest on realized private equity gains and higher asset management fees, partially offset by lower equity participations income. The increase in asset management fees reflected higher average assets under management resulting from positive market performance and asset inflows. The lower equity participations income was primarily due to the sale of our ownership interest in Aberdeen in 2012.

QoQ: Up 18% from CHF 450 million to CHF 531 million

The increase primarily reflected higher carried interest on realized private equity gains, performance fees, and asset management fees, partially offset by lower private equity placement fees. The increase in performance fees reflected semi-annual performance fees from Hedging-Griffo.

Investment-related gains/(losses)

YoY: Up 4% from CHF 27 million to CHF 28 million

In 2Q13, gains of CHF 28 million included gains in private equity investments in the energy sector and losses in the technology sector. In 2Q12, gains of CHF 27 million reflected gains in private equity investments mainly in the commodities and financial sectors, offset in part by losses in the energy sector.

QoQ: Down 68% from CHF 88 million to CHF 28 million

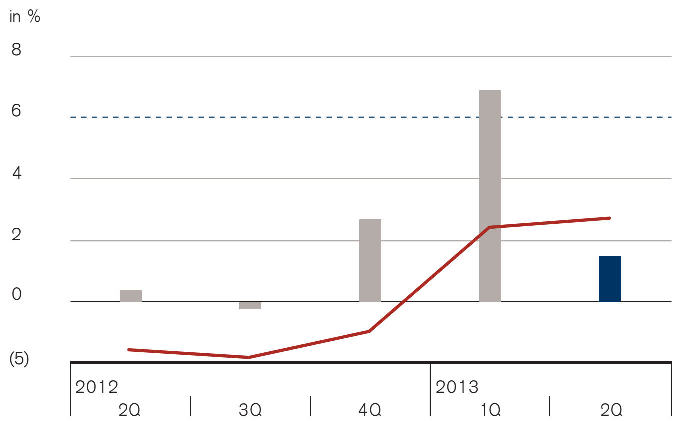
In 2Q13, gains of CHF 28 million included gains in private equity investments in the energy sector and losses in the technology sector. In 1Q13, gains of CHF 88 million reflected gains in private equity investments, mainly in the energy, real estate and retail sectors and in hedge fund investments, and included a gain of CHF 13 million in connection with the sale of a private equity investment.

Equity participations and other gains/(losses)

YoY: Down from CHF 69 million to zero

The gain in 2Q12 primarily resulted from the sale of 32.2 million shares of our ownership interest in Aberdeen.

Net new asset growth rate (KPI)



--- Target is an annualized rate of 6%.
— Net new asset growth rate (rolling four-quarter average)

Assets under management – Asset Management

			in / end of		% change		in / end of	% change
	2Q13	1Q13	2Q12	QoQ	YoY	**6M13**	6M12	YoY
Assets under management (CHF billion)								
Hedge funds	28.4	27.4	24.8	3.6	14.5	28.4	24.8	14.5
Private equity	27.0	27.6	28.9	(2.2)	(6.6)	27.0	28.9	(6.6)
Real estate & commodities	49.1	49.9	47.8	(1.6)	2.7	49.1	47.8	2.7
Credit	28.3	26.2	20.2	8.0	40.1	28.3	20.2	40.1
ETF	15.2	16.2	15.1	(6.2)	0.7	15.2	15.1	0.7
Index strategies	69.8	72.2	58.3	(3.3)	19.7	69.8	58.3	19.7
Multi-asset class solutions	110.0	111.2	103.0	(1.1)	6.8	110.0	103.0	6.8
Fixed income & equities	56.4	56.1	57.5	0.5	(1.9)	56.4	57.5	(1.9)
Other	6.5	6.3	4.9	3.2	32.7	6.5	4.9	32.7
Assets under management [1]	**390.7**	**393.1**	**360.5**	(0.6)	8.4	**390.7**	**360.5**	8.4
Average assets under management (CHF billion)								
Average assets under management	395.3	383.1	361.5	3.2	9.3	389.2	364.2	6.9
Assets under management by currency (CHF billion)								
USD	102.9	102.3	93.5	0.6	10.1	102.9	93.5	10.1
EUR	54.3	54.0	47.3	0.6	14.8	54.3	47.3	14.8
CHF	202.7	204.3	195.1	(0.8)	3.9	202.7	195.1	3.9
Other	30.8	32.5	24.6	(5.2)	25.2	30.8	24.6	25.2
Assets under management	**390.7**	**393.1**	**360.5**	(0.6)	8.4	**390.7**	**360.5**	8.4
Growth in assets under management (CHF billion)								
Net new assets [2]	1.5	6.4	0.4	–	–	7.9	(11.0)	–
Other effects	(3.9)	15.1	(0.7)	–	–	11.2	6.3	–
of which market movements	(3.0)	10.6	(1.9)	–	–	7.6	11.7	–
of which currency	(1.5)	4.7	3.9	–	–	3.2	(1.3)	
of which other	0.6	(0.2)	(2.7)	–	–	0.4	(4.1)	
Growth in assets under management	**(2.4)**	**21.5**	**(0.3)**	–	–	**19.1**	**(4.7)**	–
Growth in assets under management (annualized) (%)								
Net new assets	1.5	6.9	0.4	–	–	4.3	(6.0)	–
Other effects	(4.0)	16.2	(0.8)	–	–	6.0	3.5	–
Growth in assets under management (annualized)	**(2.5)**	**23.1**	**(0.4)**	–	–	**10.3**	**(2.5)**	–
Growth in assets under management (rolling four-quarter average) (%)								
Net new assets	2.7	2.4	(4.3)	–	–	–	–	–
Other effects	5.7	6.6	(0.7)	–	–	–	–	–
Growth in assets under management (rolling four-quarter average)	**8.4**	**9.0**	**(5.0)**	–	–	**–**	**–**	–
Principal investments (CHF billion)								
Principal investments [3]	2.5	2.7	3.7	(7.4)	(32.4)	2.5	3.7	(32.4)

[1] Excludes our portion of assets under management from our former investment in Aberdeen.
[2] Includes outflows for private equity assets reflecting realizations at cost and unfunded commitments on which a fee is no longer earned.
[3] Primarily private equity investments.

Investment Banking

In 2Q13, we reported income before taxes of CHF 754 million and net revenues of CHF 3,400 million. We delivered strong results in 2Q13, with less volatile results from a year ago, reflecting the effectiveness of our diversified and capital efficient Investment Banking business model.

Fixed income sales and trading revenues increased compared to 2Q12, driven by higher results across most of our businesses, although lower compared to a seasonally strong 1Q13. 2Q13 was characterized by a strong first half of the quarter, followed by more challenging conditions in the latter part due to market volatility resulting from rising interest rates which had an adverse impact on client activity.

Equity sales and trading revenues increased compared to 2Q12 and 1Q13, driven by higher client activity, improved market conditions and strong market shares across most of our equities businesses.

Underwriting and advisory results were higher compared to 2Q12 as higher debt and equity underwriting revenues were partially offset by lower M&A fees. Compared to 1Q13, results increased driven by higher revenues across debt and equity underwriting and advisory.

Compensation and benefits increased by CHF 58 million, or 4%, compared to 2Q12, primarily due to higher discretionary performance-related compensation expense, reflecting higher results. Compared to 1Q13, compensation and benefits were stable. Total other operating expenses increased 13% compared to 2Q12, mainly due to higher litigation provisions. Compared to 1Q13, total other operating expenses were stable.

Results

			in / end of		% change		in / end of	% change
	2Q13	1Q13	2Q12	QoQ	YoY	**6M13**	6M12	YoY
Statements of operations (CHF million)								
Net revenues	**3,400**	**3,945**	**2,751**	(14)	24	**7,345**	**6,710**	9
Provision for credit losses	**4**	**(6)**	**(15)**	–	–	**(2)**	**(20)**	(90)
Compensation and benefits	1,466	1,485	1,408	(1)	4	2,951	3,421	(14)
General and administrative expenses	934	915	812	2	15	1,849	1,617	14
Commission expenses	242	251	232	(4)	4	493	471	5
Total other operating expenses	1,176	1,166	1,044	1	13	2,342	2,088	12
Total operating expenses	**2,642**	**2,651**	**2,452**	0	8	**5,293**	**5,509**	(4)
Income/(loss) before taxes	**754**	**1,300**	**314**	(42)	140	**2,054**	**1,221**	68
Statement of operations metrics (%)								
Cost/income ratio	77.7	67.2	89.1	–	–	72.1	82.1	–
Pre-tax income margin	22.2	33.0	11.4	–	–	28.0	18.2	–
Utilized economic capital and return								
Average utilized economic capital (CHF million)	19,939	19,292	20,103	3	(1)	19,581	20,372	(4)
Pre-tax return on average utilized economic capital (%) [1]	15.6	27.5	6.9	–	–	21.5	12.6	–
Number of employees (full-time equivalents)								
Number of employees	19,500	19,600	20,000	(1)	(3)	19,500	20,000	(3)

[1] Calculated using a return excluding interest costs for allocated goodwill.

Results (continued)

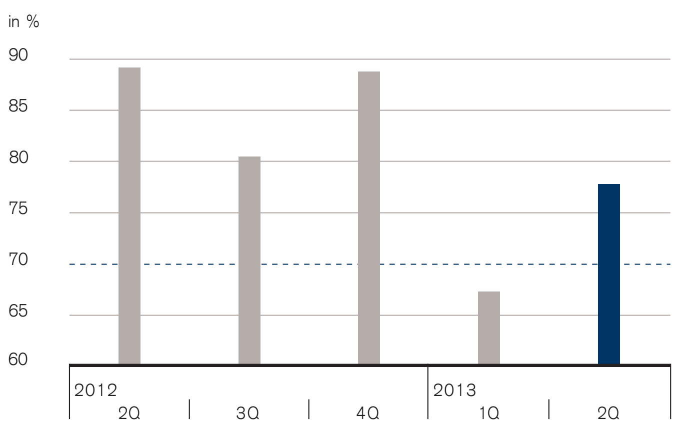
	in / end of			% change		in / end of		% change
	2Q13	1Q13	2Q12	QoQ	YoY	**6M13**	6M12	YoY
Net revenue detail (CHF million)								
Debt underwriting	535	461	300	16	78	996	706	41
Equity underwriting	207	157	93	32	123	364	212	72
Total underwriting	742	618	393	20	89	1,360	918	48
Advisory and other fees	167	145	234	15	(29)	312	447	(30)
Total underwriting and advisory	**909**	**763**	**627**	19	45	**1,672**	**1,365**	22
Fixed income sales and trading	1,257	1,987	1,108	(37)	13	3,244	3,035	7
Equity sales and trading	1,338	1,297	1,075	3	24	2,635	2,437	8
Total sales and trading	**2,595**	**3,284**	**2,183**	(21)	19	**5,879**	**5,472**	7
Other	(104)	(102)	(59)	2	76	(206)	(127)	62
Net revenues	**3,400**	**3,945**	**2,751**	(14)	24	**7,345**	**6,710**	9
Average one-day, 98% risk management Value-at-Risk (CHF million)								
Interest rate & credit spread	43	44	55	(2)	(22)	44	61	(28)
Foreign exchange	10	8	18	25	(44)	9	21	(57)
Commodity	2	2	3	0	(33)	2	3	(33)
Equity	15	17	21	(12)	(29)	16	22	(27)
Diversification benefit	(30)	(31)	(34)	(3)	(12)	(31)	(41)	(24)
Average one-day, 98% risk management Value-at-Risk	**40**	**40**	**63**	0	(37)	**40**	**66**	(39)
Basel III risk-weighted assets (billion) [1]								
Risk-weighted assets (CHF)	168	173	191	(3)	(12)	168	191	(12)
Risk-weighted assets (USD)	177	182	202	(3)	(12)	177	202	(12)

[1] As of January 1, 2013, the Basel III framework was implemented in Switzerland along with the Swiss "Too Big to Fail" legislation and regulations thereunder. Our calculations of Basel III risk-weighted assets are in accordance with our current interpretation of such requirements, including relevant assumptions. Changes in the interpretation of these requirements in Switzerland or in any of our assumptions or estimates could result in different numbers from those shown in this report. For dates prior to January 1, 2013, we have estimated risk-weighted assets as if the Basel III framework had been implemented in Switzerland as of such date.

Key performance indicators

We target a divisional cost/income ratio of 70% based on underlying results for the Investment Banking division. Underlying results are non-GAAP financial measures that exclude certain items included in our reported results that management considers not representative of our underlying performance. There were no underlying adjustments to reported results for the Investment Banking division in 2Q13, 1Q13 and 2Q12. The cost/income ratio was 77.7% in 2Q13, compared to 67.2% in 1Q13 and 89.1% in 2Q12.

Cost/income ratio (KPI) – Underlying



--- Target is a cost/income ratio of 70% measured on the basis of underlying results.

Results detail

The following provides a comparison of our 2Q13 results versus 2Q12 (YoY) and versus 1Q13 (QoQ).

Net revenues

Debt underwriting

YoY: Up 78% from CHF 300 million to CHF 535 million

The increase was primarily driven by higher revenues from leveraged finance, reflecting substantially higher global industry-wide high yield issuance volumes and increased market share. We also had higher revenues from emerging markets, especially in Brazil and structured lending. In addition, we had higher investment grade revenues due to higher industry-wide issuance volumes and increased market share.

QoQ: Up 16% from CHF 461 million to CHF 535 million

The increase was primarily due to higher revenues from leveraged finance despite a decline in global industry-wide high-yield issuance volumes. We also had higher revenues from emerging markets, especially in Brazil and structured lending. The increase was partially offset by lower revenues from investment grade, reflecting lower global industry-wide investment grade issuance volumes.

Equity underwriting

YoY: Up 123% from CHF 93 million to CHF 207 million

The increase reflects substantially higher revenues from follow-on offerings, reflecting market share gains and higher global industry-wide issuance activity. We also had higher revenues from IPOs, reflecting higher global industry-wide issuance activity. In addition, we had improved results from convertibles.

QoQ: Up 32% from CHF 157 million to CHF 207 million

The increase was primarily driven by higher revenues from IPOs, reflecting higher global industry-wide issuance activity.

Advisory and other fees

YoY: Down 29% from CHF 234 million to CHF 167 million

The decrease was primarily due to significantly lower M&A fees driven by lower global industry-wide completed M&A volumes and a decrease in market share.

QoQ: Up 15% from CHF 145 million to CHF 167 million

The increase was driven by higher M&A fees as a significant improvement in our global completed M&A market share helped offset lower global industry-wide completed M&A volumes. We also had higher restructuring advisory fees.

Fixed income sales and trading

YoY: Up 13% from CHF 1,108 million to CHF 1,257 million

Fixed income sales and trading revenues increased, driven by higher results across most of our businesses, reflecting improved trading conditions compared to 2Q12. Global credit products revenues increased driven by strong leveraged finance performance. We also had higher revenues in securitized products, reflecting strong results in non-agency residential mortgage-backed securities (RMBS) and asset finance. Revenues from foreign exchange improved as higher market volatility led to increased client activity. Commodities revenues increased, reflecting improved trading results, and global rates results were stable, although they remained at subdued levels as difficult market conditions led to lower client activity. These increases were partially offset by lower results in emerging markets driven by a weaker financing environment and volatile trading conditions in June. In 2Q13, we incurred a loss of CHF 34 million from businesses we are exiting, compared to CHF 139 million in 2Q12. At the end of the quarter, fixed income Basel III risk-weighted assets totaled USD 112 billion, a reduction of USD 25 billion, or 18%, from a year ago.

QoQ: Down 37% from CHF 1,987 million to CHF 1,257 million

Fixed income sales and trading revenues declined compared to a seasonally strong 1Q13. Emerging markets revenues were lower, driven by weaker financing activity and a deterioration in trading conditions, particularly in June. We had lower revenues in global credit products, including leveraged finance and investment grade, due to the sudden shift in market pricing in June, although results remained strong. Results include lower global rates revenues, driven by reduced client flows. We also had lower revenues from corporate lending and foreign exchange, reflecting significant risk reduction by clients at the end of the quarter. We had higher commodities revenues and solid securitized products performance, with stable revenues, despite difficult trading conditions in June. We incurred a loss of CHF 34 million from businesses we are exiting compared to a gain of CHF 4 million in 1Q13. At the end of the quarter, fixed income Basel III risk-weighted assets decreased USD 4 billion, or 3%, from 1Q13.

Equity sales and trading

YoY: Up 24% from CHF 1,075 million to CHF 1,338 million

The increase was driven by substantially higher results in derivatives, reflecting increased client activity and stronger trading results, particularly in Asia and the US. In addition, 2Q12 derivatives results were negatively impacted by subdued client activity in Asia and our conservative risk positioning. We also had higher results from equities arbitrage trading. Cash equities revenues increased as market share gains in the US and Europe more than offset lower industry trading volumes. We also had higher results in convertibles. Prime services revenues were lower as strong performance in prime brokerage, driven by market share momentum, was more than offset by lower financing revenues, particularly in Europe.

QoQ: Up 3% from CHF 1,297 million to CHF 1,338 million

The increase was driven by higher prime services revenues, reflecting continued strong market share. We also had higher revenues in derivatives, reflecting higher global trading volumes. Convertibles revenues increased due to improved trading conditions compared to 1Q13. Cash equities revenues were lower, following a strong performance in 1Q13, especially in Asia.

Operating expenses

Compensation and benefits

YoY: Up 4% from CHF 1,408 million to CHF 1,466 million

The increase was primarily driven by higher discretionary performance-related compensation expense, reflecting higher results, offsetting a decline in salaries due to lower headcount.

QoQ: Down 1% from CHF 1,485 million to CHF 1,466 million

The decrease was primarily due to lower deferred compensation from prior-year awards, largely offset by higher discretionary performance-related compensation expense.

General and administrative expenses

YoY: Up 15% from CHF 812 million to CHF 934 million

The increase was primarily due to higher litigation provisions.

QoQ: Up 2% from CHF 915 million to CHF 934 million

The increase was driven by a higher UK bank levy accrual as 1Q13 included certain credit adjustments to this accrual relating to prior years. Excluding the UK bank levy accrual, expenses were flat.

Market share momentum

- Credit Suisse retained its #1 rankings in US Electronic Trading and US Program Trading and maintained a Top 3 ranking in US Equity Trading, according to the latest *Greenwich Associates* survey.
- Credit Suisse was voted the #1 Prime Broker in Europe by *EuroHedge* magazine for the fourth consecutive year. For the first time in a decade, Credit Suisse was voted the #2 Prime Broker in Asia by *AsiaHedge*. Credit Suisse advanced to the #3 rank in the Americas in the Absolute Return 2013 Prime Brokerage League Table, compared to #4 in 2012.
- In the 2013 fixed income trading survey for North America by *Greenwich Associates*, Credit Suisse advanced to the #1 rank in overall US Fixed Income by market share. Broadly, we increased or maintained market share in several key businesses, including a #1 rank in US Securitized Products.

Evolving the Investment Banking business model

Our business model has continued to evolve in response to the new market and regulatory environment. We have achieved our Investment Banking balance sheet target of less than USD 600 billion of assets, reporting assets of USD 594 billion as of the end of 2Q13. In addition, we are on track to meet our Swiss leverage exposure target of USD 840 billion by year-end 2013. We reported USD 909 billion as of the end of 2Q13, down USD 150 billion from 2Q12, improving the Group's Swiss leverage ratio.

Assets under management

We had net asset inflows of CHF 7.6 billion during 2Q13 and assets under management of CHF 1,296.6 billion as of the end of 2Q13.

Assets under management

Assets under management comprise assets that are placed with us for investment purposes and include discretionary and advisory counterparty assets.

Discretionary assets are assets for which the client fully transfers the discretionary power to a Credit Suisse entity with a management mandate. Discretionary assets are reported in the business in which the advice is provided as well as in the business in which the investment decisions take place. Assets managed by Asset Management for Wealth Management Clients and Corporate & Institutional Clients are reported in each applicable business and eliminated at the divisional level.

Advisory assets include assets placed with us where the client is provided access to investment advice but retains discretion over investment decisions.

Assets under management and net new assets include assets managed by consolidated entities, joint ventures and strategic participations. Assets from joint ventures and participations are counted in proportion to our share in the respective entity.

Assets under management of CHF 1,296.6 billion were 1.1% lower compared to the end of 1Q13, as negative market movements and adverse foreign exchange-related movements were partially offset by solid net new assets. Compared to the end of 2Q12, assets under management were CHF 83.5 billion higher, primarily driven by positive market movements and net new assets.

▸ Refer to “Private Banking & Wealth Management” in I – Credit Suisse results and “Note 36 – Assets under management” in V – Consolidated financial statements – Credit Suisse Group in the Credit Suisse Annual Report 2012 for further information.

Client assets

Client assets is a broader measure than assets under management as it includes transactional and custody accounts (assets held solely for transaction-related or safekeeping/custody purposes) and assets of corporate clients and public institutions used primarily for cash management or transaction-related purposes.

Net new assets

Net new assets include individual cash payments, security deliveries and cash flows resulting from loan increases or repayments. Interest and dividend income credited to clients, commissions, interest and fees charged for banking services are not included as they do not reflect success in acquiring assets under management.

Assets under management and client assets

				end of			% change
	2Q13	1Q13	4Q12	2Q12	QoQ	Ytd	YoY
Assets under management (CHF billion)							
Wealth Management Clients	823.7	835.8	798.5	774.1	(1.4)	3.2	6.4
Corporate & Institutional Clients	238.3	238.6	223.8	213.8	(0.1)	6.5	11.5
Asset Management [1]	390.7	393.1	371.6	360.5	(0.6)	5.1	8.4
Assets managed across businesses [2]	(156.1)	(155.9)	(143.1)	(135.3)	0.1	9.1	15.4
Assets under management	**1,296.6**	**1,311.6**	**1,250.8**	**1,213.1**	(1.1)	3.7	6.9
of which discretionary assets	417.8	429.9	407.6	391.6	(2.8)	2.5	6.7
of which advisory assets	878.8	881.7	843.2	821.5	(0.3)	4.2	7.0
Client assets (CHF billion)							
Wealth Management Clients	931.6	958.3	913.8	879.8	(2.8)	1.9	5.9
Corporate & Institutional Clients	337.0	341.2	323.1	315.8	(1.2)	4.3	6.7
Asset Management [1]	390.7	393.1	371.6	360.5	(0.6)	5.1	8.4
Assets managed across businesses [2]	(156.1)	(155.9)	(143.1)	(135.3)	0.1	9.1	15.4
Client assets	**1,503.2**	**1,536.7**	**1,465.4**	**1,420.8**	(2.2)	2.6	5.8

[1] Excludes our portion of assets under management from our former investment in Aberdeen.
[2] Assets managed by Asset Management for Wealth Management Clients and Corporate & Institutional Clients.

Growth in assets under management

in	2Q13	1Q13	2Q12	6M13	6M12
Growth in assets under management (CHF billion)					
Net new assets	**7.6**	**12.0**	**4.4**	**19.6**	**(1.3)**
of which Wealth Management Clients	7.5	5.5	5.5	13.0	11.0
of which Corporate & Institutional Clients	(0.2)	4.5	(2.1)	4.3	0.3
of which Asset Management [1]	1.5	6.4	0.4	7.9	(11.0)
of which assets managed across businesses [2]	(1.2)	(4.4)	0.6	(5.6)	(1.6)
Other effects	**(22.6)**	**48.8**	**3.9**	**26.2**	**29.2**
of which Wealth Management Clients	(19.6)	31.8	(3.6)	12.2	12.9
of which Corporate & Institutional Clients	(0.1)	10.3	4.6	10.2	10.5
of which Asset Management	(3.9)	15.1	(0.7)	11.2	6.3
of which assets managed across businesses [2]	1.0	(8.4)	3.6	(7.4)	(0.5)
Total growth in assets under management	**(15.0)**	**60.8**	**8.3**	**45.8**	**27.9**
of which Wealth Management Clients	(12.1)	37.3	1.9	25.2	23.9
of which Corporate & Institutional Clients	(0.3)	14.8	2.5	14.5	10.8
of which Asset Management [1]	(2.4)	21.5	(0.3)	19.1	(4.7)
of which assets managed across businesses [2]	(0.2)	(12.8)	4.2	(13.0)	(2.1)
Growth in assets under management (annualized) (%)					
Net new assets	**2.3**	**3.8**	**1.5**	**3.1**	**(0.2)**
of which Wealth Management Clients	3.6	2.8	2.8	3.3	2.9
of which Corporate & Institutional Clients	(0.3)	8.0	(4.0)	3.8	0.3
of which Asset Management [1]	1.5	6.9	0.4	4.3	(6.0)
of which assets managed across businesses [2]	3.1	12.3	(1.7)	7.8	2.4
Other effects	**(6.9)**	**15.6**	**1.3**	**4.2**	**4.9**
of which Wealth Management Clients	(9.4)	15.9	(1.8)	3.0	3.5
of which Corporate & Institutional Clients	(0.2)	18.5	8.7	9.2	10.3
of which Asset Management	(4.0)	16.2	(0.8)	6.0	3.5
of which assets managed across businesses [2]	(2.6)	23.5	(10.3)	10.4	0.8
Total growth in assets under management	**(4.6)**	**19.4**	**2.8**	**7.3**	**4.7**
of which Wealth Management Clients	(5.8)	18.7	1.0	6.3	6.4
of which Corporate & Institutional Clients	(0.5)	26.5	4.7	13.0	10.6
of which Asset Management [1]	(2.5)	23.1	(0.4)	10.3	(2.5)
of which assets managed across businesses [2]	0.5	35.8	(12.0)	18.2	3.2
Growth in net new assets (rolling four-quarter average) (%)					
Wealth Management Clients	2.7	2.5	3.0	–	–
Corporate & Institutional Clients	2.6	1.7	1.8	–	–
Asset Management [1]	2.7	2.4	(4.3)	–	–
Assets managed across businesses [2]	3.5	2.1	(1.0)	–	–
Growth in net new assets	**2.6**	**2.4**	**0.9**	–	–

[1] Includes outflows for private equity assets reflecting realizations at cost and unfunded commitments on which a fee is no longer earned.
[2] Assets managed by Asset Management for Wealth Management Clients and Corporate & Institutional Clients.

Furthermore, changes due to foreign exchange-related and market movements as well as asset inflows and outflows due to the acquisition or divestiture of businesses are not part of net new assets.

Private Banking & Wealth Management recorded net new assets of CHF 7.6 billion in 2Q13. Wealth Management Clients contributed solid net new assets of CHF 7.5 billion with continued strong inflows from emerging markets and from our UHNWI client segment, partially offset by continued outflows in Western Europe. Corporate & Institutional Clients in Switzerland reported outflows of CHF 0.2 billion, driven by a small number of large Swiss institutional clients rebalancing their investment strategy out of some of our index products into cash. Asset Management reported net new assets of CHF 1.5 billion in 2Q13 with inflows mainly in credit, hedge fund and fixed income and equities products, and multi-asset class solutions, partially offset by outflows from index strategies and outflows of CHF 1.0 billion from businesses we decided to exit.

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II

Treasury, risk, balance sheet and off-balance sheet

Liquidity and funding management

During 2Q13, we maintained a strong liquidity and funding position. The majority of our unsecured funding was generated from core customer deposits and long-term debt.

Overview

Securities for funding and capital purposes are issued primarily by the Bank, our principal operating subsidiary and a US registrant. The Bank lends funds to its operating subsidiaries and affiliates on both a senior and subordinated basis, as needed; the latter typically to meet capital requirements, or as desired by management to support business initiatives.

Our internal liquidity risk management framework is subject to review and monitoring by the FINMA, other regulators and rating agencies.

▸ Refer to "Treasury management" in III – Treasury, Risk, Balance sheet and Off-balance sheet in the Credit Suisse Annual Report 2012 for further information on liquidity and funding management.

Liquidity risk management framework

Our liquidity and funding policy is designed to ensure that funding is available to meet all obligations in times of stress, whether caused by market events or issues specific to Credit Suisse. We achieve this through a conservative asset/liability management strategy aimed at maintaining long-term funding, including stable deposits, well in excess of illiquid assets. To address short-term liquidity stress, we maintain a liquidity pool, described below, that covers unexpected outflows in the event of severe market and idiosyncratic stress. The assets included in the liquidity pool consist of cash, high grade bonds, major market equity securities and other liquid securities. A portion of the liquidity pool is generated through reverse repurchase agreements with top rated counterparties. Our liquidity risk parameters reflect various liquidity stress assumptions that we believe are conservative. We manage our liquidity profile at a sufficient level such that, in the event we are unable to access unsecured funding, we will have sufficient liquidity to sustain operations for an extended period of time in excess of our minimum target.

In December 2010, the BCBS issued the Basel III international framework for liquidity risk measurement, standards and monitoring. The Basel III framework includes a liquidity coverage ratio (LCR) and a net stable funding ratio (NSFR). The BCBS has stated that it will continue to review the effect of these liquidity standards on financial markets, credit extension and economic growth to address unintended consequences.

The LCR, which will be phased in beginning January 1, 2015 through January 1, 2019 following an observation period which began in 2011, addresses liquidity risk over a 30-day period. The LCR aims to ensure that banks have a stock of unencumbered high-quality liquid assets available to meet short-term liquidity needs under a severe stress scenario. The LCR is comprised of two components: the value of the stock of high quality liquid assets in stressed conditions and the total net cash outflows calculated according to specified scenario parameters. The ratio of liquid assets over net cash outflows is subject to an initial minimum requirement of 60%, which will increase by 10% for four years, reaching 100% by January 1, 2019.

The NSFR, which is expected to be introduced on January 1, 2018 following an observation period which began in 2012, establishes criteria for a minimum amount of stable funding based on the liquidity of a bank's assets and activities over a one-year horizon. The NSFR is a complementary measure to the LCR and is structured to ensure that illiquid assets are funded with an appropriate amount of stable long-term funds. The NSFR is defined as the ratio of available stable funding over the amount of required stable funding and should always be at least 100%.

Although the NSFR is not expected to be introduced until 2018 and is still subject to adjustment by the BCBS and FINMA, we began using the NSFR in 2012 as the primary tool to monitor our structural liquidity position, plan funding and as the basis for our funds transfer pricing policy. Pursuant to our plans announced in October 2012 to reduce our balance sheet by the end of 2013 to below CHF 900 billion on a foreign exchange neutral basis compared to the end of 3Q12, we further strengthened our long-term funding profile to accelerate the increase of our NSFR. We estimate that our NSFR under the current FINMA framework was in excess of 100% as of the end of 2Q13. Where requirements are unclear or left to be determined by the BCBS and FINMA, we have made our own interpretation and assumptions.

In November 2012, the Swiss Federal Council adopted a liquidity ordinance that implements Basel III liquidity requirements into Swiss law subject, in part, to further rule-making in Switzerland. Both quantitative and qualitative requirements are consistent with existing FINMA liquidity requirements.

Funding sources and uses

We primarily fund our balance sheet through core customer deposits, long-term debt and shareholders' equity. We monitor the funding sources, including their concentrations, according to their currency and geography and whether they are secured or unsecured. A substantial portion of our balance sheet is match funded and requires no unsecured funding. Match funded balance sheet items consist of assets and liabilities with close to equal liquidity durations and values so that the liquidity and funding generated or required by the positions are substantially equivalent. Cash and due from banks and reverse repurchase agreements are highly liquid. A significant part of our assets, principally unencumbered trading assets that support the securities business, is comprised of securities inventories and collateralized receivables that fluctuate and are generally liquid. These liquid assets are available to settle short-term liabilities.

These assets include our liquidity pool, which as of the end of 2Q13 based on our internal model was CHF 132 billion, net of a stress test level haircut. The liquidity pool consisted of CHF 40 billion of cash held at major central banks, primarily the Fed, the Swiss National Bank (SNB) and the ECB, CHF 57 billion of securities issued by governments and government agencies, primarily of the US, Germany, France and Britain and CHF 35 billion of other highly liquid assets including equity securities that form part of major indices.

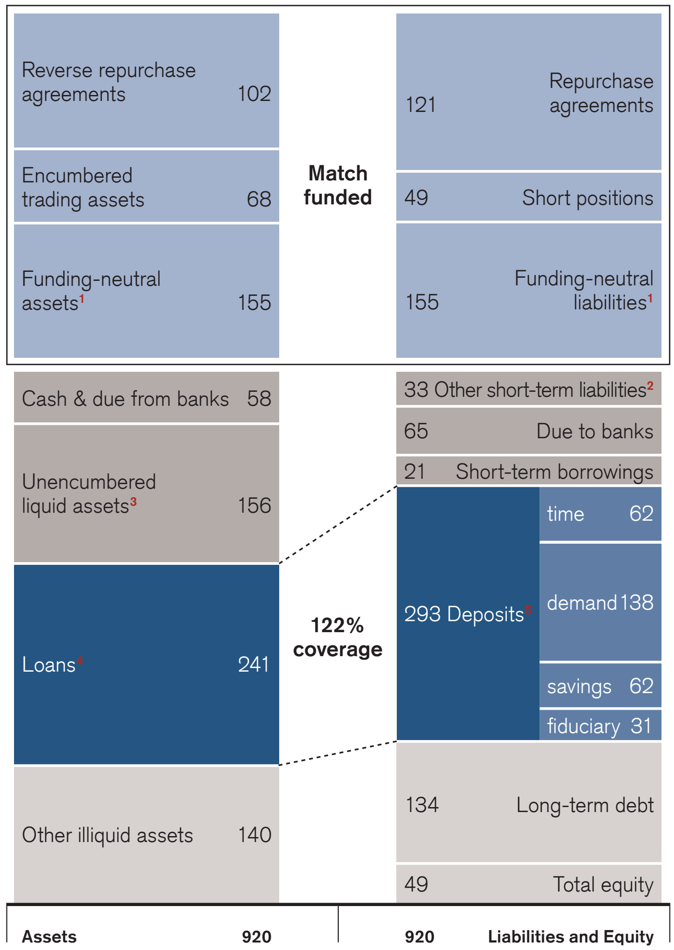
Loans, which comprise the largest component of our illiquid assets, are funded by our core customer deposits, with an excess coverage of 22% as of the end of 2Q13, slightly higher compared to the end of 1Q13, reflecting slightly lower loans and slightly higher core customer deposits. We fund other illiquid assets, including real estate, private equity and other long-term investments and a haircut for the illiquid portion of securities, with long-term debt and equity, where we try to maintain a substantial funding buffer.

Our core customer deposits totaled CHF 293 billion as of the end of 2Q13, a slight increase compared to CHF 291 billion as of the end of 1Q13, as a result of a growth in the customer deposit base in Private Banking & Wealth Management. Core customer deposits are from clients with whom we have a broad and longstanding relationship. Core customer deposits exclude deposits from banks and certificates of deposit. We place a priority on maintaining and growing customer deposits, as they have proved to be a stable and resilient source of funding even in difficult market conditions. Our core customer deposit funding is supplemented by the issuance of long-term debt.

▸ Refer to the chart "Balance sheet funding structure" and "Balance sheet and off-balance sheet" for further information.

Balance sheet funding structure

as of June 30, 2013 (CHF billion)



[1] Primarily includes brokerage receivables/payables, positive/negative replacement values and cash collateral.
[2] Primarily includes excess of funding neutral liabilities (brokerage payables) over corresponding assets.
[3] Primarily includes unencumbered trading assets, unencumbered investment securities and excess reverse repurchase agreements, after haircuts.
[4] Excludes loans with banks.
[5] Excludes due to banks and certificates of deposit.

Debt issuances and redemptions

Our capital markets debt includes senior and subordinated debt issued in US-registered offerings and medium-term note programs, euro market medium-term note programs, Australian dollar domestic medium-term note programs, a Samurai shelf registration statement in Japan and covered bond programs. As a global bank, we have access to multiple markets worldwide and our major funding centers are Zurich, New York, London and Tokyo.

We use a wide range of products and currencies to ensure that our funding is efficient and well diversified across markets and investor types. Substantially all of our unsecured senior debt is issued without financial covenants, such as adverse changes in our credit ratings, cash flows, results of operations or financial ratios, which could trigger an increase in our cost of financing or accelerate the maturity of the debt. Our covered bond funding is in the form of mortgage-backed loans funded by domestic covered bonds issued through Pfandbriefbank Schweizerischer Hypothekarinstitute, one of two institutions established by a 1930 act of the Swiss parliament to centralize the issuance of covered bonds, or from our own international covered bond program.

In 2Q13, senior debt of CHF 6.8 billion, subordinated debt of CHF 0.9 billion and domestic covered bonds of CHF 375 million matured. As of June 30, 2013, we had CHF 14.6 billion of domestic and international covered bonds outstanding.

As of the end of 2Q13, the weighted average maturity of long-term debt was 6.4 years (including certificates of deposit with a maturity of one year or longer, but excluding structured notes, and assuming callable securities are redeemed at final maturity, or in 2030 for instruments without a stated final maturity).

The percentage of unsecured funding from long-term debt, excluding non-recourse debt associated with the consolidation of variable interest entities (VIEs), was 22% as of the end of 2Q13, compared to 24% as of the end of 1Q13.

Credit ratings

The maximum impact of a simultaneous one, two or three-notch downgrade by all three major rating agencies in the Bank's long-term debt ratings would result in additional collateral requirements or assumed termination payments under certain derivative instruments of CHF 0.7 billion, CHF 4.1 billion and CHF 5.8 billion, respectively, as of the end of 2Q13, and would not be material to our liquidity and funding planning. If the downgrade does not involve all three rating agencies, the impact may be smaller. On July 2, 2013 Standard & Poor announced a one-notch rating downgrade.

As of the end of 2Q13, we were compliant with the requirements related to maintaining a specific credit rating under these derivative instruments.

▸ Refer to "Credit ratings" in III – Treasury, Risk, Balance sheet and Off-balance sheet – Liquidity and funding management in the Credit Suisse Annual Report 2012 for further information.

Capital management

Our capital position remained strong with a CET1 ratio under Basel III of 15.3% as of the end of 2Q13, reflecting an increase of CHF 0.8 billion in CET1 capital and a reduction in RWA compared to the end of 1Q13. Our Look-through Swiss Core Capital ratio was 10.4% as of the end of 2Q13.

Regulatory capital framework

Overview

Effective January 1, 2013, the Basel II.5 framework, under which we operated in 2012, was replaced by the Basel III framework, which was implemented in Switzerland along with the Swiss "Too Big to Fail" legislation and regulations thereunder (Swiss requirements). Our related disclosures are in accordance with our current interpretation of such requirements, including relevant assumptions. Changes in the interpretation of these requirements in Switzerland or in any of our assumptions or estimates could result in different numbers from those shown in this report. Also, our capital metrics fluctuate during any reporting period in the ordinary course of business. Our 4Q12 calculations of capital and ratio amounts, which are presented in order to show meaningful comparative information, use estimates as of December 31, 2012, as if the Basel III framework had been implemented in Switzerland as of such date.

▸ Refer to "Capital management" in III – Treasury, Risk, Balance sheet and Off-balance sheet and "Regulation and supervision" in I – Information on the company in the Credit Suisse Annual Report 2012 for further information.

Capital structure under Basel III

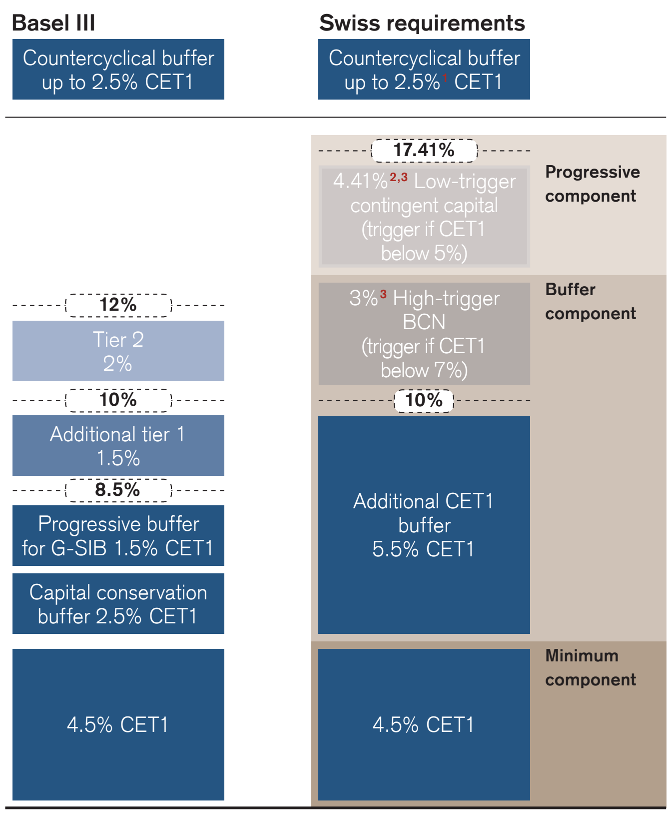
The BCBS issued the Basel III framework, with higher minimum capital requirements and conservation and countercyclical buffers, revised risk-based capital measures, a leverage ratio and liquidity standards. The framework was designed to strengthen the resilience of the banking sector and requires banks to hold more capital, mainly in the form of common equity. The new capital standards will be phased in from 2013 through 2018 and are fully effective January 1, 2019 for those countries that have adopted Basel III.

▸ Refer to the table "Basel III phase-in requirements for Credit Suisse" for capital requirements and applicable effective dates during the phase-in period.

Under Basel III, the minimum common equity tier 1 (CET1) requirement is 4.5% of risk-weighted assets (RWA).

In addition, a 2.5% CET1 capital conservation buffer is required to absorb losses in periods of financial and economic stress. Banks that do not maintain this buffer will be limited in their ability to pay dividends or make discretionary bonus payments or other earnings distributions.

Capital frameworks for Credit Suisse



[1] As of September 30, 2013, banks will be required to hold CET1 capital in the amount of 1% of RWA pertaining to mortgage loans that finance residential property in Switzerland.
[2] The progressive component requirement is dependent on our size (leverage ratio exposure) and the market share of our domestic systemically relevant business and is subject to potential capital rebates that may be granted by FINMA.
[3] Counts towards Basel III minimum requirements as tier 1 or tier 2 capital depending on the quality of the underlying instruments.

Basel III phase-in requirements for Credit Suisse

Effective January 1, for the applicable year	2013	2014	2015	2016	2017	2018	2019
Capital ratios							
Minimum CET1	3.5% [1]	4.0% [1]	4.5%	4.5%	4.5%	4.5%	4.5%
Capital conservation buffer				0.625% [1]	1.250% [1]	1.875% [1]	2.5%
Progressive buffer for G-SIB				0.375% [1]	0.750% [1]	1.125% [1]	1.5%
Total CET1	**3.5%**	**4.0%**	**4.5%**	**5.5%**	**6.5%**	**7.5%**	**8.5%**
Minimum additional tier 1	1.0% [1]	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Total tier 1	**4.5%**	**5.5%**	**6.0%**	**7.0%**	**8.0%**	**9.0%**	**10.0%**
Tier 2	3.5% [1]	2.5% [1]	2.0%	2.0%	2.0%	2.0%	2.0%
Total capital	**8.0%**	**8.0%**	**8.0%**	**9.0%**	**10.0%**	**11.0%**	**12.0%**
Phase-in deductions from CET1 [2]		20.0% [1]	40.0% [1]	60.0% [1]	80.0% [1]	100.0%	100.0%
Capital instruments subject to phase out	Phased out over a 10-year horizon beginning 2013 through 2022						

[1] Indicates transition period.
[2] Includes goodwill and other intangible assets, certain deferred tax assets and participations in financial institutions.

A progressive buffer between 1% and 2.5% (with a possible additional 1% surcharge) of CET1, depending on a bank's systemic importance, is an additional capital requirement for global systemically important banks (G-SIB). The Financial Stability Board has identified us as a G-SIB and requires us to maintain a 1.5% progressive buffer.

The CET1 capital will be subject to certain regulatory deductions and other adjustments to common equity, including deduction of deferred tax assets for tax-loss carry-forwards, goodwill and other intangible assets and investments in banking and finance entities.

In addition to the CET1 requirements, there is also a requirement for 1.5% additional tier 1 capital and 2% tier 2 capital. These requirements may also be met with CET1 capital.

Basel III further provides for a countercyclical buffer that could require banks to hold up to 2.5% of CET1 or other capital that would be available to fully absorb losses. This requirement is expected to be imposed by national regulators where credit growth is deemed to be excessive and leading to the build-up of system-wide risk. This countercyclical buffer will be phased in from January 1, 2016 through January 1, 2019.

Beginning January 1, 2013, capital instruments that do not meet the strict criteria for inclusion in CET1 are excluded. Capital instruments that would no longer qualify as tier 1 or tier 2 capital will be phased out. In addition, instruments with an incentive to redeem prior to their stated maturity, if any, will be phased out at their effective maturity date, generally the date of the first step-up coupon.

Swiss requirements

As of January 1, 2013, the Basel III framework was implemented in Switzerland along with the Swiss "Too Big to Fail" legislation and regulations thereunder (Swiss requirements). Together with the related implementing ordinances, the legislation includes capital, liquidity, leverage and large exposure requirements and rules for emergency plans designed to maintain systemically relevant functions in the event of threatened insolvency. Certain requirements under the legislation, including those regarding capital, are to be phased in from 2013 through 2018 and are fully effective January 1, 2019. The legislation on capital requirements builds on Basel III, but in respect of systemically relevant banks goes beyond its minimum standards, including requiring us, as a systemically relevant bank, to have the following minimum, buffer and progressive components.

▸ Refer to the chart "Swiss capital and leverage ratio phase-in requirements for Credit Suisse" for Swiss capital requirements and applicable effective dates during the phase-in period.

The minimum requirement of CET1 capital is 4.5% of RWA.

The buffer requirement is 8.5% and can be met with additional CET1 capital of 5.5% of RWA and a maximum of 3% of high-trigger buffer capital notes (BCN). The high-trigger BCN are required to convert into common equity or be written off in the event the CET1 ratio falls below 7%.

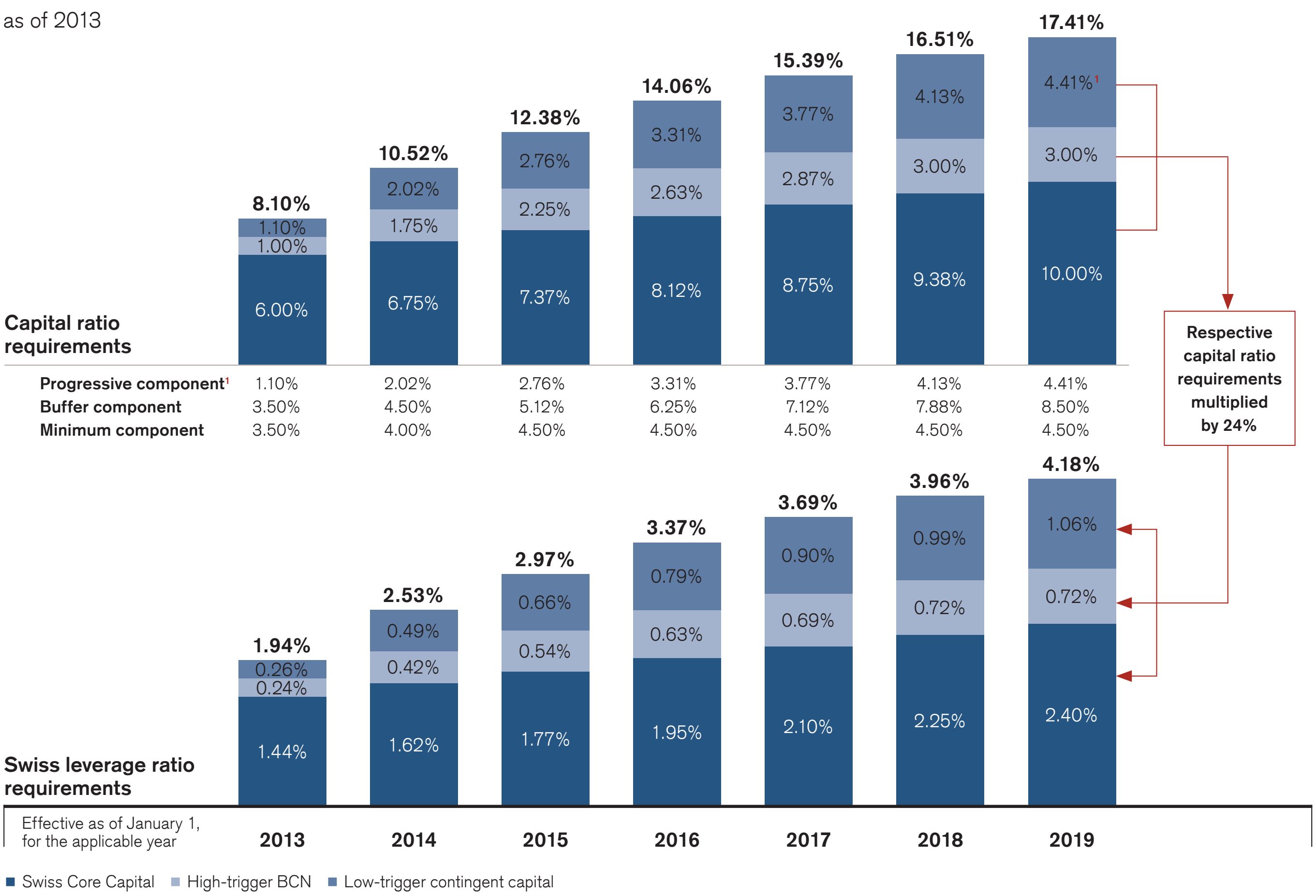
The progressive component requirement is dependent on our size (leverage ratio exposure) and the market share of our domestic systemically relevant business and is subject to potential capital rebates that may be granted by FINMA. Based on these parameters, FINMA determines the progressive component on an annual basis. For 2013, FINMA set our progressive component requirement at 4.41% compared to our previously reported progressive component of 4.92%. The progressive component may be met with CET1 capital or low-trigger contingent capital, which converts into common equity or is written off if the CET1 ratio falls below 5%. In addition, until the end of 2017, the progressive component may also be met with high-trigger BCN.

Similar to Basel III, the Swiss requirements include a supplemental countercyclical buffer of up to 2.5% of RWA that can be activated during periods of excess credit growth. In February 2013, upon the request of the SNB, the Swiss Federal Council activated the countercyclical capital buffer, which will require banks to hold CET1 capital in the amount of 1% of their RWA pertaining to mortgage loans that finance residential property in Switzerland beginning on September 30, 2013.

We also measure Swiss Core Capital and Swiss Total Capital. Swiss Core Capital consists of CET1 capital and tier 1 participation securities, which FINMA advised may be included with a haircut of 20% until December 31, 2018 at the latest, and may include certain other Swiss adjustments. Our Swiss Total Capital consists of Swiss Core Capital, high-trigger BCN and low-trigger contingent capital.

As of January 1, 2013, we must also comply with a leverage ratio applicable to Swiss systemically relevant banks (Swiss leverage ratio). This leverage ratio must be at least 24% of each of the respective minimum, buffer and progressive component requirements. Since the ratio is defined by reference to capital requirements subject to phase-in arrangements, the ratio will also be phased in.

Swiss capital and leverage ratio phase-in requirements for Credit Suisse



	2013	2014	2015	2016	2017	2018	2019
Progressive component[1]	1.10%	2.02%	2.76%	3.31%	3.77%	4.13%	4.41%
Buffer component	3.50%	4.50%	5.12%	6.25%	7.12%	7.88%	8.50%
Minimum component	3.50%	4.00%	4.50%	4.50%	4.50%	4.50%	4.50%

[1] The progressive component requirement is dependent on our size (leverage ratio exposure) and the market share of our domestic systemically relevant business and is subject to potential capital rebates that may be granted by FINMA. Using 2012 year-end data, we estimate that the 2019 progressive component will be further reduced in 2014.

Risk measurement models

Within the Basel framework for FINMA regulatory capital purposes, we implemented risk measurement models, including an incremental risk charge, stressed Value-at-Risk (VaR) and, since January 1, 2013, advanced credit valuation adjustment (CVA). The incremental risk charge is a regulatory capital charge for default and migration risk on positions in the trading books and is intended to complement additional standards being applied to the VaR modeling framework, including stressed VaR. Stressed VaR replicates a VaR calculation on the Group's current portfolio taking into account a one-year observation period relating to significant financial stress and helps reduce the pro-cyclicality of the minimum capital requirements for market risk. Advanced CVA covers the risk of mark-to-market losses on the expected counterparty risk arising from changes in a counterparty's credit spreads.

FINMA, in line with Bank for International Settlements (BIS) requirements, uses a multiplier to impose an increase in market risk capital for every regulatory VaR backtesting exception over four in the prior rolling 12-month period. For the purposes of this measurement, backtesting exceptions are calculated using a subset of actual daily trading revenues that includes only the impact of daily movements in financial market variables such as interest rates, equity prices and foreign exchange rates on the previous night's positions. In 2Q13, our market risk capital multiplier remained at FINMA and BIS minimum levels and we did not experience an increase in market risk capital.

With FINMA approval, we have implemented a Comprehensive Risk Measure framework to calculate a capital charge covering all price risks (default, spread and correlation risk) within the credit correlation products within our trading book portfolio.

Effective January 1, 2013, FINMA introduced increased capital charges for mortgage loans that finance certain residential property in Switzerland (mortgage multiplier). These increased capital charges, which are applied for both BIS and FINMA purposes, will be phased in by January 1, 2019.

▸ Refer to "Market risk" in Risk management for further information on Credit Suisse's risk measurement models and backtesting exceptions.

Capital issuances and redemptions

In July 2012, we issued CHF 3.8 billion of MACCS that mandatorily converted into 233.5 million shares at a conversion price of CHF 16.29 per share on March 29, 2013. The settlement and delivery of shares occurred on April 8, 2013.

Capital metrics under Basel III

Regulatory capital and ratios – Group

Our CET1 ratio was 15.3% as of the end of 2Q13, compared to 14.6% as of the end of 1Q13. Our tier 1 ratio was 15.9% as of the end of 2Q13 compared to 15.1% as of the end of 1Q13, reflecting increased CET1 capital and a reduction in RWA. Our total capital ratio was 18.2% as of the end of 2Q13 compared to 17.4% as of the end of 1Q13, reflecting increased CET1 capital and a reduction in RWA.

CET1 capital was CHF 44.4 billion as of the end of 2Q13 compared to CHF 43.6 billion as of the end of 1Q13, reflecting net income, partially offset by a quarterly dividend accrual and a negative foreign exchange translation impact.

Additional tier 1 capital increased slightly to CHF 1.6 billion and tier 2 capital was stable at CHF 6.9 billion as of the end of 2Q13.

Total eligible capital was CHF 52.8 billion as of the end of 2Q13 compared to CHF 52.0 billion as of the end of 1Q13.

RWA decreased 3%, from CHF 298.2 billion as of the end of 1Q13 to CHF 289.7 billion as of the end of 2Q13, reflecting decreases in credit risk and market risk together with a small decrease resulting from foreign exchange translation.

The decrease in credit risk was primarily driven by a decrease in advanced CVA and a decrease in Private Banking & Wealth Management credit risk, partially offset by an increase in Investment Banking credit risk. The decrease in advanced CVA resulted from decreases in counterparty exposure and increases in hedging. Investment Banking credit risk increases reflected increases in secured financing exposures and lending, partially offset by updates to loss given default parameters and decreases in derivative exposures. The decrease in market risk related primarily to Investment Banking, which had lower equity and fixed income exposures particularly impacting stressed VaR and VaR.

▸ Refer to the table "BIS statistics – Basel III" for further information.
▸ Refer to "Market risk" and "Credit risk" in Risk management for further information.
▸ Refer to https://www.credit-suisse.com/investment_banking/financial_regulatory/en/subsidiaries_pillar_3.jsp for additional regulatory reporting information.

BIS statistics – Basel III

	Group				Bank			
end of	**2Q13**	1Q13	4Q12 [1]	% change QoQ	**2Q13**	1Q13	4Q12 [1]	% change QoQ
Eligible capital (CHF million)								
Total shareholders' equity	42,402	37,825	35,498	12	36,587	36,205	34,767	1
Mandatory and contingent convertible securities	– [2]	3,779 [2]	3,598 [2]	(100)	–	–	–	–
Regulatory adjustments	(659) [3]	(755) [3]	(303) [3]	(13)	(3,808) [4]	(3,916) [4]	(3,879) [4]	(3)
Adjustments subject to phase in [5]	2,687	2,732	2,707	(2)	6,164	6,026	5,829	2
CET1 capital	**44,430**	**43,581**	**41,500**	2	**38,943**	**38,315**	**36,717**	2
Additional tier 1 instruments [6]	1,569	1,570	1,516	0	1,569	1,598	1,545	(2)
Additional tier 1 instruments subject to phase out [7]	9,221	9,182	10,416	0	9,221	9,182	10,416	0
Deductions from additional tier 1 capital [8]	(9,231)	(9,221)	(9,075)	0	(8,333)	(8,307)	(8,201)	0
Additional tier 1 capital	**1,559**	**1,531**	**2,857**	2	**2,457**	**2,473**	**3,760**	(1)
Total tier 1 capital	**45,989**	**45,112**	**44,357**	2	**41,400**	**40,788**	**40,477**	2
Tier 2 instruments [6]	2,642	2,644	2,568	0	2,642	2,644	2,572	0
Tier 2 instruments subject to phase out	4,583	4,611	5,016	(1)	5,572	6,072	6,634	(8)
Deductions from tier 2 capital	(366)	(368)	(422)	(1)	(325)	(320)	(377)	2
Tier 2 capital	**6,859**	**6,887**	**7,162**	0	**7,889**	**8,396**	**8,829**	(6)
Total eligible capital	**52,848**	**51,999**	**51,519**	2	**49,289**	**49,184**	**49,306**	0
Risk-weighted assets (CHF million)								
Credit risk	195,508	201,052	201,764	(3)	184,860	190,468	191,649	(3)
Market risk	42,987	45,514	39,466	(6)	42,937	45,480	39,438	(6)
Operational risk	44,788	45,000	45,125	0	44,788	45,000	45,125	0
Non-counterparty risk	6,464	6,589	6,126	(2)	6,210	6,333	5,873	(2)
Risk-weighted assets	**289,747**	**298,155**	**292,481**	(3)	**278,795**	**287,281**	**282,085**	(3)
Capital ratios (%)								
CET1 ratio	15.3	14.6	14.2	–	14.0	13.3	13.0	–
Tier 1 ratio	15.9	15.1	15.2	–	14.8	14.2	14.3	–
Total capital ratio	18.2	17.4	17.6	–	17.7	17.1	17.5	–

1 Basel III became effective as of January 1, 2013. 4Q12 amounts, which are presented in order to show meaningful comparative information, are calculated as if Basel III had been implemented in Switzerland at such time.
2 Converted and settled into 233.5 million shares on April 8, 2013 and reflected in total shareholders' equity as of that date.
3 Includes regulatory adjustments not subject to phase in, including a cumulative dividend accrual.
4 Includes regulatory adjustments not subject to phase in, including the cumulative dividend accrual, and an adjustment for tier 1 participation securities.
5 Includes an adjustment for the accounting treatment of pension plans pursuant to phase-in requirements and other regulatory adjustments. For the years 2014 – 2018, there will be a five-year (20% per annum) phase in of goodwill and other intangible assets and other capital deductions (e.g., certain deferred tax assets and participations in financial institutions).
6 Consists of high-trigger BCN.
7 Includes tier 1 participating securities and hybrid capital instruments that are subject to phase out.
8 Includes goodwill and other intangible assets of CHF 8.8 billion and other capital deductions, including gains/(losses) due to changes in own credit risks on fair valued financial liabilities, that will be deducted from CET1 once Basel III is fully implemented.

CET1 capital movement – Basel III

	2Q13	1Q13
CET1 capital (CHF million)		
Balance at beginning of period	**43,581**	**41,500** [1]
Net income	1,045	1,303
Foreign exchange impact	(157)	800
Other	(39) [2]	(22)
Balance at end of period	**44,430**	**43,581**

1 Basel III became effective as of January 1, 2013. 4Q12 amounts, which are presented in order to show meaningful comparative information, are calculated as if Basel III had been implemented in Switzerland at such time.
2 Reflects the effect of share-based compensation, a dividend accrual and a change in other regulatory adjustments.

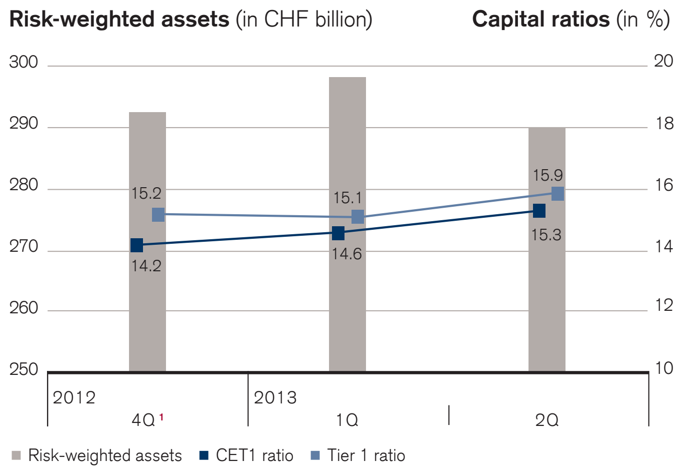
Look-through CET1 ratio

For the years 2014 – 2018, there will be a five-year (20% per annum) phase in of goodwill and other intangible assets and other capital deductions (e.g., certain deferred tax assets and participations in financial institutions). Assuming fully phased-in deductions of CHF 8.8 billion of goodwill and other intangible assets and CHF 7.5 billion of other regulatory adjustments, we estimate that our CET1 ratio as of the end of 2Q13 would be 9.3%, calculated based on Look-through RWA of CHF 281 billion.

Risk-weighted assets

Our balance sheet positions and off-balance sheet exposures translate into RWA that are categorized as market, credit, operational and non-counterparty risk RWA. Market risk RWA reflect the capital requirements of potential changes in the fair values of financial instruments in response to market movements inherent in both the balance sheet and the off-balance sheet items. Credit risk RWA reflect the capital requirements for the possibility of a loss being incurred as the result of a borrower or counterparty failing to meet its financial obligations or as a result of a deterioration in the credit quality of the borrower or counterparty. Under Basel III, certain regulatory capital adjustments are dependent on the level of CET1 capital (thresholds). The amount above the threshold is deducted from CET1 capital and the amount below the threshold is risk weighted. RWA subject to such threshold adjustments are included in Credit Risk RWA. Operational risk RWA reflect the capital requirements for the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Non-counterparty-risk RWA primarily reflect the capital requirements for our premises and equipment. It is not the nominal size, but the nature (including risk mitigation such as collateral or hedges) of the balance sheet positions or off-balance sheet exposures that determines the RWA.

Risk-weighted assets and capital ratios – Basel III



[1] Basel III became effective as of January 1, 2013. 4Q12 amounts, which are presented in order to show meaningful comparative information, are calculated as if Basel III had been implemented in Switzerland at such time.

Risk-weighted assets by division – Basel III

			end of		% change
	2Q13	1Q13	4Q12 [1]	QoQ	Ytd
Risk-weighted assets by division (CHF million)					
Private Banking & Wealth Management	97,452	98,321	96,009	(1)	2
Investment Banking	167,573	172,808	171,511	(3)	(2)
Corporate Center	24,722	27,026	24,961	(9)	(1)
Risk-weighted assets	**289,747**	**298,155**	**292,481**	(3)	(1)

[1] Basel III became effective as of January 1, 2013. 4Q12 amounts, which are presented in order to show meaningful comparative information, are calculated as if Basel III had been implemented in Switzerland at such time.

Capital metrics under Swiss requirements

Swiss Core and Total Capital ratios

Swiss Core Capital consists of CET1 capital, tier 1 participation securities which FINMA advised may be included with a haircut of 20% until December 31, 2018 at the latest, and may include certain other adjustments. Swiss Total Capital also includes high-trigger BCN and low-trigger contingent capital. As of the end of 2Q13, our Swiss Core Capital and Swiss Total Capital ratios were 15.7% and 17.2%, respectively, compared to the Swiss capital ratio phase-in requirements of 6.0% and 8.1%, respectively.

Swiss Core and Total Capital ratios

	Group				Bank			
end of	2Q13	1Q13	4Q12 [1]	% change QoQ	2Q13	1Q13	4Q12 [1]	% change QoQ
Capital development (CHF million)								
CET1 capital	44,430	43,581	41,500	2	38,943	38,315	36,717	2
Swiss regulatory adjustments [2]	1,375	1,236	2,481	11	2,333	2,230	2,864	5
Swiss Core Capital	**45,805**	**44,817**	**43,981**	2	**41,276**	**40,545**	**39,581**	2
High-trigger BCN [3]	4,211	4,214	4,084	0	4,211	4,214	4,084	0
Low-trigger contingent capital	–	–	–	–	–	–	–	–
Swiss Total Capital	**50,016**	**49,031**	**48,065**	2	**45,487**	**44,759**	**43,665**	2
Risk-weighted assets (CHF million)								
Risk-weighted assets – Basel III	289,747	298,155	292,481	(3)	278,795	287,281	282,085	(3)
Swiss regulatory adjustments [4]	1,420	1,407	1,259	1	1,395	1,372	1,220	2
Swiss risk-weighted assets	**291,167**	**299,562**	**293,740**	(3)	**280,190**	**288,653**	**283,305**	(3)
Capital ratios (%)								
Swiss Core Capital ratio	15.7	15.0	15.0	–	14.7	14.0	14.0	–
Swiss Total Capital ratio	17.2	16.4	16.4	–	16.2	15.5	15.4	–

1 Basel III became effective as of January 1, 2013. 4Q12 amounts, which are presented in order to show meaningful comparative information, are calculated as if Basel III had been implemented in Switzerland at such time.
2 Consists of tier 1 participation securities of CHF 2.5 billion, additional tier 1 deductions for which there is not enough tier 1 capital available and is therefore deducted from Swiss Core Capital and other Swiss regulatory adjustments.
3 Consists of CHF 1.6 billion additional tier 1 instruments and CHF 2.6 billion tier 2 instruments.
4 Includes increased regulatory thresholds resulting from additional Swiss Core Capital.

The following table presents the Swiss requirements for each of the relevant capital components and discloses our current capital metrics against those requirements.

Swiss capital requirements and coverage

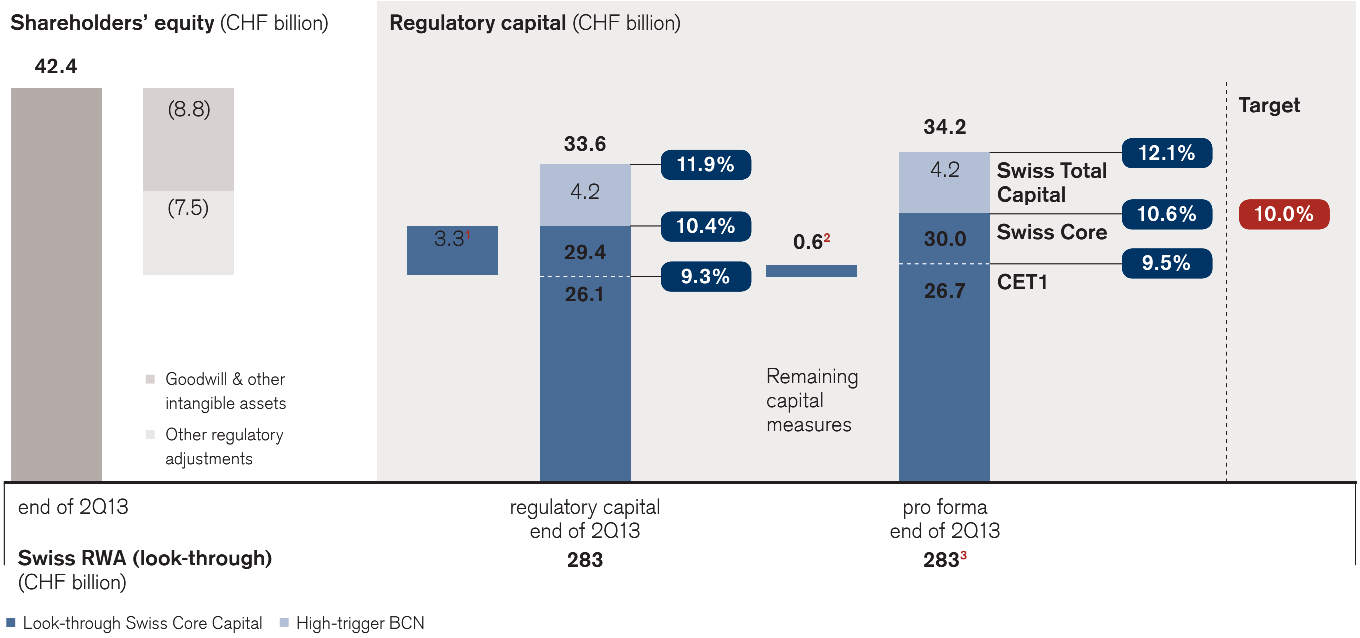
	Group					Bank				
	Capital requirements					Capital requirements				
end of	Minimum component	Buffer component	Progressive component	Excess	2Q13	Minimum component	Buffer component	Progressive component	Excess	2Q13
Risk-weighted assets (CHF billion)										
Swiss risk-weighted assets	–	–	–	–	291.2	–	–	–	–	280.2
2013 Swiss capital requirements [1]										
Minimum Swiss Total Capital ratio	3.5%	3.5%	1.1%	–	8.1%	3.5%	3.5%	1.1%	–	8.1%
Minimum Swiss Total Capital (CHF billion)	10.2	10.2	3.2	–	23.6	9.8	9.8	3.1	–	22.7
Swiss capital coverage (CHF billion)										
Swiss Core Capital	10.2	9.2	–	26.4	45.8	9.8	8.7	–	22.8	41.3
High-trigger BCN	–	1.0	3.2	–	4.2	–	1.1	3.1	–	4.2
Low-trigger contingent capital	–	–	–	–	–	–	–	–	–	–
Swiss Total Capital	**10.2**	**10.2**	**3.2**	**26.4**	**50.0**	**9.8**	**9.8**	**3.1**	**22.8**	**45.5**
Capital ratios (%)										
Swiss Total Capital ratio	**3.5%**	**3.5%**	**1.1%**	**9.1%**	**17.2%**	**3.5%**	**3.5%**	**1.1%**	**8.1%**	**16.2%**

Rounding differences may occur.
1 The Swiss capital requirements are based on a percentage of RWA.

Look-through Swiss Core and Total Capital ratios

The Look-through Swiss Core Capital assumes fully phased-in goodwill and other intangible assets and other regulatory adjustments. We have calculated the pro forma Look-through Swiss Core Capital assuming the successful completion of the remaining CHF 0.6 billion of capital measures announced in July 2012. As of the end of 2Q13, our pro forma Look-through Swiss Core Capital ratio was 10.6% compared to a 10.0% ratio that we are targeting.

Look-through CET1, Swiss Core and Total Capital ratios



Note: Pro forma calculation assumes successful completion of the remaining capital measures announced in July 2012. Refer to "July 2012 capital measures" in III – Treasury, Risk, Balance sheet and Off-balance sheet – Capital management in the Credit Suisse Annual report 2012 for further information. Actual results may differ. Rounding differences may occur.

1 Consists of existing tier 1 participation securities of CHF 2.5 billion and other Swiss regulatory adjustments.

2 Consists of strategic divestments that are part of our capital measures announced in July 2012 to strengthen our capital position.

3 Reflects increased regulatory thresholds resulting from the remaining capital measures.

Swiss leverage ratio

The Swiss leverage ratio is calculated as Swiss Total Capital, divided by a three-month average exposure, which consists of balance sheet assets, off-balance sheet exposures, consisting of guarantees and commitments, and regulatory adjustments, including cash collateral netting reversals and derivative add-ons. As of the end of 2Q13, our Swiss leverage ratio was 3.9%. As of the end of 2Q13, our total exposure was CHF 1,258 billion and we are targeting a reduction in our total exposure to under CHF 1,190 billion by the end of 2013.

Swiss leverage ratio

			Group			Bank
end of	**2Q13**	1Q13	% change QoQ	**2Q13**	1Q13	% change QoQ
Swiss Total Capital (CHF million)						
Swiss Total Capital	**50,016**	**49,031**	2	**45,487**	**44,759**	2
Exposure (CHF million) [1]						
Balance sheet assets	940,773	948,766	(1)	923,484	932,285	(1)
Off-balance sheet exposures	161,178	145,011	11	160,290	144,121	11
Regulatory adjustments	180,198	186,084	(3)	177,579	183,195	(3)
Total average exposure	**1,282,149**	**1,279,861**	**0**	**1,261,353**	**1,259,601**	**0**
Swiss leverage ratio (%)						
Swiss leverage ratio	**3.9**	**3.8**	–	**3.6**	**3.6**	–

[1] Calculated as the average of the month-end amounts for the previous three calendar months.

The following table presents the Swiss requirements relating to each of the relevant capital components and discloses our current leverage metrics against those requirements.

Swiss leverage requirements and coverage

					Group					Bank
	Capital requirements					Capital requirements				
end of	Minimum component	Buffer component	Progressive component	Excess	**2Q13**	Minimum component	Buffer component	Progressive component	Excess	**2Q13**
Exposure (CHF billion)										
Total average exposure	**–**	**–**	**–**	**–**	**1,282.1**	**–**	**–**	**–**	**–**	**1,261.4**
2013 Swiss leverage requirements [1]										
Minimum Swiss leverage ratio	0.84%	0.84%	0.26%	–	1.94%	0.84%	0.84%	0.26%	–	1.94%
Minimum Swiss leverage (CHF billion)	10.8	10.8	3.4	–	25.0	10.6	10.6	3.3	–	24.5
Swiss capital coverage (CHF billion)										
Swiss Core Capital	10.8	10.0	–	25.0	45.8	10.6	9.7	–	21.0	41.3
High-trigger BCN	–	0.8	3.4	–	4.2	–	0.9	3.3	–	4.2
Low-trigger contingent capital	–	–	–	–	–	–	–	–	–	–
Swiss Total Capital	**10.8**	**10.8**	**3.4**	**25.0**	**50.0**	**10.6**	**10.6**	**3.3**	**21.0**	**45.5**
Swiss leverage ratio (%)										
Swiss leverage ratio	**0.84%**	**0.84%**	**0.26%**	**2.0%**	**3.9%**	**0.84%**	**0.84%**	**0.26%**	**1.7%**	**3.6%**

Rounding differences may occur.

[1] The leverage requirements are based on a percentage of total average exposure.

Total shareholders' equity

Our total shareholders' equity increased to CHF 42.4 billion as of the end of 2Q13 compared to CHF 37.8 billion as of the end of 1Q13. Total shareholders' equity was impacted by the issuance of common shares, primarily for the settlement of MACCS, net income and treasury share sales and repurchases. These increases were offset by dividend payments and the impact of foreign exchange-related movements on cumulative translation adjustments.

▸ Refer to the "Consolidated statements of changes in equity (unaudited)" in III – Condensed consolidated financial statements – unaudited for further information on shareholders' equity.

Capital

				end of			% change
	2Q13	1Q13	4Q12	2Q12	QoQ	Ytd	YoY
Shareholders' equity (CHF million)							
Common shares	64	54	53	51	19	21	25
Additional paid-in capital	27,196	23,808	23,636	21,930	14	15	24
Retained earnings	30,405	29,474	28,171	27,771	3	8	9
Treasury shares, at cost	(62)	(446)	(459)	(66)	(86)	(86)	(6)
Accumulated other comprehensive income/(loss)	(15,201)	(15,065)	(15,903)	(14,912)	1	(4)	2
Total shareholders' equity	**42,402**	**37,825**	**35,498**	**34,774**	12	19	22
Goodwill	(8,554)	(8,584)	(8,389)	(8,665)	0	2	(1)
Other intangible assets	(237)	(256)	(243)	(278)	(7)	(2)	(15)
Tangible shareholders' equity [1]	**33,611**	**28,985**	**26,866**	**25,831**	16	25	30
Shares outstanding (million)							
Common shares issued	1,594.3	1,339.7	1,320.8	1,286.6	19	21	24
Treasury shares	(2.3)	(27.5)	(27.0)	(3.5)	(92)	(91)	(34)
Shares outstanding	**1,592.0**	**1,312.2**	**1,293.8**	**1,283.1**	21	23	24
Par value (CHF)							
Par value	**0.04**	**0.04**	**0.04**	**0.04**	0	0	0
Book value per share (CHF)							
Total book value per share	**26.63**	**28.83**	**27.44**	**27.10**	(8)	(3)	(2)
Goodwill per share	(5.37)	(6.54)	(6.48)	(6.75)	(18)	(17)	(20)
Other intangible assets per share	(0.15)	(0.20)	(0.19)	(0.22)	(25)	(21)	(32)
Tangible book value per share [1]	**21.11**	**22.09**	**20.77**	**20.13**	(4)	2	5

[1] Management believes that tangible shareholders' equity and tangible book value per share, both non-GAAP financial measures, are meaningful as they are measures used and relied upon by industry analysts and investors to assess valuations and capital adequacy.

Risk management

In 2Q13, overall position risk increased 4%, utilized economic capital increased 1%, average risk management VaR in US dollars decreased 2% and gross impaired loans decreased 6% to CHF 1.7 billion.

Economic capital and position risk

Economic capital is used as a consistent and comprehensive tool for risk management, capital management and performance measurement. It is our core Group-wide risk management tool for measuring and reporting all quantifiable risks. Economic capital measures risks in terms of economic realities rather than regulatory or accounting rules and is the estimated capital needed to remain solvent and in business, even under extreme market, business and operational conditions, given our target financial strength (our long-term credit rating).

We regularly review our economic capital methodology in order to ensure that the model remains relevant as markets and business strategies evolve. In 2Q13, there were no changes to the economic capital methodology.

▸ Refer to "Economic capital and position risk" in III – Treasury, Risk, Balance sheet and Off-balance sheet – Risk management in the Credit Suisse Annual Report 2012 for further information on economic capital and position risk.

Key position risk trends

Position risk for risk management purposes as of the end of 2Q13 increased 4% compared to the end of 1Q13. Position risk increased mainly due to new loans and increased counterparty risk in Investment Banking in international lending & counterparty exposures. Position risk also increased in loans collateralized by securities in private banking corporate & retail lending. These increases were partially offset mainly by lower foreign exchange, interest rate and credit spread exposures in fixed income trading as well as lower RMBS exposures in real estate & structured assets due to sales.

Position risk

				end of			% change
	2Q13	1Q13	4Q12	2Q12	QoQ	Ytd	YoY
Position risk (CHF million)							
Fixed income trading [1]	1,897	2,565	2,489	2,706	(26)	(24)	(30)
Equity trading & investments	1,753	1,768	1,819	2,082	(1)	(4)	(16)
Private banking corporate & retail lending	2,474	2,383	2,382	2,187	4	4	13
International lending & counterparty exposures	5,324	4,494	4,260	3,722	18	25	43
Emerging markets country event risk	1,468	1,470	1,041	1,304	0	41	13
Real estate & structured assets [2]	2,021	2,132	1,985	2,395	(5)	2	(16)
Simple sum across risk categories	**14,937**	**14,812**	**13,976**	**14,396**	1	7	4
Diversification benefit [3]	(2,845)	(3,149)	(2,796)	(2,936)	(10)	2	(3)
Position risk (99% confidence level for risk management purposes)	**12,092**	**11,663**	**11,180**	**11,460**	4	8	6

Prior-period balances have been restated for methodology changes in order to show meaningful trends.
[1] This category comprises fixed income trading, foreign exchange and commodity exposures.
[2] This category comprises commercial and residential real estate (including RMBS and CMBS), asset-backed securities exposure, real estate acquired at auction and real estate fund investments.
[3] Reflects the net difference between the sum of the position risk categories and the position risk on the total portfolio.

Compared to the end of 2Q12, position risk for risk management purposes increased 6%, mainly due to new loans in Investment Banking in international lending & counterparty exposures, higher private banking corporate & retail lending, driven by increased risk in loans collateralized by securities, and increased emerging markets country event risk primarily from higher exposures in Eastern Europe. These increases were partially offset by lower interest rate and foreign exchange exposures in fixed income trading, lower commercial mortgage-backed securities (CMBS) and RMBS exposures in real estate & structured assets due to sales, and private equity sales in equity trading & investments.

As part of our overall risk management, we hold a portfolio of hedges. Hedges are impacted by market movements, similar to other trading securities, and may result in gains or losses which offset losses or gains on the portfolios they were designated to hedge. Due to the varying nature and structure of hedges, these gains or losses may not wholly offset the losses or gains on the portfolios.

Economic capital

			in / end of				% change
	2Q13	1Q13	4Q12	2Q12	QoQ	Ytd	YoY
Economic capital resources (CHF million)							
Look-through CET1 capital (Basel III)	26,128	24,797	22,690	14,538	5	15	80
Economic adjustments [1]	9,291	9,341	9,212	9,618	(1)	1	(3)
Economic capital resources	**35,419**	**34,138**	**31,902**	**24,156**	4	11	47
Utilized economic capital (CHF million)							
Position risk (99.97% confidence level)	21,395	20,698	19,697	20,494	3	9	4
Operational risk	3,924	3,923	3,924	3,836	0	0	2
Other risks [2]	6,689	7,083	7,060	8,932	(6)	(5)	(25)
Utilized economic capital	**32,008**	**31,704**	**30,681**	**33,262**	1	4	(4)
Utilized economic capital by segment (CHF million)							
Private Banking & Wealth Management	9,617	9,747	9,593	10,127	(1)	0	(5)
Investment Banking	20,159	19,719	18,865	20,622	2	7	(2)
Corporate Center [3]	2,251	2,258	2,242	2,536	0	0	(11)
Utilized economic capital – Credit Suisse [4]	**32,008**	**31,704**	**30,681**	**33,262**	1	4	(4)
Average utilized economic capital by segment (CHF million)							
Private Banking & Wealth Management	9,682	9,670	9,756	9,911	0	(1)	(2)
Investment Banking	19,939	19,292	18,759	20,103	3	6	(1)
Corporate Center [3]	2,254	2,250	2,256	2,552	0	0	(12)
Average utilized economic capital – Credit Suisse [5]	**31,856**	**31,193**	**30,761**	**32,544**	2	4	(2)

Prior-period balances have been restated for methodology changes in order to show meaningful trends.
1 Includes primarily high-trigger BCN, adjustments to unrealized gains on owned real estate, reduced recognition of deferred tax assets and adjustments to treatment of pensions. Economic adjustments are made to Look-through CET1 capital to enable comparison between economic capital utilization and economic capital resources under the Basel III framework.
2 Includes owned real estate risk, expense risk, pension risk, foreign exchange risk between economic capital resources and utilized economic capital, interest rate risk on treasury positions, diversification benefits and an estimate for the impacts of certain methodology changes planned for 2013.
3 Includes primarily expense risk, diversification benefits from the divisions and foreign exchange risk between economic capital resources and utilized economic capital.
4 Includes a diversification benefit of CHF 19 million, CHF 20 million, CHF 19 and CHF 23 million as of the end of 2Q13, 1Q13, 4Q12 and 2Q12, respectively.
5 Includes a diversification benefit of CHF 19 million, CHF 19 million, CHF 10 and CHF 22 million as of the end of 2Q13, 1Q13, 4Q12 and 2Q12, respectively.

Utilized economic capital trends

In 2Q13, our utilized economic capital increased 1%.

For Private Banking & Wealth Management, utilized economic capital decreased 1%, mainly due to decreased deferred share-based compensation awards and owned real estate risk in other risks, partially offset by higher private banking corporate & retail lending position risk.

For Investment Banking, utilized economic capital increased 2%, mainly due to increases in international lending & counterparty exposures and higher reserves within other risks for risks not captured in the position risk economic capital model, partially offset by decreased deferred share-based compensation awards within other risk and lower position risk in fixed income trading and real estate & structured assets.

For Corporate Center, utilized economic capital was stable.

Market risk

Trading portfolios

We primarily assume market risk through the trading activities in Investment Banking. Private Banking & Wealth Management also engages in trading activities, but to a much lesser extent. We are active in most of the principal trading markets of the world, using the majority of common trading and hedging products, including derivatives such as swaps, futures, options and structured products (some of which are customized transactions using combinations of derivatives and executed to meet specific client or proprietary needs). As a result of our broad participation in products and markets, our trading strategies are correspondingly diverse and exposures are generally spread across a range of risks and locations. Risks associated with the embedded derivative elements of our structured products are actively monitored and managed on a portfolio basis as part of our overall trading portfolio and are reflected in our VaR measures.

Trading risks are measured using VaR along with a number of other risk measurement tools. VaR measures the potential loss in fair value of trading positions due to adverse market movements over a defined time horizon at a specified confidence level. VaR relies on historical data and is considered a useful tool for estimating potential loss in normal markets in which there are no abrupt changes in market conditions. We use risk management VaR for internal risk management purposes and regulatory VaR for regulatory capital purposes. For risk management VaR, we use a one-day holding period and a 98% confidence level. This means there is a 1-in-50 chance of incurring a daily mark-to-market trading loss at least as large as the reported VaR. For regulatory VaR, we present one-day, 99% VaR, which is a ten-day VaR adjusted to a one-day holding period. Our VaR methodology is the same for both VaR measures, except for the confidence levels and holding periods. Other tools, including stress testing, are more appropriate for modeling the impact from severe market conditions.

We regularly review our VaR model to ensure that it remains appropriate given evolving market conditions and the composition of our trading portfolio. In 2Q13, there were no material changes to the VaR methodology.

For regulatory capital purposes, we operate under the Basel III market risk framework which includes an incremental risk charge, stressed VaR and, since January 1, 2013, consideration of the impact of changes in a counterparty's credit spreads (also known as credit valuation adjustments).

▸ Refer to "Market risk" in III – Treasury, Risk, Balance sheet and Off-balance sheet – Risk management in the Credit Suisse Annual Report 2012 for further information.

In order to show the aggregate market risk in our trading books, the chart entitled "Daily risk management VaR" shows the trading-related market risk on a consolidated basis.

We measure VaR in US dollars, as substantially all market risk relates to Investment Banking.

Average risk management VaR decreased 2% to USD 42 million from 1Q13, mainly reflecting reduced interest rate exposures. Compared to 2Q12, average risk management VaR decreased 34% due to lower market volatility and reduced interest rate, credit spread, foreign exchange and equity exposures.

Period-end risk management VaR decreased 13% to USD 34 million from 1Q13. The decrease mainly reflected lower market volatility and lower interest rate and foreign exchange exposures. Compared to 2Q12, period-end risk management VaR decreased 47%, mainly reflecting lower market volatility and reduced interest rate, credit spread and equity exposures.

One-day, 98% risk management VaR and one-day, 99% regulatory VaR (CHF)

in / end of	Interest rate & credit spread	Foreign exchange	Commodity	Equity	Diversi-fication benefit	Risk management VaR (98%) Total	Regulatory VaR (99%) Total
2Q13 (CHF million)							
Average	44	9	3	15	(31)	40	42
Minimum	33	6	1	11	– [1]	33	32
Maximum	56	15	3	18	– [1]	50	54
End of period	33	6	3	15	(24)	33	32
1Q13 (CHF million)							
Average	44	11	2	17	(34)	40	48
Minimum	38	6	1	12	– [1]	34	32
Maximum	58	24	3	36	– [1]	55	77
End of period	43	8	3	15	(32)	37	32
2Q12 (CHF million)							
Average	56	18	3	20	(37)	60	60
Minimum	49	7	2	14	– [1]	49	51
Maximum	65	34	4	30	– [1]	72	89
End of period	60	8	2	19	(27)	62	60

Excludes risks associated with counterparty and own credit exposures.
[1] As the maximum and minimum occur on different days for different risk types, it is not meaningful to calculate a portfolio diversification benefit.

One-day, 98% risk management VaR and one-day, 99% regulatory VaR (USD)

in / end of	Interest rate & credit spread	Foreign exchange	Commodity	Equity	Diversi-fication benefit	Risk management VaR (98%) Total	Regulatory VaR (99%) Total
2Q13 (USD million)							
Average	46	10	3	16	(33)	42	45
Minimum	35	6	2	12	– [1]	34	33
Maximum	58	16	4	19	– [1]	51	55
End of period	35	6	3	16	(26)	34	34
1Q13 (USD million)							
Average	48	12	2	18	(37)	43	51
Minimum	41	6	1	13	– [1]	36	34
Maximum	64	25	3	38	– [1]	58	83
End of period	45	8	3	16	(33)	39	34
2Q12 (USD million)							
Average	60	19	3	21	(39)	64	65
Minimum	53	7	2	16	– [1]	53	55
Maximum	72	38	5	33	– [1]	75	93
End of period	62	8	2	20	(28)	64	62

Excludes risks associated with counterparty and own credit exposures.
[1] As the maximum and minimum occur on different days for different risk types, it is not meaningful to calculate a portfolio diversification benefit.

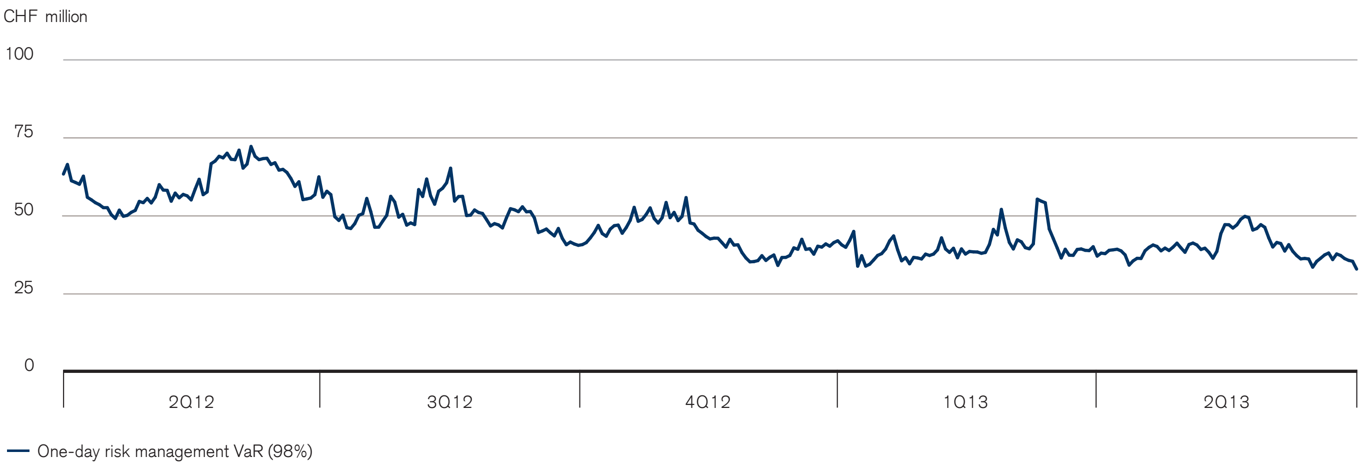
Various techniques are used to assess the accuracy of the regulatory VaR model used for trading portfolios, including backtesting. We conduct such backtesting using actual daily trading revenues. Actual daily trading revenues are compared with a regulatory 99% VaR calculated using a one-day holding period. A backtesting exception occurs when a trading loss exceeds the daily VaR estimate. We had no such backtesting exceptions in 2Q13 and in the 12-month-period ending with such quarter. Since there were fewer than five backtesting exceptions in the rolling 12-month period ending as of the end of 2Q13, in line with BIS industry guidelines, the VaR model is deemed to be statistically valid.

For capital purposes, FINMA, in line with BIS requirements, uses a multiplier to impose an increase in market risk capital for every regulatory VaR exception over four in the prior rolling 12-month period calculated using a subset of actual daily trading revenues.

▸ Refer to "Risk measurement models" in Capital management – Regulatory capital framework for further information on the use of our regulatory VaR model in the calculation of trading book market risk capital requirements.

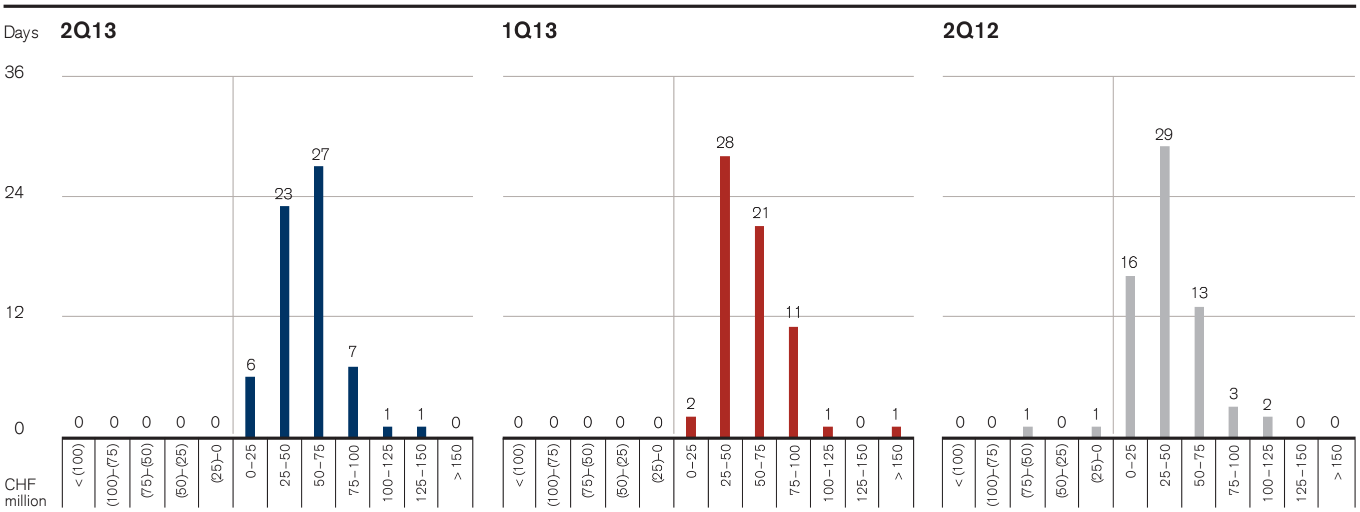
The histogram entitled "Actual daily trading revenues" compares the actual daily trading revenues for 2Q13 with those for 1Q13 and 2Q12. The dispersion of trading revenues indicates the day-to-day volatility in our trading activities. In 2Q13 and 1Q13, we had no trading loss days.

Daily risk management VaR



Excludes risks associated with counterparty and own credit exposures.

Actual daily trading revenues



Excludes Neue Aargauer Bank. Periods prior to the integration of Clariden Leu in the second quarter of 2012 also exclude Clariden Leu.
Trading revenues do not include valuation adjustments associated with counterparty and own credit exposures.

Banking portfolios

We assume non-trading interest rate risk through interest rate-sensitive positions originated by Private Banking & Wealth Management and risk-transferred to Treasury, money market and funding activities by Treasury and the deployment of our consolidated equity as well as other activities, including market making and trading activities involving banking book positions at the divisions, primarily Investment Banking. Savings accounts and many other retail banking products have no contractual maturity date or direct market-linked interest rate and are risk-transferred from Private Banking & Wealth Management to Treasury on a pooled basis using replicating portfolios (approximating the re-pricing behavior of the underlying product). Treasury and certain other areas of the Group running interest rate risk positions actively manage the positions within approved limits. This risk is monitored on a daily basis.

The impact of a one basis point parallel increase of the yield curves on the fair value of interest rate-sensitive non-trading book positions would have amounted to a valuation increase of CHF 9.6 million as of the end of 2Q13, compared to a valuation increase of CHF 9.0 million as of the end of 1Q13.

Credit risk

Credit risk is the possibility of a loss being incurred by us as the result of a borrower or counterparty failing to meet its financial obligations or as a result of deterioration in the credit quality of the borrower or counterparty. In the event of a customer default, a bank generally incurs a loss equal to the amount owed by the debtor, less any recoveries from foreclosure, liquidation of collateral, or the restructuring of the debtor company. A change in the credit quality of a counterparty has an impact on the valuation of assets eligible for fair value measurement, with valuation changes recorded in the consolidated statements of operations.

Sources of credit risk

The majority of our credit risk is concentrated in the Wealth Management Clients and Corporate & Institutional Clients businesses within the Private Banking & Wealth Management division and in the Investment Banking division. Credit risk exists within lending products, commitments and letters of credit, and results from counterparty exposure arising from derivatives, foreign exchange and other transactions.

Our regular review of the credit quality of clients and counterparties does not depend on the accounting treatment of the asset or commitment. We regularly review the appropriateness of allowances for credit losses. Changes in the credit quality of counterparties of loans held at fair value are reflected in valuation changes recorded directly in revenues, and therefore are not part of the impaired loans balance.

▸ Refer to “Credit risk” in III – Treasury, Risk, Balance sheet and Off-balance sheet – Risk management in the Credit Suisse Annual Report 2012 for further information on credit risk.
▸ Refer to “Note 27 – Financial instruments” in III – Condensed consolidated financial statements – unaudited for further information on counterparty credit risk.

Selected European credit risk exposures

The scope of our disclosure of European credit risk exposure includes all countries of the EU which are rated below AA or its equivalent by at least one of the three major rating agencies and where our gross exposure exceeds our quantitative threshold of EUR 0.5 billion. We believe this external rating is a useful measure in determining the financial ability of countries to meet their financial obligations, including giving an indication of vulnerability to adverse business, financial and economic conditions.

Monitoring of selected European credit risk exposures

Our credit risk exposure to these European countries is managed as part of our risk management process. The Group makes use of country limits and performs scenario analyses on a regular basis, which include analyses on our indirect sovereign credit risk exposures from our exposures to selected European financial institutions. This assessment of indirect sovereign credit risk exposures includes analysis of publicly available disclosures of counterparties' exposures to the European countries within the defined scope of our disclosure. We monitor the concentration of collateral underpinning our OTC derivative and reverse repurchase agreement exposures through monthly reporting. We also monitor the impact of sovereign rating downgrades on collateral eligibility. Strict limits on sovereign collateral from G-7 and non-G-7 countries are monitored monthly. Similar disclosure is part of our regular risk reporting to regulators.

Presentation of selected European credit risk exposures

The basis for the presentation of the country exposure is our internal risk domicile view. The risk domicile view is based on the domicile of the legal counterparty, i.e., it may include exposure to a legal entity domiciled in the reported country where its parent is located outside of the country.

The credit risk exposure in the table is presented on a risk-based view. We present our credit risk exposure and related risk mitigation for the following distinct categories:

- *Gross credit risk exposure* includes the principal amount of loans drawn, letters of credit issued and undrawn portions of committed facilities, the positive replacement value (PRV) of derivative instruments after consideration of legally enforceable netting agreements, the notional value of investments in money market funds and the market values of securities financing transactions and the debt cash trading portfolio (short-term securities) netted at issuer level.
- *Risk mitigation* includes CDS and other hedges, at their net notional amount, guarantees, insurance and collateral (primarily cash, securities and, to a lesser extent, real estate, mainly for Private Banking & Wealth Management exposure to corporates & other). Collateral values applied for the calculation of the net exposure are determined in accordance with our risk management policies and reflect applicable margining considerations.
- *Net credit risk exposure* represents gross credit risk exposure net of risk mitigation.
- *Inventory* represents the long inventory positions in trading and non-trading physical debt and synthetic positions, each at market value, all netted at issuer level. Physical debt is non-derivative debt positions (e.g., bonds), and synthetic positions are created through OTC contracts (e.g., CDS purchased and/or sold and total return swaps).

CDS presented in the risk mitigation column are purchased as a direct hedge to our OTC exposure and the risk mitigation impact is considered to be the notional amount of the contract for risk purposes, with the mark-to-market fair value of CDS risk-managed against the protection provider. Net notional amounts of CDS reflect the notional amount of CDS protection purchased less the notional amount of CDS protection sold and are based on the origin of the CDS reference credit, rather than that of the CDS counterparty. CDS included in the inventory column represent contracts recorded in our trading books that are hedging the credit risk of the instruments included in the inventory column and are disclosed on the same basis as the value of the fixed income instrument they are hedging.

We do not have any tranched CDS positions on these European countries and only an insignificant amount of indexed credit derivatives is included in inventory.

The credit risk of CDS contracts themselves, i.e., the risk that the CDS counterparty will not perform in the event of a default, is managed separately from the credit risk of the reference credit. To mitigate such credit risk, all CDS contracts are collateralized and executed with counterparties with whom we have an enforceable ISDA master agreement that provides for daily margining.

Development of selected European credit risk exposures

On a gross basis, before taking into account risk mitigation, our risk-based sovereign credit risk exposure to Cyprus, Greece, Ireland, Italy, Portugal and Spain as of the end of 2Q13 was EUR 3.8 billion, down from EUR 4.1 billion as of the end of 1Q13. Our net exposure to these sovereigns was EUR 0.7 billion, up from EUR 0.6 billion as of the end of 1Q13. Our non-sovereign risk-based credit risk exposure in these countries as of the end of 2Q13 included net exposure to financial institutions of EUR 1.4 billion and to corporates and other counterparties of EUR 2.9 billion, compared to EUR 2.2 billion and EUR 2.7 billion, respectively, as of the end of 1Q13. A significant majority of the purchased credit protection is transacted with banks outside of the disclosed countries. For credit protection purchased from banks in the disclosed countries, such credit risk is reflected in the gross and net exposure to each respective country.

Sovereign debt rating developments

In 2Q13, the long-term sovereign debt ratings of the countries listed in the table were affected as follows: Fitch lowered Cyprus' rating to B– from B and increased Greece's rating to B– from CCC. The rating changes did not have a significant impact on the Group's financial position, result of operations, liquidity or capital resources.

Selected European credit risk exposures

	Gross credit risk exposure	Risk mitigation		Net credit risk exposure	Inventory [2]		**Total credit risk exposure**	
end of 2Q13		CDS	Other [1]			Net synthetic inventory [3]	**Gross**	**Net**
Cyprus (EUR billion)								
Corporates & other	0.6	0.0	0.6	0.0	0.0	0.0	0.6	0.0
Total	**0.6**	**0.0**	**0.6**	**0.0**	**0.0**	**0.0**	**0.6**	**0.0**
Greece (EUR billion)								
Sovereigns	0.2	0.0	0.1	0.1	0.0	0.0	0.2	0.1
Financial institutions	0.1	0.0	0.1	0.0	0.0	(0.1)	0.1	0.0
Corporates & other	0.5	0.0	0.5	0.0	0.0	0.0	0.5	0.0
Total	**0.8**	**0.0**	**0.7**	**0.1**	**0.0**	**(0.1)**	**0.8**	**0.1**
Ireland (EUR billion)								
Financial institutions	0.7	0.0	0.6	0.1	0.1	0.0	0.8	0.2
Corporates & other	1.6	0.0	0.7	0.9	0.1	(0.1)	1.7	1.0
Total	**2.3**	**0.0**	**1.3**	**1.0**	**0.2**	**(0.1)**	**2.5**	**1.2**
Italy (EUR billion)								
Sovereigns	3.4	2.6	0.3	0.5	0.0	(0.4)	3.4	0.5
Financial institutions	1.6	0.0	1.2	0.4	0.1	(0.1)	1.7	0.5
Corporates & other	2.7	0.3	1.5	0.9	0.0	(0.1)	2.7	0.9
Total	**7.7**	**2.9**	**3.0**	**1.8**	**0.1**	**(0.6)**	**7.8**	**1.9**
Portugal (EUR billion)								
Sovereigns	0.1	0.0	0.1	0.0	0.0	0.0	0.1	0.0
Financial institutions	0.2	0.0	0.2	0.0	0.1	0.0	0.3	0.1
Corporates & other	0.1	0.0	0.1	0.0	0.0	(0.2)	0.1	0.0
Total	**0.4**	**0.0**	**0.4**	**0.0**	**0.1**	**(0.2)**	**0.5**	**0.1**
Spain (EUR billion)								
Sovereigns	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1
Financial institutions	0.7	0.0	0.5	0.2	0.4	(0.3)	1.1	0.6
Corporates & other	1.9	0.1	1.0	0.8	0.2	0.1	2.1	1.0
Total	**2.6**	**0.1**	**1.5**	**1.0**	**0.7**	**(0.1)**	**3.3**	**1.7**
Total (EUR billion)								
Sovereigns	3.7	2.6	0.5	0.6	0.1	(0.3)	3.8	0.7
Financial institutions	3.3	0.0	2.6	0.7	0.7	(0.5)	4.0	1.4
Corporates & other	7.4	0.4	4.4	2.6	0.3	(0.3)	7.7	2.9
Total	**14.4**	**3.0**	**7.5**	**3.9**	**1.1**	**(1.1)**	**15.5**	**5.0**

[1] Includes other hedges (derivative instruments), guarantees, insurance and collateral.
[2] Represents long inventory positions netted at issuer level.
[3] Substantially all of which results from CDS; represents long positions net of short positions.

Credit risk overview

The following table represents credit risk from loans, loan commitments and certain other contingent liabilities, loans held-for-sale, traded loans and derivative instruments before consideration of risk mitigation such as cash collateral and marketable securities or credit hedges. Loan commitments include irrevocable credit facilities for Investment Banking and Private Banking & Wealth Management and unused credit limits which can be revoked at our sole discretion upon notice to the client in Private Banking & Wealth Management.

Credit risk

				end of			% change
	2Q13	1Q13	4Q12	2Q12	QoQ	Ytd	YoY
Balance sheet (CHF million)							
Gross loans	247,176	249,995	243,204	240,163	(1)	2	3
Loans held-for-sale	23,284	19,772	19,894	20,115	18	17	16
Traded loans	5,775	5,122	4,282	3,488	13	35	66
Derivative instruments [1]	41,627	35,979	37,138	45,449	16	12	(8)
Total balance sheet	**317,862**	**310,868**	**304,518**	**309,215**	2	4	3
Off-balance sheet (CHF million)							
Loan commitments [2]	245,131	239,157	237,110	220,450	2	3	11
Credit guarantees and similar instruments	12,780	12,415	12,587	16,804	3	2	(24)
Irrevocable commitments under documentary credits	5,689	5,498	6,258	4,573	3	(9)	24
Total off-balance sheet	**263,600**	**257,070**	**255,955**	**241,827**	3	3	9
Total credit risk	**581,462**	**567,938**	**560,473**	**551,042**	2	4	6

Before risk mitigation, for example, collateral, credit hedges.
[1] Positive replacement value after netting agreements.
[2] Includes CHF 141 billion, CHF 142 billion, CHF 140 billion and CHF 135 billion of unused credit limits as of the end of 2Q13, 1Q13, 4Q12 and 2Q12, respectively, which were revocable at our sole discretion upon notice to the client.

Loan exposure

Compared to the end of 1Q13, gross loans decreased CHF 2.8 billion to CHF 247.2 billion. In Private Banking & Wealth Management, gross loans were CHF 215.1 billion, up CHF 2.0 billion from 1Q13, primarily reflecting increases in loans collateralized by securities and residential mortgages. Gross loans in Investment Banking decreased CHF 4.9 billion to CHF 32.0 billion, mainly due to decreases in loans to financial institutions, governments and public institutions, and lower commercial and industrial loans.

Gross impaired loans decreased 6% to CHF 1.7 billion compared to the end of 1Q13. In Private Banking & Wealth Management, gross impaired loans decreased CHF 104 million to CHF 1,419 million due to lower potential problem, non-performing and non-interest-earning loans. In Investment Banking, gross impaired loans decreased CHF 6 million to CHF 252 million.

We recorded a net provision for credit losses of CHF 51 million in 2Q13, compared to a net provision of CHF 22 million in 1Q13, with a net provision of CHF 46 million and CHF 4 million in Private Banking & Wealth Management and Investment Banking, respectively.

Compared to the end of 2Q12, gross loans increased 3%. An increase in Private Banking & Wealth Management of 6% was primarily due to an increase in loans collateralized by securities, higher residential mortgages and higher commercial and industrial loans. In Investment Banking, a decrease of 13% was mainly related to lower loans to financial institutions, and lower commercial and industrial loans. Gross impaired loans decreased 6% driven by decreases in potential problem loans across the Group.

Loans

end of	Private Banking & Wealth Management 2Q13	1Q13	2Q12	Investment Banking 2Q13	1Q13	2Q12	Credit Suisse [1] 2Q13	1Q13	2Q12
Loans (CHF million)									
Mortgages	93,602	92,703	90,618	0	0	0	93,602	92,703	90,618
Loans collateralized by securities	30,316	29,251	26,281	0	0	0	30,316	29,251	26,281
Consumer finance	7,031	6,837	6,689	337	624	486	7,368	7,461	7,176
Consumer	130,949	128,791	123,588	337	624	486	131,286	129,415	124,075
Real estate	25,335	25,126	24,414	1,636	1,435	1,702	26,971	26,561	26,116
Commercial and industrial loans	49,487	50,062	47,128	13,835	14,749	14,674	63,348	64,833	61,813
Financial institutions	8,079	7,791	6,913	14,237	16,753	18,343	22,316	24,544	25,256
Governments and public institutions	1,267	1,313	1,299	1,988	3,329	1,604	3,255	4,642	2,903
Corporate & institutional	84,168 [2]	84,292 [2]	79,754 [2]	31,696	36,266	36,323	115,890	120,580	116,088
Gross loans	**215,117**	**213,083**	**203,342**	**32,033**	**36,890**	**36,809**	**247,176**	**249,995**	**240,163**
of which held at fair value	293	252	608	19,277	22,400	19,907	19,570	22,652	20,515
Net (unearned income) / deferred expenses	(68)	(63)	(37)	(20)	(21)	(34)	(90)	(84)	(71)
Allowance for loan losses [3]	(757)	(782)	(776)	(141)	(134)	(152)	(900)	(916)	(928)
Net loans	**214,292**	**212,238**	**202,529**	**31,872**	**36,735**	**36,623**	**246,186**	**248,995**	**239,164**
Impaired loans (CHF million)									
Non-performing loans	672	708	698	230	221	223	904	929	921
Non-interest-earning loans	303	321	272	2	3	26	305	324	298
Total non-performing and non-interest-earning loans	975	1,029	970	232	224	249	1,209	1,253	1,219
Restructured loans	0	0	0	20	20	36	20	20	36
Potential problem loans	444	494	506	0	14	13	444	508	519
Total other impaired loans	444	494	506	20	34	49	464	528	555
Gross impaired loans [3]	**1,419**	**1,523**	**1,476**	**252**	**258**	**298**	**1,673**	**1,781**	**1,774**
of which loans with a specific allowance	1,357	1,393	1,193	243	189	197	1,602	1,582	1,390
of which loans without a specific allowance	62	130	283	9	69	101	71	199	384
Allowance for loan losses (CHF million)									
Balance at beginning of period [3]	**782**	**785**	**755**	**134**	**137**	**153**	**916**	**922**	**908**
Net movements recognized in statements of operations	47	30	39	0	(10)	(15)	49	20	24
Gross write-offs	(98)	(52)	(32)	(1)	(2)	(12)	(99)	(54)	(44)
Recoveries	25	5	6	4	2	6	29	7	12
Net write-offs	(73)	(47)	(26)	3	0	(6)	(70)	(47)	(32)
Provisions for interest	2	6	2	4	1	2	6	7	4
Foreign currency translation impact and other adjustments, net	(1)	8	6	0	6	18	(1)	14	24
Balance at end of period [3]	**757**	**782**	**776**	**141**	**134**	**152**	**900**	**916**	**928**
of which individually evaluated for impairment	569	593	574	107	96	108	676	689	682
of which collectively evaluated for impairment	188	189	202	34	38	44	224	227	246
Loan metrics (%)									
Total non-performing and non-interest-earning loans / Gross loans [4]	0.5	0.5	0.5	1.8	1.5	1.5	0.5	0.6	0.6
Gross impaired loans / Gross loans [4]	0.7	0.7	0.7	2.0	1.8	1.8	0.7	0.8	0.8
Allowance for loan losses / Total non-performing and non-interest-earning loans [3]	77.6	76.0	80.0	60.8	59.8	61.0	74.4	73.1	76.1
Allowance for loan losses / Gross impaired loans [3]	53.3	51.3	52.6	56.0	51.9	51.0	53.8	51.4	52.3

[1] Includes Corporate Center, in addition to Private Banking & Wealth Management and Investment Banking.
[2] Includes loans secured by financial collateral and mortgages. The value of financial collateral and mortgages, considered up to the amount of the related loans, was CHF 66,934 million, CHF 65,929 million and CHF 63,496 million as of the end of 2Q13, 1Q13 and 2Q12, respectively.
[3] Impaired loans and allowance for loan losses are only based on loans which are not carried at fair value.
[4] Excludes loans carried at fair value.

Balance sheet and off-balance sheet

Total assets were CHF 919.9 billion, total liabilities were CHF 870.5 billion and total equity was CHF 49.4 billion. Both total assets and total liabilities were down 3% for the quarter, driven in both cases by a decrease from operating activities, including our balance sheet reduction initiative, and the foreign exchange translation impact. The majority of our transactions are recorded on our balance sheet, however, we also enter into transactions that give rise to both on and off-balance sheet exposure.

Balance sheet summary

				end of			% change
	2Q13	1Q13	4Q12	2Q12	QoQ	Ytd	YoY
Assets (CHF million)							
Cash and due from banks	56,584	57,242	61,763	99,038	(1)	(8)	(43)
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	173,404	180,513	183,455	226,864	(4)	(5)	(24)
Trading assets	245,834	264,201	256,399	284,058	(7)	(4)	(13)
Net loans	246,186	248,995	242,223	239,164	(1)	2	3
Brokerage receivables	72,247	58,538	45,768	50,411	23	58	43
All other assets	125,648	137,129	134,672	143,920	(8)	(7)	(13)
Total assets	**919,903**	**946,618**	**924,280**	**1,043,455**	(3)	0	(12)
Liabilities and equity (CHF million)							
Due to banks	29,440	35,033	31,014	41,325	(16)	(5)	(29)
Customer deposits	328,389	316,681	308,312	312,683	4	7	5
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	99,073	127,182	132,721	189,266	(22)	(25)	(48)
Trading liabilities	89,917	91,490	90,816	115,782	(2)	(1)	(22)
Long-term debt	133,505	143,094	148,134	154,838	(7)	(10)	(14)
Brokerage payables	91,404	73,466	64,676	75,822	24	41	21
All other liabilities	98,768	114,726	106,323	111,634	(14)	(7)	(12)
Total liabilities	**870,496**	**901,672**	**881,996**	**1,001,350**	(3)	(1)	(13)
Total shareholders' equity	**42,402**	**37,825**	**35,498**	**34,774**	12	19	22
Noncontrolling interests	7,005	7,121	6,786	7,331	(2)	3	(4)
Total equity	**49,407**	**44,946**	**42,284**	**42,105**	10	17	17
Total liabilities and equity	**919,903**	**946,618**	**924,280**	**1,043,455**	(3)	0	(12)

Balance sheet

Total assets were CHF 919.9 billion as of the end of 2Q13, down CHF 26.7 billion, or 3%, from the end of 1Q13, reflecting measures taken in connection with our balance sheet reduction initiative announced in October 2012 and the foreign exchange translation impact. Excluding the foreign exchange translation impact, total assets decreased CHF 22.9 billion.

Compared to the end of 1Q13, trading assets decreased CHF 18.4 billion, or 7%, driven by decreases in debt and equity securities, partially offset by an increase in derivative instruments. Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions decreased CHF 7.1 billion, or 4%, primarily due to a decrease in reverse repurchase transactions. Net loans decreased CHF 2.8 billion, or 1%, reflecting decreases in loans to financial institutions, governments and public institutions and commercial and industrial loans in Investment Banking, partially offset by increases in loans collateralized by securities and residential mortgages in Private Banking & Wealth Management. Cash and due from banks was stable at CHF 56.6 billion. Brokerage receivables increased CHF 13.7 billion, or 23%, mainly due to higher cash collateral requirements under the Dodd-Frank Act. All other assets decreased CHF 11.5 billion, or 8%, including a decrease of CHF 11.5 billion in securities received as collateral.

Total liabilities were CHF 870.5 billion as of the end of 2Q13, down CHF 31.2 billion, or 3%, from the end of 1Q13, driven by a decrease from operating activities and the foreign exchange translation impact. Excluding the foreign exchange translation impact, total liabilities decreased CHF 28.6 billion.

Compared to the end of 1Q13, central bank funds purchased, securities sold under repurchase agreements and securities lending transactions decreased CHF 28.1 billion, or 22%, primarily reflecting a decrease in repurchase transactions. Long-term debt decreased CHF 9.6 billion, or 7%, mainly reflecting maturing of senior and subordinated debt, partly offset by issuances of senior debt. Due to banks decreased CHF 5.6 billion, or 16%, mainly driven by a decrease in demand deposits from commercial banks. Trading liabilities decreased CHF 1.6 billion, or 2%, reflecting a decrease in short trading positions, partially offset by an increase in derivative instruments. Brokerage payables increased CHF 17.9 billion, or 24%, mainly due to the higher cash collateral requirements. Customer deposits increased CHF 11.7 billion, or 4%, mainly driven by an increase in certificates of deposits. All other liabilities decreased CHF 16.0 billion, or 14%, including decreases of CHF 11.5 billion in obligations to return securities received as collateral and CHF 3.7 billion in short-term borrowings.

‣ Refer to "Funding sources and uses" in Liquidity and funding management and "Capital management" for further information, including our funding of the balance sheet and the leverage ratio.

Off-balance sheet

We enter into off-balance sheet arrangements in the normal course of business. Off-balance sheet arrangements are transactions or other contractual arrangements with, or for the benefit of, an entity that is not consolidated. These transactions include derivative instruments, guarantees and similar arrangements, retained or contingent interests in assets transferred to an unconsolidated entity in connection with our involvement with special purpose entities (SPEs), and obligations and liabilities (including contingent obligations and liabilities) under variable interests in unconsolidated entities that provide financing, liquidity, credit and other support.

‣ Refer to "Liquidity and funding management" in III – Treasury, Risk, Balance sheet and Off-balance sheet in the Credit Suisse Annual Report 2012 and "Note 25 – Guarantees and commitments" and "Note 29 – Litigation" in III – Condensed consolidated financial statements – unaudited for further information.

III

Condensed consolidated financial statements – unaudited

Notes to the condensed consolidated financial statements – unaudited

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Report of Independent Registered Public Accounting Firm to the Board of Directors of

Credit Suisse Group AG, Zurich

We have reviewed the accompanying condensed consolidated balance sheets of Credit Suisse Group AG and subsidiaries (the "Group") as of June 30, 2013 and 2012 and the related condensed consolidated statements of operations, changes in equity and comprehensive income for the three and six-month periods ended June 30, 2013 and 2012 and the related condensed consolidated statement of cash flows for the six-month periods ended June 30, 2013 and 2012. These condensed consolidated financial statements are the responsibility of the Group's management.

We conducted our reviews in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the condensed consolidated financial statements referred to above for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of the Group as of December 31, 2012, and the related consolidated statements of operations, changes in equity, comprehensive income and cash flows for the year then ended (not presented herein); and in our report dated March 22, 2013, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2012, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

KPMG AG

Simon Ryder
Licensed Audit Expert

Anthony Anzevino
Global Lead Partner

Zurich, Switzerland
July 31, 2013

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Condensed consolidated financial statements – unaudited

Consolidated statements of operations (unaudited)

in	2Q13	1Q13	2Q12	6M13	6M12
Consolidated statements of operations (CHF million)					
Interest and dividend income	6,219	4,824	7,044	11,043	12,339
Interest expense	(3,578)	(3,017)	(5,430)	(6,595)	(8,841)
Net interest income	2,641	1,807	1,614	4,448	3,498
Commissions and fees	3,611	3,328	3,116	6,939	6,278
Trading revenues	357	1,815	1,156	2,172	1,345
Other revenues	417	220	375	637	1,177
Net revenues	**7,026**	**7,170**	**6,261**	**14,196**	**12,298**
Provision for credit losses	**51**	**22**	**25**	**73**	**59**
Compensation and benefits	2,973	3,024	3,005	5,997	6,716
General and administrative expenses	1,901	1,754	1,673	3,655	3,326
Commission expenses	462	479	427	941	868
Total other operating expenses	2,363	2,233	2,100	4,596	4,194
Total operating expenses	**5,336**	**5,257**	**5,105**	**10,593**	**10,910**
Income before taxes	**1,639**	**1,891**	**1,131**	**3,530**	**1,329**
Income tax expense	475	510	311	985	295
Net income	**1,164**	**1,381**	**820**	**2,545**	**1,034**
Net income attributable to noncontrolling interests	119	78	32	197	202
Net income attributable to shareholders	**1,045**	**1,303**	**788**	**2,348**	**832**
Earnings per share (CHF)					
Basic earnings per share	**0.54**	**0.76**	**0.46**	**1.31**	**0.51**
Diluted earnings per share	**0.52**	**0.75**	**0.44**	**1.28**	**0.49**

Consolidated statements of comprehensive income (unaudited)

in	2Q13	1Q13	2Q12	6M13	6M12
Comprehensive income (CHF million)					
Net income	1,164	1,381	820	2,545	1,034
Gains/(losses) on cash flow hedges	(15)	2	(4)	(13)	10
Foreign currency translation	(166)	927	1,115	761	(2)
Unrealized gains/(losses) on securities	(14)	(7)	(47)	(21)	137
Actuarial gains/(losses)	81	70	46	151	119
Net prior service credit/(cost)	(31)	(27)	(14)	(58)	(36)
Other comprehensive income/(loss), net of tax	(145)	965	1,096	820	228
Comprehensive income	**1,019**	**2,346**	**1,916**	**3,365**	**1,262**
Comprehensive income attributable to noncontrolling interests	**110**	**205**	**217**	**315**	**208**
Comprehensive income attributable to shareholders	**909**	**2,141**	**1,699**	**3,050**	**1,054**

The accompanying notes to the condensed consolidated financial statements – unaudited are an integral part of these statements.

Consolidated balance sheets (unaudited)

end of	**2Q13**	1Q13	4Q12	2Q12
Assets (CHF million)				
Cash and due from banks	56,584	57,242	61,763	99,038
of which reported at fair value	386	575	569	475
of which reported from consolidated VIEs	1,592	1,934	1,750	1,324
Interest-bearing deposits with banks	1,563	1,781	1,945	2,328
of which reported at fair value	396	416	627	624
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	173,404	180,513	183,455	226,864
of which reported at fair value	99,972	106,474	113,664	148,721
of which reported from consolidated VIEs	1,336	0	117	118
Securities received as collateral, at fair value	21,675	33,199	30,045	30,191
of which encumbered	17,100	22,093	17,767	20,985
Trading assets, at fair value	245,834	264,201	256,399	284,058
of which encumbered	68,048	75,138	70,948	74,191
of which reported from consolidated VIEs	3,850	3,962	4,697	6,053
Investment securities	3,546	3,428	3,498	5,326
of which reported at fair value	3,546	3,428	3,498	5,324
of which reported from consolidated VIEs	175	20	23	34
Other investments	11,628	12,084	12,022	12,773
of which reported at fair value	8,603	9,053	8,994	9,710
of which reported from consolidated VIEs	2,196	2,339	2,289	2,327
Net loans	246,186	248,995	242,223	239,164
of which reported at fair value	19,570	22,652	20,000	20,515
of which encumbered	568	552	535	602
of which reported from consolidated VIEs	4,566	5,465	6,053	6,611
allowance for loan losses	(900)	(916)	(922)	(928)
Premises and equipment	5,459	5,593	5,618	6,846
of which reported from consolidated VIEs	561	565	581	609
Goodwill	8,554	8,584	8,389	8,665
Other intangible assets	237	256	243	278
of which reported at fair value	39	42	43	63
Brokerage receivables	72,247	58,538	45,768	50,411
Other assets	72,986	72,204	72,912	77,513
of which reported at fair value	38,168	35,746	37,275	37,002
of which encumbered	674	722	1,495	2,120
of which reported from consolidated VIEs	15,410	14,497	14,536	11,946
Total assets	**919,903**	**946,618**	**924,280**	**1,043,455**

The accompanying notes to the condensed consolidated financial statements – unaudited are an integral part of these statements.

Consolidated balance sheets (unaudited) (continued)

end of	2Q13	1Q13	4Q12	2Q12
Liabilities and equity (CHF million)				
Due to banks	29,440	35,033	31,014	41,325
of which reported at fair value	1,903	2,756	3,413	3,324
Customer deposits	328,389	316,681	308,312	312,683
of which reported at fair value	3,600	4,707	4,643	4,825
of which reported from consolidated VIEs	167	164	247	175
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	99,073	127,182	132,721	189,266
of which reported at fair value	79,443	102,500	108,784	143,714
Obligation to return securities received as collateral, at fair value	21,675	33,199	30,045	30,191
Trading liabilities, at fair value	89,917	91,490	90,816	115,782
of which reported from consolidated VIEs	106	111	125	1,256
Short-term borrowings	20,976	24,657	18,641	19,184
of which reported at fair value	5,620	5,941	4,513	4,456
of which reported from consolidated VIEs	4,450	8,443	9,582	7,095
Long-term debt	133,505	143,094	148,134	154,838
of which reported at fair value	63,942	64,547	65,384	66,952
of which reported from consolidated VIEs	15,450	14,508	14,532	13,860
Brokerage payables	91,404	73,466	64,676	75,822
Other liabilities	56,117	56,870	57,637	62,259
of which reported at fair value	23,740	25,233	26,871	29,818
of which reported from consolidated VIEs	1,140	1,208	1,228	681
Total liabilities	**870,496**	**901,672**	**881,996**	**1,001,350**
Common shares	64	54	53	51
Additional paid-in capital	27,196	23,808	23,636	21,930
Retained earnings	30,405	29,474	28,171	27,771
Treasury shares, at cost	(62)	(446)	(459)	(66)
Accumulated other comprehensive income/(loss)	(15,201)	(15,065)	(15,903)	(14,912)
Total shareholders' equity	**42,402**	**37,825**	**35,498**	**34,774**
Noncontrolling interests	7,005	7,121	6,786	7,331
Total equity	**49,407**	**44,946**	**42,284**	**42,105**
Total liabilities and equity	**919,903**	**946,618**	**924,280**	**1,043,455**

end of	2Q13	1Q13	4Q12	2Q12
Additional share information				
Par value (CHF)	0.04	0.04	0.04	0.04
Authorized shares [1]	2,269,616,660	2,118,134,039	2,118,134,039	2,118,134,039
Common shares issued	1,594,295,735	1,339,652,645	1,320,829,922	1,286,599,235
Treasury shares	(2,328,381)	(27,495,313)	(27,036,831)	(3,511,364)
Shares outstanding	1,591,967,354	1,312,157,332	1,293,793,091	1,283,087,871

[1] Includes issued shares and unissued shares (conditional, conversion and authorized capital).

Consolidated statements of changes in equity (unaudited)

	Common shares	Additional paid-in capital	Retained earnings	Treasury shares, at cost	Accumulated other comprehensive income	Total shareholders' equity	Non-controlling interests	Total equity
	Attributable to shareholders							
2Q13 (CHF million)								
Balance at beginning of period	**54**	**23,808**	**29,474**	**(446)**	**(15,065)**	**37,825**	**7,121**	**44,946**
Purchase of subsidiary shares from non-controlling interests, not changing ownership [1, 2]	–	–	–	–	–	–	(216)	(216)
Sale of subsidiary shares to noncontrolling interests, not changing ownership [2]	–	–	–	–	–	–	4	4
Net income/(loss)	–	–	1,045	–	–	1,045	117 [3]	1,162
Total other comprehensive income/(loss), net of tax	–	–	–	–	(136)	(136)	(9)	(145)
Issuance of common shares	10	3,704	–	–	–	3,714	–	3,714
Sale of treasury shares	–	(19)	–	3,510	–	3,491	–	3,491
Repurchase of treasury shares	–	–	–	(3,176)	–	(3,176)	–	(3,176)
Share-based compensation, net of tax	–	(25) [4]	–	50	–	25	–	25
Dividends paid	–	(269) [5]	(114)	–	–	(383)	(12)	(395)
Changes in redeemable noncontrolling interests	–	(3)	–	–	–	(3)	–	(3)
Balance at end of period	**64**	**27,196**	**30,405**	**(62)**	**(15,201)**	**42,402**	**7,005**	**49,407**

[1] Distributions to owners in funds include the return of original capital invested and any related dividends.
[2] Transactions with and without ownership changes related to fund activity are all displayed under "not changing ownership".
[3] Net income attributable to noncontrolling interests excludes CHF 2 million due to redeemable noncontrolling interests.
[4] Includes a net tax benefit of CHF 20 million from the excess fair value of shares delivered over recognized compensation expense.
[5] Paid out of reserves from capital contributions.

Consolidated statements of changes in equity (unaudited) (continued)

	Attributable to shareholders							
	Common shares	Additional paid-in capital	Retained earnings	Treasury shares, at cost	Accumu-lated other compre-hensive income	**Total share-holders' equity**	Non-controlling interests	**Total equity**
1Q13 (CHF million)								
Balance at beginning of period	**53**	**23,636**	**28,171**	**(459)**	**(15,903)**	**35,498**	**6,786**	**42,284**
Purchase of subsidiary shares from non-controlling interests, not changing ownership	–	–	–	–	–	–	(163)	(163)
Sale of subsidiary shares to noncontrolling interests, not changing ownership	–	–	–	–	–	–	294	294
Net income/(loss)	–	–	1,303	–	–	1,303	80	1,383
Total other comprehensive income/(loss), net of tax	–	–	–	–	838	838	127	965
Issuance of common shares	1	470	–	–	–	471	–	471
Sale of treasury shares	–	(26)	–	2,209	–	2,183	–	2,183
Repurchase of treasury shares	–	–	–	(2,303)	–	(2,303)	–	(2,303)
Share-based compensation, net of tax	–	(350)	–	107	–	(243)	–	(243)
Financial instruments indexed to own shares	–	80	–	–	–	80	–	80
Dividends paid	–	–	–	–	–	–	(11)	(11)
Changes in redeemable noncontrolling interests	–	(2)	–	–	–	(2)	–	(2)
Change in scope of consolidation, net	–	–	–	–	–	–	8	8
Balance at end of period	**54**	**23,808**	**29,474**	**(446)**	**(15,065)**	**37,825**	**7,121**	**44,946**

Consolidated statements of changes in equity (unaudited) (continued)

	Attributable to shareholders							
	Common shares	Additional paid-in capital	Retained earnings	Treasury shares, at cost	Accumu-lated other compre-hensive income	**Total share-holders' equity**	Non-controlling interests	**Total equity**
2Q12 (CHF million)								
Balance at beginning of period	**49**	**22,262**	**27,097**	**0**	**(15,823)**	**33,585**	**7,279**	**40,864**
Purchase of subsidiary shares from non-controlling interests, changing ownership	–	44	–	–	–	44	–	44
Purchase of subsidiary shares from non-controlling interests, not changing ownership	–	–	–	–	–	–	(194)	(194)
Sale of subsidiary shares to noncontrolling interests, not changing ownership	–	–	–	–	–	–	42	42
Net income/(loss)	–	–	788	–	–	788	32	820
Total other comprehensive income/(loss), net of tax	–	–	–	–	911	911	185	1,096
Issuance of common shares	2	1,317	–	–	–	1,319	–	1,319
Sale of treasury shares	–	(33)	–	1,955	–	1,922	–	1,922
Repurchase of treasury shares	–	–	–	(2,128)	–	(2,128)	–	(2,128)
Share-based compensation, net of tax	–	(594)	–	107	–	(487)	(1)	(488)
Financial instruments indexed to own shares	–	(57)	–	–	–	(57)	–	(57)
Dividends paid	–	(1,011)	(114)	–	–	(1,125)	(12)	(1,137)
Changes in redeemable noncontrolling interests	–	2	–	–	–	2	–	2
Balance at end of period	**51**	**21,930**	**27,771**	**(66)**	**(14,912)**	**34,774**	**7,331**	**42,105**

Consolidated statements of changes in equity (unaudited) (continued)

	Attributable to shareholders							
	Common shares	Additional paid-in capital	Retained earnings	Treasury shares, at cost	Accumu-lated other compre-hensive income	**Total share-holders' equity**	Non-controlling interests	**Total equity**
6M13 (CHF million)								
Balance at beginning of period	**53**	**23,636**	**28,171**	**(459)**	**(15,903)**	**35,498**	**6,786**	**42,284**
Purchase of subsidiary shares from non-controlling interests, not changing ownership [1, 2]	–	–	–	–	–	–	(379)	(379)
Sale of subsidiary shares to noncontrolling interests, not changing ownership [2]	–	–	–	–	–	–	298	298
Net income/(loss)	–	–	2,348	–	–	2,348	197	2,545
Total other comprehensive income/(loss), net of tax	–	–	–	–	702	702	118	820
Issuance of common shares	11	4,174	–	–	–	4,185	–	4,185
Sale of treasury shares	–	(45)	–	5,719	–	5,674	–	5,674
Repurchase of treasury shares	–	–	–	(5,479)	–	(5,479)	–	(5,479)
Share-based compensation, net of tax	–	(375) [3]	–	157	–	(218)	–	(218)
Financial instruments indexed to own shares [4]	–	80	–	–	–	80	–	80
Dividends paid	–	(269) [5]	(114)	–	–	(383)	(23)	(406)
Changes in redeemable noncontrolling interests	–	(5)	–	–	–	(5)	–	(5)
Change in scope of consolidation, net	–	–	–	–	–	–	8	8
Balance at end of period	**64**	**27,196**	**30,405**	**(62)**	**(15,201)**	**42,402**	**7,005**	**49,407**

1 Distributions to owners in funds include the return of original capital invested and any related dividends.
2 Transactions with and without ownership changes related to fund activity are all displayed under "not changing ownership".
3 Includes a net tax charge of CHF 10 million from the excess recognized compensation expense over fair value of shares delivered.
4 The Group had purchased certain call options on its own shares to economically hedge share-based compensation awards. In accordance with US GAAP, these call options were designated as equity instruments and, as such, were initially recognized in shareholders' equity at their fair values and not subsequently remeasured.
5 Paid out of reserves from capital contributions.

Consolidated statements of changes in equity (unaudited) (continued)

	Attributable to shareholders							
	Common shares	Additional paid-in capital	Retained earnings	Treasury shares, at cost	Accumu-lated other compre-hensive income	**Total share-holders' equity**	Non-controlling interests	**Total equity**
6M12 (CHF million)								
Balance at beginning of period	**49**	**21,796**	**27,053**	**(90)**	**(15,134)**	**33,674**	**7,411**	**41,085**
Purchase of subsidiary shares from non-controlling interests, changing ownership	–	44	–	–	–	44	–	44
Purchase of subsidiary shares from non-controlling interests, not changing ownership	–	–	–	–	–	–	(311)	(311)
Sale of subsidiary shares to noncontrolling interests, not changing ownership	–	–	–	–	–	–	49	49
Net income/(loss)	–	–	832	–	–	832	202	1,034
Total other comprehensive income/(loss), net of tax	–	–	–	–	222	222	6	228
Issuance of common shares	2	1,321	–	–	–	1,323	–	1,323
Sale of treasury shares	–	(1)	–	3,776	–	3,775	–	3,775
Repurchase of treasury shares	–	–	–	(3,862)	–	(3,862)	–	(3,862)
Share-based compensation, net of tax	–	(197)	–	110	–	(87)	(1)	(88)
Financial instruments indexed to own shares	–	(16)	–	–	–	(16)	–	(16)
Dividends paid	–	(1,011)	(114)	–	–	(1,125)	(25)	(1,150)
Changes in redeemable noncontrolling interests	–	(6)	–	–	–	(6)	–	(6)
Balance at end of period	**51**	**21,930**	**27,771**	**(66)**	**(14,912)**	**34,774**	**7,331**	**42,105**

Consolidated statements of cash flows (unaudited)

in	6M13	6M12
Operating activities of continuing operations (CHF million)		
Net income	**2,545**	**1,034**
Adjustments to reconcile net income/(loss) to net cash provided by/(used in) operating activities of continuing operations (CHF million)		
Impairment, depreciation and amortization	667	624
Provision for credit losses	73	59
Deferred tax provision	638	(106)
Share of net income from equity method investments	144	55
Trading assets and liabilities, net	17,098	(13,657)
(Increase)/decrease in other assets	(26,428)	(6,407)
Increase/(decrease) in other liabilities	22,101	6,340
Other, net	(2,224)	1,636
Total adjustments	12,069	(11,456)
Net cash provided by/(used in) operating activities of continuing operations	**14,614**	**(10,422)**
Investing activities of continuing operations (CHF million)		
(Increase)/decrease in interest-bearing deposits with banks	529	(182)
(Increase)/decrease in central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	14,007	10,374
Purchase of investment securities	(212)	(208)
Proceeds from sale of investment securities	36	339
Maturities of investment securities	92	167
Investments in subsidiaries and other investments	(901)	(688)
Proceeds from sale of other investments	1,617	1,112
(Increase)/decrease in loans	(3,598)	(5,975)
Proceeds from sales of loans	484	522
Capital expenditures for premises and equipment and other intangible assets	(440)	(670)
Proceeds from sale of premises and equipment and other intangible assets	8	8
Other, net	(2)	2,039
Net cash provided by/(used in) investing activities of continuing operations	**11,620**	**6,838**

The accompanying notes to the condensed consolidated financial statements – unaudited are an integral part of these statements.

Consolidated statements of cash flows (unaudited) (continued)

in	6M13	6M12
Financing activities of continuing operations (CHF million)		
Increase/(decrease) in due to banks and customer deposits	15,593	(2,035)
Increase/(decrease) in short-term borrowings	5,896	(7,814)
Increase/(decrease) in central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(37,364)	11,587
Issuances of long-term debt	17,259	19,667
Repayments of long-term debt	(33,622)	(28,420)
Issuances of common shares	928	1,323
Sale of treasury shares	5,128	3,775
Repurchase of treasury shares	(5,479)	(3,862)
Dividends paid	(406)	(1,151)
Other, net	(464)	(780)
Net cash provided by/(used in) financing activities of continuing operations	**(32,531)**	**(7,710)**
Effect of exchange rate changes on cash and due from banks (CHF million)		
Effect of exchange rate changes on cash and due from banks	**1,118**	**(241)**
Net increase/(decrease) in cash and due from banks (CHF million)		
Net increase/(decrease) in cash and due from banks	**(5,179)**	**(11,535)**
Cash and due from banks at beginning of period	61,763	110,573
Cash and due from banks at end of period	**56,584**	**99,038**

Supplemental cash flow information (unaudited)

in	6M13	6M12
Cash paid for income taxes and interest (CHF million)		
Cash paid for income taxes	475	527
Cash paid for interest	6,596	8,578
Assets acquired and liabilities assumed in business acquisitions (CHF million)		
Fair value of assets acquired	0	2,418
Fair value of liabilities assumed	0	2,418
Assets and liabilities sold in business divestitures (CHF million)		
Assets sold	36	0
Liabilities sold	8	0

Notes to the condensed consolidated financial statements – unaudited

Note 1 Summary of significant accounting policies

Basis of presentation

The accompanying unaudited condensed consolidated financial statements of Credit Suisse Group AG (the Group) are prepared in accordance with accounting principles generally accepted in the US (US GAAP) and are stated in Swiss francs (CHF). These condensed consolidated financial statements should be read in conjunction with the US GAAP consolidated financial statements and notes thereto for the year ended December 31, 2012 included in the Credit Suisse Annual Report 2012.

▸ Refer to "Note 1 – Summary of significant accounting policies" in V – Consolidated financial statements – Credit Suisse Group in the Credit Suisse Annual Report 2012 for a description of the Group's significant accounting policies.

Certain financial information, which is normally included in annual consolidated financial statements prepared in accordance with US GAAP, but not required for interim reporting purposes, has been condensed or omitted. Certain reclassifications have been made to the prior period's consolidated financial statements to conform to the current period's presentation. These condensed consolidated financial statements reflect, in the opinion of management, all adjustments that are necessary for a fair presentation of the condensed consolidated financial statements for the periods presented. The 1Q13 consolidated statements of operations and comprehensive income, the 1Q13 and 2Q12 consolidated balance sheets and the 2Q13, 1Q13 and 2Q12 consolidated statements of changes in equity have been added for convenience of the reader and are not a required presentation under US GAAP. The results of operations for interim periods are not indicative of results for the entire year.

In preparing these condensed consolidated financial statements, management is required to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the condensed consolidated balance sheets and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 Recently issued accounting standards

Recently adopted accounting standards

The following provides the most relevant recently adopted accounting standards.

▸ Refer to "Note 2 – Recently issued accounting standards" in V – Consolidated financial statements – Credit Suisse Group in the Credit Suisse Annual Report 2012 for a description of accounting standards adopted in 2012.

ASC Topic 210 – Balance Sheet

In December 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2011-11, "Disclosures about Offsetting Assets and Liabilities" (ASU 2011-11), an update to Accounting Standards Codification (ASC) Topic 210 – Balance Sheet. The amendments in ASU 2011-11 require an entity to prepare additional disclosures about offsetting and related arrangements. In January 2013, the FASB issued ASU 2013-01, "Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities" (ASU 2013-01), an update to ASC Topic 210 – Balance Sheet. ASU 2013-01 clarifies the scope of ASU 2011-11. The adoption of ASU 2011-11 and ASU 2013-01 on January 1, 2013 did not have an impact on the Group's financial position, results of operations or cash flows.

▸ Refer to "Note 20 – Offsetting of financial assets and financial liabilities" for further information.

ASC Topic 220 – Comprehensive Income

In January 2013, the FASB issued ASU 2013-02, "Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income" (ASU 2013-02), an update to ASC Topic 220 – Comprehensive Income. The amendments require an entity to provide information about the amounts reclassified out of accumulated other comprehensive income (AOCI) by component. The adoption of ASU 2013-02 on January 1, 2013 did not have an impact on the Group's financial position, results of operations or cash flows.

▸ Refer to "Note 19 – Accumulated other comprehensive income and additional share information" for further information.

In June 2011, the FASB issued ASU 2011-05, "Presentation of Comprehensive Income" (ASU 2011-05), an update to ASC Topic 220 – Comprehensive Income. ASU 2011-05 provides the entity with an option to present total comprehensive income either in a single continuous statement or in two separate but consecutive statements. The adoption of ASU 2011-05 on January 1, 2012 did not have an impact on the Group's financial position, results of operations or cash flows.

ASC Topic 360 – Property, Plant and Equipment

In December 2011, the FASB issued ASU 2011-10, "Derecognition of in Substance Real Estate – a Scope Clarification, a consensus of the FASB Emerging Issues Task Force" (ASU 2011-10), an update to ASC Topic 360 – Property, Plant and Equipment. The ASU specifies that the guidance in ASC Subtopic 360-20, Property, Plant and Equipment – Real Estate Sales, would apply to an entity that ceases to have a controlling financial interest in a subsidiary that is in substance real estate as a result of default on the subsidiary's non-recourse debt. The adoption of ASU 2011-10 on July 1, 2012 did not have a material impact on the Group's financial position, results of operations or cash flows.

ASC Topic 830 – Foreign Currency Matters

In March 2013, the FASB issued ASU 2013-05, "Parent's Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity" (ASU 2013-05), an update to ASC Topic 830 – Foreign Currency Matters. The amendments provide guidance for the treatment of the cumulative translation adjustment when an entity ceases to hold a controlling financial interest in a subsidiary or group of assets within a foreign entity. ASU 2013-05 is effective prospectively for interim and annual reporting periods beginning after December 15, 2013 with early adoption permitted. The Group elected to early adopt ASU 2013-05 on January 1, 2013 which did not have a material impact on the Group's financial position, results of operations or cash flows.

Standards to be adopted in future periods

ASC Topic 946 – Financial Services – Investment Companies

In June 2013, the FASB issued ASU 2013-08, "Amendments to the Scope, Measurement, and Disclosure Requirements" (ASU 2013-08) an update to Topic 946 – Financial Services – Investment Companies. The amendments change the approach to the investment company assessment in Topic 946, clarify the characteristics of an investment company and provide comprehensive guidance for assessing whether an entity is an investment company. ASU 2013-08 is effective for interim and annual reporting periods beginning after December 15, 2013. The Group is currently evaluating the impact of adoption of ASU 2013-08 on the Group's financial position, results of operations or cash flows.

Note 3 Business developments and subsequent events

On July 1, 2013, the sale of Credit Suisse's ETF business to BlackRock was completed. Related gains of approximately CHF 140 million will be recognized in 3Q13.

In April 2013, Credit Suisse announced an agreement to sell Strategic Partners, Credit Suisse's dedicated secondary private equity business, to Blackstone. The transaction is expected to close in 3Q13.

On April 8, 2013, Credit Suisse Group AG settled and delivered 233,452,670 of Group shares in connection with the conversion of CHF 3.8 billion of MACCS. Those shares consisted of 199,964,015 newly issued shares and 33,488,655 treasury shares. Settlement of the MACCS with registered shares utilizing authorized capital decreased debt liabilities and increased shareholders' equity.

Note 4 Discontinued operations

The Group did not discontinue any material operations in 2Q13.

Note 5 **Segment information**

Overview

The Group is a global financial services company domiciled in Switzerland. The Group's business consists of two segments: Private Banking & Wealth Management and Investment Banking. The two segments are complemented by Shared Services, which provides support in the areas of finance, operations, human resources, legal and compliance, risk management and IT. Corporate Center includes parent company operations such as Group financing, expenses for projects sponsored by the Group and certain expenses that have not been allocated to the segments. In addition, Corporate Center includes consolidation and elimination adjustments required to eliminate intercompany revenues and expenses. Beginning in 1Q13, segment assets exclude intra-Group balances between the segments. Prior periods have been reclassified to conform to the current presentation.

▸ Refer to "Note 5 – Segment information" in V – Consolidated financial statements – Credit Suisse Group in the Credit Suisse Annual Report 2012 for further information on segment information, revenue sharing and cost allocation, funding and taxes.

Net revenues and income before taxes

in	**2Q13**	1Q13	2Q12	**6M13**	6M12
Net revenues (CHF million)					
Private Banking & Wealth Management	3,424	3,285	3,398	6,709	6,873
Investment Banking	3,400	3,945	2,751	7,345	6,710
Corporate Center	80	(131)	78	(51)	(1,488)
Noncontrolling interests without SEI	122	71	34	193	203
Net revenues	**7,026**	**7,170**	**6,261**	**14,196**	**12,298**
Income/(loss) before taxes (CHF million)					
Private Banking & Wealth Management	917	881	977	1,798	1,928
Investment Banking	754	1,300	314	2,054	1,221
Corporate Center	(137)	(359)	(180)	(496)	(1,998)
Noncontrolling interests without SEI	105	69	20	174	178
Income/(loss) before taxes	**1,639**	**1,891**	**1,131**	**3,530**	**1,329**

Total assets

end of	**2Q13**	1Q13	4Q12	2Q12
Total assets (CHF million)				
Private Banking & Wealth Management	279,340	284,588	275,683	277,922
Investment Banking	561,980	582,272	563,758	650,591
Corporate Center	74,316	75,339	80,733	110,350
Noncontrolling interests without SEI	4,267	4,419	4,106	4,592
Total assets	**919,903**	**946,618**	**924,280**	**1,043,455**

Beginning in 1Q13, segment assets exclude intra-Group balances between the segments. Prior periods have been reclassified to conform to the current presentation.

Note 6 **Net interest income**

in	2Q13	1Q13	2Q12	6M13	6M12
Net interest income (CHF million)					
Loans	1,210	1,190	1,232	2,400	2,445
Investment securities	13	12	26	25	47
Trading assets	3,705	2,425	4,418	6,130	7,084
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	705	671	786	1,376	1,558
Other	586	526	582	1,112	1,205
Interest and dividend income	6,219	4,824	7,044	11,043	12,339
Deposits	(258)	(259)	(353)	(517)	(741)
Short-term borrowings	(17)	(80)	(16)	(97)	(36)
Trading liabilities	(1,855)	(1,243)	(3,278)	(3,098)	(4,552)
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(397)	(336)	(527)	(733)	(897)
Long-term debt	(985)	(1,044)	(1,177)	(2,029)	(2,464)
Other	(66)	(55)	(79)	(121)	(151)
Interest expense	(3,578)	(3,017)	(5,430)	(6,595)	(8,841)
Net interest income	**2,641**	**1,807**	**1,614**	**4,448**	**3,498**

Note 7 **Commissions and fees**

in	2Q13	1Q13	2Q12	6M13	6M12
Commissions and fees (CHF million)					
Lending business	489	441	364	930	671
Investment and portfolio management	1,068	975	1,019	2,043	1,988
Other securities business	26	27	24	53	45
Fiduciary business	1,094	1,002	1,043	2,096	2,033
Underwriting	479	419	311	898	722
Brokerage	1,121	1,048	896	2,169	1,885
Underwriting and brokerage	1,600	1,467	1,207	3,067	2,607
Other services	428	418	502	846	967
Commissions and fees	**3,611**	**3,328**	**3,116**	**6,939**	**6,278**

Note 8 Trading revenues

in	2Q13	1Q13	2Q12	6M13	6M12
Trading revenues (CHF million)					
Interest rate products	(1,109)	1,697	636	588	304
Foreign exchange products	519	384	(554)	903	483
Equity/index-related products	571	(82)	757	489	942
Credit products	316	(360)	162	(44)	(828)
Commodity, emission and energy products	148	43	17	191	88
Other products	(88)	133	138	45	356
Trading revenues	**357**	**1,815**	**1,156**	**2,172**	**1,345**

Represents revenues on a product basis which are not representative of business results within segments, as segment results utilize financial instruments across various product types.

▸ Refer to "Note 8 – Trading revenues" in V – Consolidated financial statements – Credit Suisse Group in the Credit Suisse Annual Report 2012 for further information on trading revenues and managing trading risks.

Note 9 Other revenues

in	2Q13	1Q13	2Q12	6M13	6M12
Other revenues (CHF million)					
Noncontrolling interests without SEI	152	64	50	216	194
Loans held-for-sale	2	(5)	(9)	(3)	(19)
Long-lived assets held-for-sale	(7)	(15)	(1)	(22)	(3)
Equity method investments	30	36	33	66	64
Other investments	82	57	130	139	362
Other	158	83	172	241	579
Other revenues	**417**	**220**	**375**	**637**	**1,177**

Note 10 Provision for credit losses

in	2Q13	1Q13	2Q12	6M13	6M12
Provision for credit losses (CHF million)					
Provision for loan losses	49	20	24	69	51
Provision for lending-related and other exposures	2	2	1	4	8
Provision for credit losses	**51**	**22**	**25**	**73**	**59**

Note 11 Compensation and benefits

in	2Q13	1Q13	2Q12	6M13	6M12
Compensation and benefits (CHF million)					
Salaries and variable compensation	2,504	2,611	2,571	5,115	5,885
Social security	229	222	247	451	466
Other [1]	240	191	187	431	365
Compensation and benefits [2]	**2,973**	**3,024**	**3,005**	**5,997**	**6,716**

[1] Includes pension and other post-retirement expense of CHF 157 million, CHF 110 million, CHF 129 million, CHF 267 million and CHF 241 million in 2Q13, 1Q13, 2Q12, 6M13 and 6M12, respectively.
[2] Includes severance and other compensation expense relating to headcount reductions of CHF 90 million, CHF 67 million, CHF 123 million, CHF 157 million and CHF 168 million as of 2Q13, 1Q13, 2Q12, 6M13 and 6M12, respectively.

Note 12 General and administrative expenses

in	2Q13	1Q13	2Q12	6M13	6M12
General and administrative expenses (CHF million)					
Occupancy expenses	287	290	308	577	596
IT, machinery, etc.	377	385	372	762	715
Provisions and losses	273	170	13	443	82
Travel and entertainment	92	89	101	181	191
Professional services	466	454	473	920	908
Amortization and impairment of other intangible assets	7	6	7	13	21
Other	399	360	399	759	813
General and administrative expenses	**1,901**	**1,754**	**1,673**	**3,655**	**3,326**

Note 13 **Earnings per share**

in	2Q13	1Q13	2Q12	6M13	6M12
Basic net income attributable to shareholders (CHF million)					
Net income attributable to shareholders	**1,045**	**1,303**	**788**	**2,348**	**832**
Preferred securities dividends	(114)	–	(114)	(114)	(114)
Net income attributable to shareholders for basic earnings per share	**931**	**1,303**	**674**	**2,234**	**718**
Available for common shares	852	1,033	615	1,918	659
Available for unvested share-based payment awards	70	93	59	164	59
Available for mandatory convertible securities [1]	9	177	–	152	–
Diluted net income attributable to shareholders (CHF million)					
Net income attributable to shareholders for basic earnings per share	**931**	**1,303**	**674**	**2,234**	**718**
Income impact of assumed conversion on contracts that may be settled in shares or cash [2]	(17)	(5)	(13)	(22)	(14)
Net income attributable to shareholders for diluted earnings per share	**914**	**1,298**	**661**	**2,212**	**704**
Available for common shares	838	1,033	602	1,904	645
Available for unvested share-based payment awards	67	92	59	160	59
Available for mandatory convertible securities [1]	9	173	–	148	–
Weighted-average shares outstanding (million)					
Weighted-average shares outstanding for basic earnings per share available for common shares	**1,574.9**	**1,354.6**	**1,323.0**	**1,464.8**	**1,304.0**
Dilutive contracts that may be settled in shares or cash [3]	23.1	24.9	26.4	23.5	16.7
Dilutive share options and warrants	1.9	2.0	6.4	1.9	5.5
Dilutive share awards	1.5	1.8	1.7	1.7	1.7
Weighted-average shares outstanding for diluted earnings per share available for common shares [4]	**1,601.4**	**1,383.3**	**1,357.5**	**1,491.9**	**1,327.9**
Weighted-average shares outstanding for basic/diluted earnings per share available for unvested share-based payment awards	**130.0**	**122.6**	**90.1**	**126.3**	**85.6**
Weighted-average shares outstanding for basic/diluted earnings per share available for mandatory convertible securities [1]	**20.4**	**231.8**	**–**	**126.1**	**–**
Earnings per share available for common shares (CHF)					
Basic earnings per share available for common shares	**0.54**	**0.76**	**0.46**	**1.31**	**0.51**
Diluted earnings per share available for common shares	**0.52**	**0.75**	**0.44**	**1.28**	**0.49**

Prior periods have been adjusted to reflect the increase in the number of shares outstanding that arose from the 2Q13 stock dividend, as required under US GAAP.

1 Reflects MACCS issued in July 2012 that were mandatorily convertible into shares on March 29, 2013, which shares were settled and delivered on April 8, 2013.

2 Reflects changes in the fair value of the PAF2 units which are reflected in the net profit of the Group until the awards are finally settled.

3 Reflects weighted-average shares outstanding on PAF2 units.

4 Weighted-average potential common shares relating to instruments that were not dilutive for the respective periods (and therefore not included in the diluted earnings per share calculation above) but could potentially dilute earnings per share in the future were 12.1 million, 13.7 million, 23.5 million, 12.9 million and 26.0 million for 2Q13, 1Q13, 2Q12, 6M13 and 6M12, respectively.

Note 14 Trading assets and liabilities

end of	**2Q13**	1Q13	4Q12	2Q12
Trading assets (CHF million)				
Debt securities	116,923	132,709	135,871	160,166
Equity securities [1]	78,281	85,087	74,895	68,829
Derivative instruments [2]	39,240	33,312	33,208	42,014
Other	11,390	13,093	12,425	13,049
Trading assets	**245,834**	**264,201**	**256,399**	**284,058**
Trading liabilities (CHF million)				
Short positions	49,214	52,348	51,303	67,239
Derivative instruments [2]	40,703	39,142	39,513	48,543
Trading liabilities	**89,917**	**91,490**	**90,816**	**115,782**

[1] Including convertible bonds.
[2] Amounts shown net of cash collateral receivables and payables.

Cash collateral on derivative instruments

end of	**2Q13**	1Q13	4Q12	2Q12
Cash collateral – netted (CHF million) [1]				
Cash collateral paid	31,514	35,137	36,662	39,816
Cash collateral received	28,102	31,626	33,373	37,637
Cash collateral – not netted (CHF million) [2]				
Cash collateral paid	10,212	12,030	10,904	13,221
Cash collateral received	13,047	13,399	12,224	12,978

[1] Recorded as cash collateral netting on derivative instruments in Note 20 – Offsetting of financial assets and financial liabilities.
[2] Recorded as cash collateral on derivative instruments in Note 17 – Other assets and other liabilities.

Note 15 **Investment securities**

end of	**2Q13**	1Q13	4Q12	2Q12
Investment securities (CHF million)				
Debt securities held-to-maturity	0	0	0	2
Securities available-for-sale	3,546	3,428	3,498	5,324
Total investment securities	**3,546**	**3,428**	**3,498**	**5,326**

Investment securities by type

				2Q13				4Q12
end of	Amortized cost	Gross unrealized gains	Gross unrealized losses	**Fair value**	Amortized cost	Gross unrealized gains	Gross unrealized losses	**Fair value**
Investment securities by type (CHF million)								
Debt securities issued by the Swiss federal, cantonal or local governmental entities	436	17	2	451	452	31	0	483
Debt securities issued by foreign governments	1,544	55	0	1,599	1,523	82	0	1,605
Corporate debt securities	774	18	0	792	823	22	0	845
Collateralized debt obligations	593	14	0	607	448	22	0	470
Debt securities available-for-sale	3,347	104	2	3,449	3,246	157	0	3,403
Banks, trust and insurance companies	75	16	0	91	73	14	0	87
Industry and all other	6	0	0	6	8	0	0	8
Equity securities available-for-sale	81	16	0	97	81	14	0	95
Securities available-for-sale	**3,428**	**120**	**2**	**3,546**	**3,327**	**171**	**0**	**3,498**

Gross unrealized losses on investment securities and the related fair value

	Less than 12 months		12 months or more		**Total**	
end of	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses
2Q13 (CHF million)						
Debt securities issued by the Swiss federal, cantonal or local governmental entities	110	2	0	0	110	2
Debt securities available-for-sale	**110**	**2**	**0**	**0**	**110**	**2**

There were no unrealized losses on investment securities as of the end of 4Q12. No significant impairment charges were recorded as the Group does not intend to sell the investments, nor is it more likely than not that the Group will be required to sell the investments before the recovery of their amortized cost bases, which may be maturity.

Proceeds from sales, realized gains and realized losses from available-for-sale securities

	6M13		6M12	
in	Debt securities	Equity securities	Debt securities	Equity securities
Additional information (CHF million)				
Proceeds from sales	27	9	9	330
Realized gains	0	0	1	154

Amortized cost, fair value and average yield of debt securities

	Debt securities available-for-sale		
end of	Amortized cost	Fair value	Average yield (in %)
2Q13 (CHF million)			
Due within 1 year	1,170	1,172	2.86
Due from 1 to 5 years	1,394	1,465	2.76
Due from 5 to 10 years	664	686	1.45
Due after 10 years	119	126	2.22
Total debt securities	**3,347**	**3,449**	**2.52**

Note 16 Loans, allowance for loan losses and credit quality

Loans are divided in two portfolio segments, "consumer" and "corporate & institutional". Consumer loans are disaggregated into the classes of mortgages, loans collateralized by securities and consumer finance. Corporate & institutional loans are disaggregated into the classes of real estate, commercial and industrial loans, financial institutions and governments and public institutions.

The determination of the loan classes is primarily driven by the customer segmentation in the two business divisions, Private Banking & Wealth Management and Investment Banking, both of which are engaged in credit activities.

The Group assigns both counterparty and transaction ratings to its credit exposures. The counterparty rating reflects the probability of default of the counterparty. The transaction rating reflects the expected loss, considering collateral, on a given transaction if the counterparty defaults. Credit risk is assessed and monitored on the single obligor and single obligation level as well as on the credit portfolio level as represented by the classes of loans. Credit limits are used to manage counterparty credit risk.

▸ Refer to "Note 18 – Loans, allowance for loan losses and credit quality" in V – Consolidated financial statements – Credit Suisse Group in the Credit Suisse Annual Report 2012 for further information on loans, allowance for loan losses, credit quality and impaired loans.

Loans

end of	**2Q13**	1Q13	4Q12	2Q12
Loans (CHF million)				
Mortgages	93,602	92,703	91,872	90,618
Loans collateralized by securities	30,316	29,251	27,363	26,281
Consumer finance	7,368	7,461	6,901	7,176
Consumer	131,286	129,415	126,136	124,075
Real estate	26,971	26,561	26,725	26,116
Commercial and industrial loans	63,348	64,833	62,709	61,813
Financial institutions	22,316	24,544	24,905	25,256
Governments and public institutions	3,255	4,642	2,729	2,903
Corporate & institutional	115,890	120,580	117,068	116,088
Gross loans	**247,176**	**249,995**	**243,204**	**240,163**
of which held at amortized cost	227,606	227,343	223,204	219,648
of which held at fair value	19,570	22,652	20,000	20,515
Net (unearned income)/deferred expenses	(90)	(84)	(59)	(71)
Allowance for loan losses	(900)	(916)	(922)	(928)
Net loans	**246,186**	**248,995**	**242,223**	**239,164**
Gross loans by location (CHF million)				
Switzerland	150,810	151,362	151,226	149,042
Foreign	96,366	98,633	91,978	91,121
Gross loans	**247,176**	**249,995**	**243,204**	**240,163**
Impaired loan portfolio (CHF million)				
Non-performing loans	904	929	859	921
Non-interest-earning loans	305	324	313	298
Total non-performing and non-interest-earning loans	1,209	1,253	1,172	1,219
Restructured loans	20	20	30	36
Potential problem loans	444	508	527	519
Total other impaired loans	464	528	557	555
Gross impaired loans	**1,673**	**1,781**	**1,729**	**1,774**

Allowance for loan losses by loan portfolio

			2Q13			1Q13			2Q12
	Consumer	Corporate & institutional	**Total**	Consumer	Corporate & institutional	**Total**	Consumer	Corporate & institutional	**Total**
Allowance for loan losses (CHF million)									
Balance at beginning of period	**285**	**631**	**916**	**288**	**634**	**922**	**295**	**613**	**908**
Net movements recognized in statements of operations	15	34	49	21	(1)	20	25	(1)	24
Gross write-offs	(27)	(72)	(99)	(33)	(21)	(54)	(22)	(22)	(44)
Recoveries	7	22	29	5	2	7	3	9	12
Net write-offs	(20)	(50)	(70)	(28)	(19)	(47)	(19)	(13)	(32)
Provisions for interest	0	6	6	2	5	7	2	2	4
Foreign currency translation impact and other adjustments, net	2	(3)	(1)	2	12	14	1	23	24
Balance at end of period	**282**	**618**	**900**	**285**	**631**	**916**	**304**	**624**	**928**
of which individually evaluated for impairment	229	447	676	232	457	689	239	443	682
of which collectively evaluated for impairment	53	171	224	53	174	227	65	181	246
Gross loans held at amortized cost (CHF million)									
Balance at end of period	**131,276**	**96,330**	**227,606**	**129,405**	**97,938**	**227,343**	**124,064**	**95,584**	**219,648**
of which individually evaluated for impairment [1]	607	1,066	1,673	646	1,135	1,781	635	1,139	1,774
of which collectively evaluated for impairment	130,669	95,264	225,933	128,759	96,803	225,562	123,429	94,445	217,874

			6M13			6M12
	Consumer	Corporate & institutional	**Total**	Consumer	Corporate & institutional	**Total**
Allowance for loan losses (CHF million)						
Balance at beginning of period	**288**	**634**	**922**	**289**	**621**	**910**
Net movements recognized in statements of operations	36	33	69	47	4	51
Gross write-offs	(60)	(93)	(153)	(48)	(39)	(87)
Recoveries	12	24	36	14	17	31
Net write-offs	(48)	(69)	(117)	(34)	(22)	(56)
Provisions for interest	2	11	13	5	7	12
Foreign currency translation impact and other adjustments, net	4	9	13	(3)	14	11
Balance at end of period	**282**	**618**	**900**	**304**	**624**	**928**

[1] Represents gross impaired loans both with and without a specific allowance.

Purchases, reclassifications and sales

			2Q13			1Q13			2Q12
in	Consumer	Corporate & institutional	**Total**	Consumer	Corporate & institutional	**Total**	Consumer	Corporate & institutional	**Total**
Loans held at amortized cost (CHF million)									
Purchases [1]	0	423	423	0	1,692	1,692	348	2,445	2,793
Reclassifications from loans held-for-sale [2]	0	62	62	0	44	44	0	85	85
Reclassifications to loans held-for-sale [3]	0	132	132	0	176	176	0	341	341
Sales [3]	0	70	70	0	117	117	0	264	264

			6M13			6M12
in	Consumer	Corporate & institutional	**Total**	Consumer	Corporate & institutional	**Total**
Loans held at amortized cost (CHF million)						
Purchases [1]	0	2,115	2,115	348	3,361	3,709
Reclassifications from loans held-for-sale [2]	0	106	106	0	85	85
Reclassifications to loans held-for-sale [3]	0	308	308	0	816	816
Sales [3]	0	187	187	0	707	707

[1] Includes drawdowns under purchased loan commitments.
[2] Includes loans previously reclassified to held-for-sale that were not sold and were reclassified back to loans held-to-maturity.
[3] All loans held at amortized cost which are sold are reclassified to loans held-for-sale on or prior to the date of the sale.

Credit quality of loans held at amortized cost

Management monitors the credit quality of loans through its credit risk management processes, which are structured to assess, quantify, measure, monitor and manage risk on a consistent basis. This process requires careful consideration of proposed extensions of credit, the setting of specific limits, monitoring during the life of the exposure, active use of credit mitigation tools and a disciplined approach to recognizing credit impairment.

Management evaluates many factors when assessing the credit quality of loans. These factors include the volatility of default probabilities, rating changes, the magnitude of potential loss, internal risk ratings, and geographic, industry and other economic factors. For the purpose of credit quality disclosures, the Group uses internal risk ratings as credit quality indicators.

The Group employs a set of credit ratings for the purpose of internally rating counterparties. Credit ratings are intended to reflect the risk of default of each obligor or counterparty. Ratings are assigned based on internally developed rating models and processes, which are subject to governance and internally independent validation procedures.

▸ Refer to “Credit quality of loans held at amortized cost” in V – Consolidated financial statements – Credit Suisse Group – Note 18 – Loans, allowance for loan losses and credit quality in the Credit Suisse Annual Report 2012 for further information on internal ratings and the scope of the credit quality disclosures.

Gross loans held at amortized cost by internal counterparty rating

end of	AAA	AA	A	BBB	BB	B	CCC	CC	C	D	**Total**
2Q13 (CHF million)											
Mortgages	305	2,287	16,855	55,857	17,125	921	45	3	0	204	93,602
Loans collateralized by securities	237	443	2,697	24,718	2,079	39	7	0	0	96	30,316
Consumer finance	0	51	234	3,487	2,255	839	65	0	153	274	7,358
Consumer	542	2,781	19,786	84,062	21,459	1,799	117	3	153	574	131,276
Real estate	274	805	3,640	13,278	7,954	363	3	0	0	86	26,403
Commercial and industrial loans	209	704	1,924	21,403	23,235	3,626	323	0	28	807	52,259
Financial institutions	2,206	2,086	3,176	5,937	1,891	741	1	0	0	115	16,153
Governments and public institutions	91	295	214	464	126	88	237	0	0	0	1,515
Corporate & institutional	2,780	3,890	8,954	41,082	33,206	4,818	564	0	28	1,008	96,330
Gross loans held at amortized cost	**3,322**	**6,671**	**28,740**	**125,144**	**54,665**	**6,617**	**681**	**3**	**181**	**1,582**	**227,606**
Value of collateral [1]	2,865	4,953	26,053	114,761	46,507	3,613	181	3	24	808	199,768
4Q12 (CHF million)											
Mortgages	387	730	12,176	58,491	19,255	599	13	9	0	212	91,872
Loans collateralized by securities	79	57	948	23,357	2,728	92	6	1	0	95	27,363
Consumer finance	0	6	100	3,324	2,065	901	39	0	129	325	6,889
Consumer	466	793	13,224	85,172	24,048	1,592	58	10	129	632	126,124
Real estate	261	374	2,199	14,537	8,759	195	0	0	0	55	26,380
Commercial and industrial loans	238	325	1,580	22,040	23,070	3,467	209	1	47	763	51,740
Financial institutions	2,288	2,087	4,661	5,260	2,569	382	0	33	14	147	17,441
Governments and public institutions	131	50	360	521	127	101	229	0	0	0	1,519
Corporate & institutional	2,918	2,836	8,800	42,358	34,525	4,145	438	34	61	965	97,080
Gross loans held at amortized cost	**3,384**	**3,629**	**22,024**	**127,530**	**58,573**	**5,737**	**496**	**44**	**190**	**1,597**	**223,204**
Value of collateral [1]	2,918	2,616	19,526	116,583	48,342	3,210	189	44	15	791	194,234

[1] Includes the value of collateral up to the amount of the outstanding related loans. For mortgages, collateral values are generally values at the time of granting the loan.

Value of collateral

In Private Banking & Wealth Management, all collateral values for loans are regularly reviewed according to our risk management policies and directives, with maximum review periods determined by market liquidity, market transparency and appraisal costs. For example, traded securities are revalued on a daily basis and property values are appraised over a period of more than one year considering the characteristics of the borrower, current developments in the relevant real estate market and the current level of credit exposure to the borrower. If the credit exposure to a borrower has changed significantly, in volatile markets or in times of increasing general market risk, collateral values may be appraised more frequently. Management judgment is applied in assessing whether markets are volatile or general market risk has increased to a degree that warrants a more frequent update of collateral values. Movements in monitored risk metrics that are statistically different compared to historical experience are considered in addition to analysis of externally-provided forecasts, scenario techniques and macro-economic research. For impaired loans, the fair value of collateral is determined within 90 days of the date the impairment was identified and thereafter regularly revalued by Group credit risk management within the impairment review process.

In Investment Banking, few loans are collateral dependent. The collateral values for these loans are appraised on at least an annual basis, or when a loan-relevant event occurs.

Gross loans held at amortized cost – aging analysis

	Current	Past due					
end of		Up to 30 days	31–60 days	61–90 days	More than 90 days	Total	**Total**
2Q13 (CHF million)							
Mortgages	93,259	138	14	8	183	343	93,602
Loans collateralized by securities	30,057	119	41	3	96	259	30,316
Consumer finance	6,482	503	96	77	200	876	7,358
Consumer	129,798	760	151	88	479	1,478	131,276
Real estate	26,148	155	4	10	86	255	26,403
Commercial and industrial loans	51,157	524	61	137	380	1,102	52,259
Financial institutions	15,584	434	15	1	119	569	16,153
Governments and public institutions	1,512	3	0	0	0	3	1,515
Corporate & institutional	94,401	1,116	80	148	585	1,929	96,330
Gross loans held at amortized cost	**224,199**	**1,876**	**231**	**236**	**1,064**	**3,407**	**227,606**
4Q12 (CHF million)							
Mortgages	91,527	156	17	11	161	345	91,872
Loans collateralized by securities	27,034	220	3	3	103	329	27,363
Consumer finance	6,116	420	90	52	211	773	6,889
Consumer	124,677	796	110	66	475	1,447	126,124
Real estate	26,221	107	2	2	48	159	26,380
Commercial and industrial loans	50,479	720	27	138	376	1,261	51,740
Financial institutions	17,208	53	2	34	144	233	17,441
Governments and public institutions	1,484	35	0	0	0	35	1,519
Corporate & institutional	95,392	915	31	174	568	1,688	97,080
Gross loans held at amortized cost	**220,069**	**1,711**	**141**	**240**	**1,043**	**3,135**	**223,204**

Impaired loans

▸ Refer to "Impaired loans" in V – Consolidated financial statements – Credit Suisse Group – Note 18 – Loans, allowance for loan losses and credit quality in the Credit Suisse Annual Report 2012 for further information on impaired loan categories and allowance for specifically identified credit losses on impaired loans.

Gross impaired loans by category

end of	Non-performing loans	Non-interest-earning loans	Total	Restructured loans	Potential problem loans	Total	Total
	Non-performing and non-interest-earning loans			Other impaired loans			
2Q13 (CHF million)							
Mortgages	177	13	190	0	44	44	234
Loans collateralized by securities	21	76	97	0	1	1	98
Consumer finance	267	7	274	0	1	1	275
Consumer	465	96	561	0	46	46	607
Real estate	83	7	90	0	11	11	101
Commercial and industrial loans	259	166	425	20	386	406	831
Financial institutions	97	36	133	0	1	1	134
Corporate & institutional	439	209	648	20	398	418	1,066
Gross impaired loans	**904**	**305**	**1,209**	**20**	**444**	**464**	**1,673**
4Q12 (CHF million)							
Mortgages	154	16	170	0	69	69	239
Loans collateralized by securities	18	74	92	0	3	3	95
Consumer finance	315	10	325	0	2	2	327
Consumer	487	100	587	0	74	74	661
Real estate	46	5	51	0	15	15	66
Commercial and industrial loans	268	170	438	30	373	403	841
Financial institutions	58	38	96	0	65	65	161
Corporate & institutional	372	213	585	30	453	483	1,068
Gross impaired loans	**859**	**313**	**1,172**	**30**	**527**	**557**	**1,729**

Gross impaired loan detail

	2Q13			4Q12		
end of	Recorded investment	Unpaid principal balance	Associated specific allowance	Recorded investment	Unpaid principal balance	Associated specific allowance
Gross impaired loan detail (CHF million)						
Mortgages	221	211	27	206	197	32
Loans collateralized by securities	71	67	58	68	66	53
Consumer finance	257	237	144	302	280	154
Consumer	549	515	229	576	543	239
Real estate	101	93	21	63	55	22
Commercial and industrial loans	820	772	344	715	677	342
Financial institutions	132	130	82	157	155	93
Corporate & institutional	1,053	995	447	935	887	457
Gross impaired loans with a specific allowance	**1,602**	**1,510**	**676**	**1,511**	**1,430**	**696**
Mortgages	13	13	–	33	33	–
Loans collateralized by securities	27	27	–	27	28	–
Consumer finance	18	18	–	25	25	–
Consumer	58	58	–	85	86	–
Real estate	0	0	–	3	3	–
Commercial and industrial loans	11	13	–	126	128	–
Financial institutions	2	2	–	4	4	–
Corporate & institutional	13	15	–	133	135	–
Gross impaired loans without specific allowance	**71**	**73**	**–**	**218**	**221**	**–**
Gross impaired loans	**1,673**	**1,583**	**676**	**1,729**	**1,651**	**696**
of which consumer	607	573	229	661	629	239
of which corporate & institutional	1,066	1,010	447	1,068	1,022	457

Gross impaired loan detail (continued)

	2Q13			1Q13			2Q12		
in	Average recorded investment	Interest income recognized	Interest income recognized on a cash basis	Average recorded investment	Interest income recognized	Interest income recognized on a cash basis	Average recorded investment	Interest income recognized	Interest income recognized on a cash basis
Gross impaired loan detail (CHF million)									
Mortgages	210	1	1	192	0	0	218	1	1
Loans collateralized by securities	74	0	0	69	0	0	68	1	0
Consumer finance	258	0	0	280	0	0	273	0	0
Consumer	542	1	1	541	0	0	559	2	1
Real estate	74	0	0	62	0	0	53	0	0
Commercial and industrial loans	810	0	0	753	3	3	575	0	0
Financial institutions	135	0	0	155	0	0	223	1	1
Governments and public institutions	0	0	0	0	0	0	6	0	0
Corporate & institutional	1,019	0	0	970	3	3	857	1	1
Gross impaired loans with a specific allowance	**1,561**	**1**	**1**	**1,511**	**3**	**3**	**1,416**	**3**	**2**
Mortgages	26	0	0	38	0	0	47	0	0
Loans collateralized by securities	27	0	0	28	0	0	1	0	0
Consumer finance	18	0	0	37	0	0	37	0	0
Consumer	71	0	0	103	0	0	85	0	0
Real estate	11	0	0	3	0	0	19	0	0
Commercial and industrial loans	91	0	0	119	0	0	307	2	2
Financial institutions	3	0	0	3	0	0	11	0	0
Corporate & institutional	105	0	0	125	0	0	337	2	2
Gross impaired loans without specific allowance	**176**	**0**	**0**	**228**	**0**	**0**	**422**	**2**	**2**
Gross impaired loans	**1,737**	**1**	**1**	**1,739**	**3**	**3**	**1,838**	**5**	**4**
of which consumer	613	1	1	644	0	0	644	2	1
of which corporate & institutional	1,124	0	0	1,095	3	3	1,194	3	3

Gross impaired loan detail (continued)

	6M13			6M12		
in	Average recorded investment	Interest income recognized	Interest income recognized on a cash basis	Average recorded investment	Interest income recognized	Interest income recognized on a cash basis
Gross impaired loan detail (CHF million)						
Mortgages	201	1	1	219	1	1
Loans collateralized by securities	71	0	0	68	1	0
Consumer finance	269	0	0	285	2	2
Consumer	541	1	1	572	4	3
Real estate	68	0	0	54	0	0
Commercial and industrial loans	782	3	3	624	2	1
Financial institutions	145	0	0	215	1	1
Governments and public institutions	0	0	0	6	0	0
Corporate & institutional	995	3	3	899	3	2
Gross impaired loans with a specific allowance	**1,536**	**4**	**4**	**1,471**	**7**	**5**
Mortgages	32	0	0	51	0	0
Loans collateralized by securities	27	0	0	1	0	0
Consumer finance	28	0	0	36	0	0
Consumer	87	0	0	88	0	0
Real estate	7	0	0	18	0	0
Commercial and industrial loans	103	0	0	236	2	2
Financial institutions	3	0	0	11	0	0
Corporate & institutional	113	0	0	265	2	2
Gross impaired loans without specific allowance	**200**	**0**	**0**	**353**	**2**	**2**
Gross impaired loans	**1,736**	**4**	**4**	**1,824**	**9**	**7**
of which consumer	628	1	1	660	4	3
of which corporate & institutional	1,108	3	3	1,164	5	4

Note 17 **Other assets and other liabilities**

end of	**2Q13**	1Q13	4Q12	2Q12
Other assets (CHF million)				
Cash collateral on derivative instruments	10,212	12,030	10,904	13,221
Cash collateral on non-derivative transactions	1,905	1,672	1,995	2,920
Derivative instruments used for hedging	2,387	2,667	3,930	3,435
Assets held-for-sale	23,763	20,281	20,343	20,741
of which loans	23,284	19,772	19,894	20,115
of which real estate	478	508	442	619
Assets held for separate accounts	12,032	13,023	13,414	14,410
Interest and fees receivable	5,733	5,350	5,861	6,029
Deferred tax assets	6,599	6,968	7,102	8,825
Prepaid expenses	809	862	538	706
Failed purchases	3,131	2,997	2,699	2,861
Other	6,415	6,354	6,126	4,365
Other assets	**72,986**	**72,204**	**72,912**	**77,513**
Other liabilities (CHF million)				
Cash collateral on derivative instruments	13,047	13,399	12,224	12,978
Cash collateral on non-derivative transactions	1,957	1,660	1,246	1,564
Derivative instruments used for hedging	763	931	1,182	1,682
Provisions [1]	1,251	1,511	1,362	1,078
of which off-balance sheet risk	65	63	60	66
Liabilities held for separate accounts	12,032	13,023	13,414	14,410
Interest and fees payable	7,665	6,395	6,752	7,565
Current tax liabilities	853	886	863	817
Deferred tax liabilities	165	160	130	200
Failed sales	2,944	3,234	4,336	5,895
Other	15,440	15,671	16,128	16,070
Other liabilities	**56,117**	**56,870**	**57,637**	**62,259**

[1] Includes provisions for bridge commitments.

Note 18 **Long-term debt**

end of	2Q13	1Q13	4Q12	2Q12
Long-term debt (CHF million)				
Senior	102,475	111,962	115,861	120,627
Subordinated	15,580	16,624	17,741	20,351
Non-recourse liabilities from consolidated VIEs	15,450	14,508	14,532	13,860
Long-term debt	**133,505**	**143,094**	**148,134**	**154,838**
of which reported at fair value	63,942	64,547	65,384	66,952

Structured notes by product

end of	2Q13	1Q13	4Q12
Structured notes (CHF million)			
Equity	21,946	22,652	23,761
Fixed income	6,072	6,593	6,559
Emerging markets [1]	2,126	1,979	3,304
Credit	2,643	2,340	1,893
Other	1,533	1,372	1,120
Total structured notes	**34,320**	**34,936**	**36,637**

[1] Transactions where the return is based on a referenced underlying or counterparty specific to emerging markets.

Note 19 **Accumulated other comprehensive income and additional share information**

Accumulated other comprehensive income

	Gains/ (losses) on cash flow hedges	Cumulative translation adjustments	Unrealized gains/ (losses) on securities	Actuarial gains/ (losses)	Net prior service credit/ (cost)	**Accumulated other comprehensive income**
2Q13 (CHF million)						
Balance at beginning of period	**(27)**	**(11,967)**	**77**	**(3,731)**	**583**	**(15,065)**
Increase/(decrease)	(22)	(159)	(14)	15	0	(180)
Increase/(decrease) due to equity method investments	5	0	0	0	0	5
Reclassification adjustments, included in net income	2	2	0	66	(31)	39
Total increase/(decrease)	(15)	(157)	(14)	81	(31)	(136)
Balance at end of period	**(42)**	**(12,124)**	**63**	**(3,650)**	**552**	**(15,201)**
1Q13 (CHF million)						
Balance at beginning of period	**(29)**	**(12,767)**	**84**	**(3,801)**	**610**	**(15,903)**
Increase/(decrease)	5	754	(7)	6	0	758
Increase/(decrease) due to equity method investments	(3)	0	0	0	0	(3)
Reclassification adjustments, included in net income	0	46	0	64	(27)	83
Total increase/(decrease)	2	800	(7)	70	(27)	838
Balance at end of period	**(27)**	**(11,967)**	**77**	**(3,731)**	**583**	**(15,065)**
2Q12 (CHF million)						
Balance at beginning of period	**(52)**	**(12,716)**	**283**	**(3,678)**	**340**	**(15,823)**
Increase/(decrease)	1	930	15	4	0	950
Increase/(decrease) due to equity method investments	(5)	0	0	0	0	(5)
Reclassification adjustments, included in net income	0	0	(62)	42	(14)	(34)
Total increase/(decrease)	(4)	930	(47)	46	(14)	911
Balance at end of period	**(56)**	**(11,786)**	**236**	**(3,632)**	**326**	**(14,912)**
6M13 (CHF million)						
Balance at beginning of period	**(29)**	**(12,767)**	**84**	**(3,801)**	**610**	**(15,903)**
Increase/(decrease)	(17)	595	(21)	21	0	578
Increase/(decrease) due to equity method investments	2	0	0	0	0	2
Reclassification adjustments, included in net income	2	48	0	130	(58)	122
Total increase/(decrease)	(13)	643	(21)	151	(58)	702
Balance at end of period	**(42)**	**(12,124)**	**63**	**(3,650)**	**552**	**(15,201)**
6M12 (CHF million)						
Balance at beginning of period	**(66)**	**(11,778)**	**99**	**(3,751)**	**362**	**(15,134)**
Increase/(decrease)	0	(9)	271	35	0	297
Increase/(decrease) due to equity method investments	10	0	0	0	0	10
Reclassification adjustments, included in net income	0	1	(134)	84	(36)	(85)
Total increase/(decrease)	10	(8)	137	119	(36)	222
Balance at end of period	**(56)**	**(11,786)**	**236**	**(3,632)**	**326**	**(14,912)**

Details on significant reclassification adjustments

in	2Q13	1Q13	6M13
Reclassification adjustments, included in net income (CHF million)			
Cumulative translation adjustments			
Sale of subsidiaries	**2**	**46** [1]	**48**
Actuarial gains/(losses)			
Amortization of recognized actuarial losses [2]	88	86	174
Tax expense/(benefit)	(22)	(22)	(44)
Net of tax	**66**	**64**	**130**
Net prior service credit/(cost)			
Amortization of recognized prior service credit/(cost) [2]	(40)	(34)	(74)
Tax expense/(benefit)	9	7	16
Net of tax	**(31)**	**(27)**	**(58)**

[1] Reflects a net impairment provision of CHF 46 million on the sale of JO Hambro which is expected to settle in 3Q13. Upon settlement, a further estimated CHF 34 million is expected to be reclassified from cumulative translation adjustments and included in net income in other revenues, offset by a gain on the transaction.
[2] These components are included in the computation of total pension costs. Refer to "Note 23 – Pension and other post-retirement benefits" for further information.

Additional share information

	2Q13	1Q13	2Q12	6M13	6M12
Common shares issued					
Balance at beginning of period	**1,339,652,645**	**1,320,829,922**	**1,224,513,920**	**1,320,829,922**	**1,224,333,062**
Issuance of common shares	254,643,090	18,822,723	62,085,315	273,465,813	62,266,173
of which MACCS settlement	199,964,015	0	0	199,964,015	0
of which share-based compensation	17,126,788	18,822,723	37,889,728	35,949,511	38,070,586
Balance at end of period	**1,594,295,735**	**1,339,652,645**	**1,286,599,235**	**1,594,295,735**	**1,286,599,235**
Treasury shares					
Balance at beginning of period	**(27,495,313)**	**(27,036,831)**	**0**	**(27,036,831)**	**(4,010,074)**
Sale of treasury shares	144,989,659	85,932,507	93,628,678	230,922,166	167,997,714
of which MACCS settlement	33,488,655	0	0	33,488,655	0
Repurchase of treasury shares	(121,624,269)	(90,504,926)	(101,754,767)	(212,129,195)	(172,239,045)
Share-based compensation	1,801,542	4,113,937	4,614,725	5,915,479	4,740,041
Balance at end of period	**(2,328,381)**	**(27,495,313)**	**(3,511,364)**	**(2,328,381)**	**(3,511,364)**
Common shares outstanding					
Balance at end of period	**1,591,967,354** [1]	**1,312,157,332** [2]	**1,283,087,871** [3]	**1,591,967,354** [1]	**1,283,087,871** [3]

[1] At par value CHF 0.04 each, fully paid. In addition to the treasury shares, a maximum of 662,873,212 unissued shares (conditional, conversion and authorized capital) were available for issuance without further approval of the shareholders. 498,874,240 of these shares were reserved for BCN.
[2] At par value CHF 0.04 each, fully paid. In addition to the treasury shares, a maximum of 752,676,931 unissued shares (conditional, conversion and authorized capital) were available for issuance without further approval of the shareholders. 732,326,910 of these shares were reserved for BCN and MACCS.
[3] At par value CHF 0.04 each, fully paid. In addition to the treasury shares, a maximum of 805,730,391 unissued shares (conditional, conversion and authorized capital) were available for issuance without further approval of the shareholders. 732,326,910 of these shares were reserved for BCN and MACCS.

Note 20 Offsetting of financial assets and financial liabilities

The disclosures set out in the tables below include derivatives, reverse repurchase and repurchase agreements, and securities lending and borrowing transactions that:

- are offset in the Group's consolidated balance sheets; or
- are subject to an enforceable master netting agreement or similar agreement (enforceable master netting agreements), irrespective of whether they are offset in the Group's consolidated balance sheets.

Similar agreements include derivative clearing agreements, global master repurchase agreements and global master securities lending agreements.

Derivatives

The Group transacts bilateral OTC derivatives (OTC derivatives) mainly under International Swaps and Derivatives Association (ISDA) Master Agreements and Swiss Master Agreements for OTC derivative instruments. These agreements provide for the net settlement of all transactions under the agreement through a single payment in the event of default or termination under the agreement. They allow the Group to offset balances from derivative assets and liabilities as well as the receivables and payables to related cash collateral transacted with the same counterparty. Collateral for OTC derivatives is received and provided in the form of cash and marketable securities. Such collateral may be subject to the standard industry terms of an ISDA Credit Support Annex. The terms of an ISDA Credit Support Annex provide that securities received or provided as collateral may be pledged or sold during the term of the transactions and must be returned upon maturity of the transaction. These terms also give each counterparty the right to terminate the related transactions upon the other counterparty's failure to post collateral. Financial collateral received or pledged for OTC derivatives may also be subject to collateral agreements which restrict the use of financial collateral.

For derivatives transacted with exchanges (exchange-traded derivatives) and central clearing counterparties (OTC-cleared derivatives), positive and negative replacement values and related cash collateral may be offset if the terms of the rules and regulations governing these exchanges and central clearing counterparties permit such netting and offset.

Where no such agreements exist, fair values are recorded on a gross basis.

Under US GAAP, the Group elected to account for substantially all financial instruments with an embedded derivative that is not considered clearly and closely related to the host contract at fair value. There is an exception for certain bifurcatable hybrid debt instruments which the Group did not elect to account for at fair value. However, these bifurcated embedded derivatives are generally not subject to enforceable master netting agreements and are not recorded as derivative instruments under trading assets and liabilities or other assets and other liabilities. Information on bifurcated embedded derivatives has therefore not been included in the offsetting disclosures.

The following table presents the gross amount of derivatives subject to enforceable master netting agreements by contract and transaction type, the amount of offsetting, the amount of derivatives not subject to enforceable master netting agreements and the net amount presented in the consolidated balance sheets.

Offsetting of derivatives

	2Q13		4Q12	
end of	Derivative assets	Derivative liabilities	Derivative assets	Derivative liabilities
Gross derivatives subject to enforcable master netting agreements (CHF billion)				
OTC-cleared	285.7	285.0	365.3	365.5
OTC	254.2	244.9	337.6	327.9
Exchange-traded	0.3	0.1	0.3	0.2
Interest rate products	**540.2**	**530.0**	**703.2**	**693.6**
OTC	65.4	75.7	60.5	73.2
Exchange-traded	0.1	0.1	0.0	0.0
Foreign exchange products	**65.5**	**75.8**	**60.5**	**73.2**
OTC	16.5	17.3	12.7	15.2
Exchange-traded	16.0	16.9	13.7	14.1
Equity/index-related products	**32.5**	**34.2**	**26.4**	**29.3**
OTC-cleared	3.5	3.3	3.0	2.7
OTC	25.1	25.3	27.1	26.8
Credit derivatives	**28.6**	**28.6**	**30.1**	**29.5**
OTC	6.7	7.2	5.8	5.6
Exchange-traded	1.3	1.6	1.5	1.7
Other products	**8.0**	**8.8**	**7.3**	**7.3**
OTC-cleared	289.2	288.3	368.3	368.2
OTC	367.9	370.4	443.7	448.7
Exchange-traded	17.7	18.7	15.5	16.0
Total gross derivatives subject to enforceable master netting agreements	**674.8**	**677.4**	**827.5**	**832.9**
Offsetting (CHF billion)				
OTC-cleared	(286.1)	(286.1)	(367.2)	(367.5)
OTC	(343.9)	(347.3)	(418.7)	(421.8)
Exchange-traded	(16.9)	(16.9)	(14.3)	(14.2)
Offsetting	**(646.9)**	**(650.3)**	**(800.2)**	**(803.5)**
of which counterparty netting	(618.8)	(618.8)	(766.8)	(766.8)
of which cash collateral netting	(28.1)	(31.5)	(33.4)	(36.7)
Net derivatives presented in the consolidated balance sheets (CHF billion)				
OTC-cleared	3.1	2.2	1.1	0.7
OTC	24.0	23.1	25.0	26.9
Exchange-traded	0.8	1.8	1.2	1.8
Total net derivatives subject to enforceable master netting agreements	**27.9**	**27.1**	**27.3**	**29.4**
Total derivatives not subject to enforceable master netting agreements [1]	**13.7**	**14.4**	**9.8**	**11.3**
Total net derivatives presented in the consolidated balance sheets	**41.6**	**41.5**	**37.1**	**40.7**
of which recorded in trading assets and trading liabilities	39.2	40.7	33.2	39.5
of which recorded in other assets and other liabilities	2.4	0.8	3.9	1.2

[1] Represents derivatives where a legal opinion supporting the enforceability of netting in the event of default or termination under the agreement is not in place.

Reverse repurchase and repurchase agreements and securities lending and borrowing transactions

Reverse repurchase and repurchase agreements are generally covered by global master repurchase agreements with netting terms similar to ISDA Master Agreements. In certain situations, for example in the event of default, all contracts under the agreements are terminated and are settled net in one single payment. Transactions under such agreements are netted in the consolidated balance sheets if they are with the same counterparty, have the same maturity date, settle through the same clearing institution and are subject to the same master netting agreement. The amounts offset are measured on the same basis as the underlying transaction (i.e., on an accrual basis or fair value basis).

Securities lending and borrowing transactions are generally executed under global master securities lending agreements with netting terms similar to ISDA Master Agreements. In certain situations, for example in the event of default, all contracts under the agreement are terminated and are settled net in one single payment. Transactions under these agreements are netted in the consolidated balance sheets if they meet the same right of offset criteria as for reverse repurchase and repurchase agreements. In general, most securities lending and borrowing transactions do not meet the criterion of having the same settlement date specified at inception of the transaction, and therefore they are not eligible for netting in the consolidated balance sheets. However, securities lending and borrowing transactions with explicit maturity dates may be eligible for netting in the consolidated balance sheets.

Reverse repurchase and repurchase agreements are collateralized principally by government securities, money market instruments and corporate bonds and have terms ranging from overnight to a longer or unspecified period of time. In the event of counterparty default, the reverse repurchase agreement or securities lending agreement provides the Group with the right to liquidate the collateral held. As is the case in the Group's normal course of business, substantially all of the collateral received that may be sold or repledged was sold or repledged as of June 30, 2013 and December 31, 2012. In certain circumstances, financial collateral received may be restricted during the term of the agreement (e.g., in tri-party arrangements).

The following table presents the gross amount of securities purchased under resale agreements and securities borrowing transactions subject to enforceable master netting agreements, the amount of offsetting, the amount of securities purchased under resale agreements and securities borrowing transactions not subject to enforceable master netting agreements and the net amount presented in the consolidated balance sheets.

Offsetting of securities purchased under resale agreements and securities borrowing transactions

		2Q13			4Q12	
end of	Gross	Offsetting	Net	Gross	Offsetting	Net
Securities purchased under resale agreements and securities borrowing transactions (CHF billion)						
Securities purchased under resale agreements	130.0	(38.7)	91.3	141.4	(41.1)	100.3
Securities borrowing transactions	27.2	(2.2)	25.0	20.9	(2.0)	18.9
Total subject to enforceable master netting agreements	**157.2**	**(40.9)**	**116.3**	**162.3**	**(43.1)**	**119.2**
Total not subject to enforceable master netting agreements [1]	**57.1**	**–**	**57.1**	**64.3**	**–**	**64.3**
Total	**214.3**	**(40.9)**	**173.4** [2]	**226.6**	**(43.1)**	**183.5** [2]

[1] Represents securities purchased under resale agreements and securities borrowing transactions where a legal opinion supporting the enforceability of netting in the event of default or termination under the agreement is not in place.

[2] CHF 99,972 million and CHF 113,664 million of the total net amount as of the end of 2Q13 and 4Q12, respectively, are reported at fair value.

The following table presents the gross amount of securities sold under repurchase agreements and securities lending transactions subject to enforceable master netting agreements, the amount of offsetting, the amount of securities sold under repurchase agreements and securities lending transactions not subject to enforceable master netting agreements and the net amount presented in the consolidated balance sheets.

Offsetting of securities sold under repurchase agreements and securities lending transactions

			2Q13			4Q12
end of	Gross	Offsetting	Net	Gross	Offsetting	Net
Securities sold under repurchase agreements and securities lending transactions (CHF billion)						
Securities sold under repurchase agreements	100.5	(40.9)	59.6	99.7	(43.1)	56.6
Securities lending transactions	10.2	0.0	10.2	10.8	0.0	10.8
Obligation to return securities received as collateral, at fair value	21.1	0.0	21.1	25.9	0.0	25.9
Total subject to enforceable master netting agreements	**131.8**	**(40.9)**	**90.9**	**136.4**	**(43.1)**	**93.3**
Total not subject to enforceable master netting agreements [1]	**29.9**	**–**	**29.9**	**69.5**	**–**	**69.5**
Total	**161.7**	**(40.9)**	**120.8**	**205.9**	**(43.1)**	**162.8**
of which securities sold under repurchase agreements and securities lending transactions	140.0	(40.9)	99.1 [2]	175.8	(43.1)	132.7 [2]
of which obligation to return securities received as collateral, at fair value	21.7	0.0	21.7	30.1	0.0	30.1

[1] Represents securities sold under repurchase agreements and securities lending transactions where a legal opinion supporting the enforceability of netting in the event of default or termination under the agreement is not in place.
[2] CHF 79,443 million and CHF 108,784 million of the total net amount as of the end of 2Q13 and 4Q12, respectively, are reported at fair value.

The following table presents the net amount presented in the consolidated balance sheets of financial assets and liabilities subject to enforceable master netting agreements and the gross amount of financial instruments and cash collateral not offset in the consolidated balance sheets. The table excludes derivatives, reverse repurchase and repurchase agreements and securities lending and borrowing transactions not subject to enforceable master netting agreements where a legal opinion supporting the enforceability of netting in the event of default or termination under the agreement is not in place. Net exposure reflects risk mitigation in the form of collateral.

Amounts not offset in the consolidated balance sheets

				2Q13				4Q12
end of	Net	Financial instruments [1]	Cash collateral received/ pledged [1]	**Net exposure**	Net	Financial instruments [1]	Cash collateral received/ pledged [1]	**Net exposure**
Financial assets subject to enforceable master netting agreements (CHF billion)								
Derivatives	27.9	5.9	0.2	21.8	27.3	5.1	0.0	22.2
Securities purchased under resale agreements	91.3	91.2	0.1	0.0	100.3	100.3	0.0	0.0
Securities borrowing transactions	25.0	23.2	0.0	1.8	18.9	17.4	0.0	1.5
Total financial assets subject to enforceable master netting agreements	**144.2**	**120.3**	**0.3**	**23.6**	**146.5**	**122.8**	**0.0**	**23.7**
Financial liabilities subject to enforceable master netting agreements (CHF billion)								
Derivatives	27.1	7.4	0.6	19.1	29.4	7.9	0.0	21.5
Securities sold under repurchase agreements	59.6	59.4	0.2	0.0	56.6	56.4	0.2	0.0
Securities lending transactions	10.2	9.7	0.0	0.5	10.8	10.2	0.0	0.6
Obligation to return securities received as collateral, at fair value	21.1	19.9	0.0	1.2	25.9	24.2	0.0	1.7
Total financial liabilities subject to enforceable master netting agreements	**118.0**	**96.4**	**0.8**	**20.8**	**122.7**	**98.7**	**0.2**	**23.8**

[1] The total amount reported in financial instruments (recognized financial assets and financial liabilities and non-cash financial collateral) and cash collateral is limited to the amount of the related instruments presented in the consolidated balance sheets and therefore any over-collateralization of these positions is not included.

Net exposure is subject to further credit mitigation through the transfer of the exposure to other market counterparties by the use of CDS and credit insurance contracts. Therefore the net exposure presented in the table above is not representative for the Group's counterparty exposure.

Note 21 Tax

The income tax expense of CHF 475 million recorded in 2Q13 mainly reflected the impact of the geographical mix of results and a tax charge relating to the re-assessment of a pre-existing deferred tax asset in Switzerland due to changes in earnings-mix assumptions in the current year. Overall, net deferred tax assets decreased CHF 374 million to CHF 6,434 million as of the end of 2Q13 compared to 1Q13. The decrease in net deferred tax assets primarily related to earnings.

The presentation of net deferred tax assets related to net operating losses, net deferred tax assets on temporary differences and net deferred tax liabilities is in accordance with ASC Topic 740 – Income Taxes guidance to interim reporting. Nettable gross deferred tax liabilities are allocated on a pro-rata basis to gross deferred tax assets on net operating losses and gross deferred tax assets on temporary differences. This approach is aligned with the underlying treatment of netting gross deferred tax assets and liabilities under the Basel III framework. Valuation allowances have been allocated against such deferred tax assets on net operating losses first with any remainder allocated to such deferred tax assets on temporary differences. This presentation is considered the most appropriate disclosure given the underlying nature of the gross deferred tax balances.

As of June 30, 2013, the Group had accumulated undistributed earnings from foreign subsidiaries of CHF 7.0 billion which are considered indefinitely reinvested. The Group would need to accrue and pay taxes on these undistributed earnings if such earnings were repatriated. No deferred tax liability was recorded in respect of those amounts as these earnings are considered indefinitely reinvested. It is not practicable to estimate the amount of unrecognized deferred tax liabilities for these undistributed foreign earnings.

The Group is currently subject to ongoing tax audits and inquiries with the tax authorities in a number of jurisdictions, including the US, the UK and Switzerland. Although the timing of the completion of these audits is uncertain, it is reasonably possible that some of these audits and inquiries will be resolved within 12 months of the reporting date. It is reasonably possible that there will be a decrease between zero and CHF 3 million in unrecognized tax benefits within 12 months of the reporting date.

The Group remains open to examination from federal, state, provincial or similar local jurisdictions from the following years onward in these major countries: Switzerland – 2009; Brazil – 2008; Japan – 2008; the UK – 2006; the US – 2006; and the Netherlands – 2005.

Effective tax rate

in	**2Q13**	1Q13	2Q12	**6M13**	6M12
Effective tax rate (%)					
Effective tax rate	**29.0**	27.0	27.5	**27.9**	22.2

Reconciliation of taxes computed at the Swiss statutory rate

in	**2Q13**
Reconciliation of taxes computed at the Swiss statutory rate (CHF million)	
Income tax expense computed at the statutory tax rate of 22%	361
Increase/(decrease) in income taxes resulting from	
Foreign tax rate differential	96
Other non-deductible expenses	86
Changes in deferred tax valuation allowance	(99)
Lower taxed income	(30)
Income taxable to noncontrolling interests	(43)
Other	104
Income tax expense	**475**

Foreign tax rate differential

2Q13 included a foreign tax expense of CHF 96 million in respect of profits earned in higher tax jurisdictions, mainly Brazil and the US.

Other non-deductible expenses

2Q13 included non-deductible interest expenses of CHF 58 million and non-deductible bank levy costs and other non-deductible compensation expenses of CHF 28 million.

Changes in deferred tax valuation allowance

2Q13 included the impact of the utilization of valuation allowances of CHF 99 million in respect of three of the Group's operating entities, two in the UK and one in Asia, relating to current year earnings.

Lower taxed income

2Q13 included a CHF 17 million income tax benefit mainly as a result of foreign branch earnings beneficially impacting the earnings mix and CHF 13 million related to non-taxable life insurance income.

Other

2Q13 included a tax charge of CHF 66 million relating to the decrease of deferred tax assets in one of the Group's operating entities in Switzerland. This charge is related to the re-assessment of a pre-existing deferred tax asset due to changes in earnings-mix assumptions in the current year. 2Q13 also included a CHF 24 million income tax expense relating to the increase of tax contingency accruals.

Net deferred tax assets

end of	**2Q13**	1Q13
Net deferred tax assets (CHF million)		
Deferred tax assets	6,599	6,968
of which net operating losses	1,857	1,915
of which deductible temporary differences	4,742	5,053
Deferred tax liabilities	(165)	(160)
Net deferred tax assets	**6,434**	**6,808**

Note 22 Employee deferred compensation

The Group's current and previous deferred compensation plans include share awards, performance share awards, Plus Bond awards, Partner Asset Facilities awards, Adjustable Performance Plan awards, Restricted Cash Awards, Scaled Incentive Share Units (SISUs), Incentive Share Units (ISUs) and other cash awards.

▸ Refer to "Note 27 – Employee deferred compensation" in V – Consolidated financial statements – Credit Suisse Group in the Credit Suisse Annual Report 2012 for further information.

The following tables show the expense for deferred compensation awards recognized in the consolidated statements of operations, the estimated unrecognized expense for deferred compensation awards granted in 2Q13 and prior periods and the associated remaining requisite service period over which the unrecognized expense will be recognized. The estimated unrecognized deferred compensation expense was based on the fair value of each award on the date of grant and included the current estimated outcome of relevant performance criteria and estimated future forfeitures but no estimate for future mark-to-market adjustments.

Deferred compensation expense

in	**2Q13**	1Q13	2Q12	**6M13**	6M12
Deferred compensation expense (CHF million)					
Share awards	203	254	211	457	417
Performance share awards	126	204	96	330	199
Plus Bond awards [1]	6	10	0	16	0
2011 Partner Asset Facility awards [2]	(23)	(7)	(19)	(30)	515
Adjustable Performance Plan share awards	16	5	0	21	0
Adjustable Performance Plan cash awards [3]	2	(3)	98	(1)	206
Restricted Cash Awards	37	54	45	91	86
Scaled Incentive Share Units	17	7	32	24	62
Incentive Share Units [3]	0	(2)	15	(2)	34
2008 Partner Asset Facility awards [2]	11	42	12	53	61
Other cash awards	120	117	71	237	161
Total deferred compensation expense	**515**	**681**	**561**	**1,196**	**1,741**

[1] Compensation expense primarily relates to mark-to-market changes of the underlying assets of the Plus Bonds and the amortization of the voluntary Plus Bonds elected in 1Q13 and expensed over a three-year vesting period.
[2] Compensation expense mainly includes the change in underlying fair value of the indexed assets during the period.
[3] Includes clawbacks.

Estimated unrecognized deferred compensation expense

end of	**2Q13**
Estimated unrecognized deferred compensation expense (CHF million)	
Share awards	1,183
Performance share awards	494
Plus Bond awards	28
Adjustable Performance Plan share awards	26
Adjustable Performance Plan cash awards	33
Restricted Cash Awards	206
Scaled Incentive Share Units	33
Other cash awards	160
Total	**2,163**
Aggregate remaining weighted-average requisite service period (years)	
Aggregate remaining weighted-average requisite service period	1.8

Share-based award activity

	2Q13					6M13				
Number of awards (in millions)	Share awards	Performance share awards	Adjustable Performance Plan share awards	SISU awards	ISU awards	Share awards	Performance share awards	Adjustable Performance Plan share awards	SISU awards	ISU awards
Share-based award activities										
Balance at beginning of period	**80.8**	**44.8**	**21.2**	**5.8**	**2.3**	**55.8**	**23.3**	**30.8**	**9.6**	**3.6**
Granted	0.3	0.0	0.0	0.0	0.0	39.2	26.6	1.2 [1]	0.0	0.0
Settled	(4.9)	(2.8)	(6.5)	(1.1)	(0.5)	(18.1)	(7.6)	(17.2)	(4.8)	(1.7)
Forfeited	(0.7)	(0.3)	(0.1)	0.0	(0.1)	(1.4)	(0.6)	(0.2)	(0.1)	(0.2)
Balance at end of period	**75.5**	**41.7**	**14.6**	**4.7**	**1.7**	**75.5**	**41.7**	**14.6**	**4.7**	**1.7**
of which vested	4.1	1.4	0.7	1.1	0.1	4.1	1.4	0.7	1.1	0.1
of which unvested	71.4	40.3	13.9	3.6	1.6	71.4	40.3	13.9	3.6	1.6

[1] Represents additional units earned in 1Q13 as the original Adjustable Performance Plan awards met performance criteria in accordance with the terms and conditions of the awards.

Note 23 Pension and other post-retirement benefits

The Group previously disclosed that it expected to contribute CHF 471 million to the Swiss and international defined benefit plans and other post-retirement defined benefit plans in 2013. As of the end of 2Q13, CHF 230 million of contributions had been made.

Components of total pension costs

in	2Q13	1Q13	2Q12	6M13	6M12
Total pension costs (CHF million)					
Service costs on benefit obligation	94	94	95	188	190
Interest costs on benefit obligation	108	109	128	217	256
Expected return on plan assets	(184)	(184)	(196)	(368)	(390)
Amortization of recognized prior service cost/(credit)	(23)	(23)	(13)	(46)	(27)
Amortization of recognized actuarial losses	87	86	58	173	115
Net periodic pension costs	**82**	**82**	**72**	**164**	**144**
Settlement losses/(gains)	1	0	0	1	0
Curtailment losses/(gains)	(17)	(11)	(4)	(28)	(19)
Special termination benefits	4	8	0	12	6
Total pension costs	**70**	**79**	**68**	**149**	**131**

Note 24 **Derivatives and hedging activities**

▸ Refer to "Note 30 – Derivatives and hedging activities" in V – Consolidated financial statements – Credit Suisse Group in the Credit Suisse Annual Report 2012 for further information.

Fair value of derivative instruments

The tables below present gross derivative replacement values by type of contract and balance sheet location and whether the derivative is used for trading purposes or in a qualifying hedging relationship. Notional amounts have also been provided as an indication of the volume of derivative activity within the Group.

Information on bifurcated embedded derivatives has not been included in these tables. Under US GAAP, the Group elected to account for substantially all financial instruments with an embedded derivative that is not considered clearly and closely related to the host contract at fair value.

▸ Refer to "Note 27 – Financial instruments" for further information.

Fair value of derivative instruments

			Trading			Hedging [1]
end of 2Q13	Notional amount	Positive replacement value (PRV)	Negative replacement value (NRV)	Notional amount	Positive replacement value (PRV)	Negative replacement value (NRV)
Derivative instruments (CHF billion)						
Forwards and forward rate agreements	10,366.8	8.6	8.5	0.0	0.0	0.0
Swaps	31,995.1	479.0	472.3	69.8	2.6	0.8
Options bought and sold (OTC)	3,961.1	51.1	51.3	0.0	0.0	0.0
Futures	1,357.7	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	639.5	0.4	0.3	0.0	0.0	0.0
Interest rate products	**48,320.2**	**539.1**	**532.4**	**69.8**	**2.6**	**0.8**
Forwards	2,385.9	25.5	23.8	23.5	0.1	0.3
Swaps	1,377.3	31.1	42.6	0.0	0.0	0.0
Options bought and sold (OTC)	1,131.8	13.7	15.0	0.0	0.0	0.0
Futures	60.1	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	5.3	0.1	0.1	0.0	0.0	0.0
Foreign exchange products	**4,960.4**	**70.4**	**81.5**	**23.5**	**0.1**	**0.3**
Forwards	5.1	0.7	0.0	0.0	0.0	0.0
Swaps	221.5	5.7	7.0	0.0	0.0	0.0
Options bought and sold (OTC)	255.9	12.8	11.8	0.0	0.0	0.0
Futures	52.0	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	471.0	18.6	19.2	0.0	0.0	0.0
Equity/index-related products	**1,005.5**	**37.8**	**38.0**	**0.0**	**0.0**	**0.0**
Credit derivatives [2]	**1,696.6**	**29.3**	**29.2**	**0.0**	**0.0**	**0.0**
Forwards	28.0	2.1	3.0	0.0	0.0	0.0
Swaps	51.1	3.8	2.9	0.0	0.0	0.0
Options bought and sold (OTC)	45.0	1.9	2.0	0.0	0.0	0.0
Futures	35.1	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	58.1	1.4	1.7	0.0	0.0	0.0
Other products [3]	**217.3**	**9.2**	**9.6**	**0.0**	**0.0**	**0.0**
Total derivative instruments	**56,200.0**	**685.8**	**690.7**	**93.3**	**2.7**	**1.1**

The notional amount, PRV and NRV (trading and hedging) was CHF 56,293.3 billion, CHF 688.5 billion and CHF 691.8 billion, respectively, as of June 30, 2013.

[1] Relates to derivative contracts that qualify for hedge accounting under US GAAP.

[2] Primarily credit default swaps.

[3] Primarily precious metals, commodity, energy and emission products.

Fair value of derivative instruments (continued)

	Trading			Hedging [1]		
end of 4Q12	Notional amount	Positive replacement value (PRV)	Negative replacement value (NRV)	Notional amount	Positive replacement value (PRV)	Negative replacement value (NRV)
Derivative instruments (CHF billion)						
Forwards and forward rate agreements	8,055.9	2.6	2.5	0.0	0.0	0.0
Swaps	29,155.2	635.6	630.1	62.8	3.9	1.5
Options bought and sold (OTC)	3,739.9	62.4	62.6	0.0	0.0	0.0
Futures	1,145.4	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	952.0	0.3	0.2	0.0	0.0	0.0
Interest rate products	**43,048.4**	**700.9**	**695.4**	**62.8**	**3.9**	**1.5**
Forwards	2,133.4	21.6	21.3	19.6	0.2	0.1
Swaps	1,336.3	32.2	46.6	0.0	0.0	0.0
Options bought and sold (OTC)	985.3	9.7	10.7	0.0	0.0	0.0
Futures	83.8 [2]	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	3.6	0.0	0.0	0.0	0.0	0.0
Foreign exchange products	**4,542.4**	**63.5**	**78.6**	**19.6**	**0.2**	**0.1**
Forwards	5.5	0.6	0.0	0.0	0.0	0.0
Swaps	211.0	4.6	5.8	0.0	0.0	0.0
Options bought and sold (OTC)	214.9	11.4	11.1	0.0	0.0	0.0
Futures	74.4	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	338.2	13.7	14.1	0.0	0.0	0.0
Equity/index-related products	**844.0**	**30.3**	**31.0**	**0.0**	**0.0**	**0.0**
Credit derivatives [3]	**1,694.4**	**30.6**	**29.8**	**0.0**	**0.0**	**0.0**
Forwards	31.3	1.1	1.4	0.0	0.0	0.0
Swaps	55.3	3.6	3.1	0.0	0.0	0.0
Options bought and sold (OTC)	54.2	1.6	1.6	0.0	0.0	0.0
Futures	35.6 [2]	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	50.4	1.6	1.7	0.0	0.0	0.0
Other products [4]	**226.8**	**7.9**	**7.8**	**0.0**	**0.0**	**0.0**
Total derivative instruments	**50,356.0**	**833.2**	**842.6**	**82.4**	**4.1**	**1.6**

The notional amount, PRV and NRV (trading and hedging) was CHF 50,438.4 billion, CHF 837.3 billion and CHF 844.2 billion, respectively, as of December 31, 2012.

[1] Relates to derivative contracts that qualify for hedge accounting under US GAAP.
[2] Prior period has been corrected to reclassify the notional amounts from other products to foreign exchange products.
[3] Primarily credit default swaps.
[4] Primarily precious metals, commodity, energy and emission products.

Netting of derivative instruments

▸ Refer to "Derivatives" in Note 20 – Offsetting of financial assets and financial liabilities for further information of the netting of derivative instruments.

Fair value hedges

in	2Q13	1Q13	2Q12	6M13	6M12
Gains/(losses) recognized in income on derivatives (CHF million)					
Interest rate products	249	88	385	337	436
Foreign exchange products	(6)	(2)	(12)	(8)	(13)
Total	**243**	**86**	**373**	**329**	**423**
Gains/(losses) recognized in income on hedged items (CHF million)					
Interest rate products	(253)	(86)	(398)	(339)	(462)
Foreign exchange products	6	2	10	8	12
Total	**(247)**	**(84)**	**(388)**	**(331)**	**(450)**
Details of fair value hedges (CHF million)					
Net gains/(losses) on the ineffective portion	(4)	2	(15)	(2)	(27)

Represents gains/(losses) recognized in trading revenues.

Cash flow hedges

in	2Q13	1Q13	2Q12	6M13	6M12
Gains/(losses) recognized in AOCI on derivatives (CHF million)					
Interest rate products	(25)	5	1	(20)	0
Foreign exchange products	5	(3)	(5)	2	10
Total	**(20)**	**2**	**(4)**	**(18)**	**10**
Gains/(losses) reclassified from AOCI into income (CHF million)					
Interest rate products [1]	(1)	1	0	0	0
Foreign exchange products [2]	(1)	(1)	0	(2)	0
Total	**(2)**	**0**	**0**	**(2)**	**0**

[1] Included in trading revenues.
[2] Included in other revenues.

As of the end of 2Q13, the maximum length of time over which the Group hedged its exposure to the variability in future cash flows for forecasted transactions, excluding those forecasted transactions related to the payment of variable interest on existing financial instruments, was four years.

The net loss associated with cash flow hedges expected to be reclassified from AOCI within the next 12 months was CHF 9 million.

Net investment hedges

in	2Q13	1Q13	2Q12	6M13	6M12
Gains/(losses) recognized in AOCI on derivatives (CHF million)					
Foreign exchange products	260	(551)	(467)	(291)	(201)
Total	**260**	**(551)**	**(467)**	**(291)**	**(201)**
Gains/(losses) reclassified from AOCI into income (CHF million)					
Foreign exchange products [1]	0	0	0	0	77
Total	**0**	**0**	**0**	**0**	**77**

Represents gains/(losses) on effective portion.
[1] Included in other revenues.

The Group includes all derivative instruments not included in hedge accounting relationships in its trading activities.

▸ Refer to "Note 8 – Trading revenues" for gains and losses on trading activities by product type.

Disclosures relating to contingent credit risk

Certain of the Group's derivative instruments contain provisions that require it to maintain a specified credit rating from each of the major credit rating agencies. If the ratings fall below the level specified in the contract, the counterparties to the agreements could request payment of additional collateral on those derivative instruments that are in a net liability position. Certain of the derivative contracts also provide for termination of the contract, generally upon a downgrade of either the Group or the counterparty, at the existing mark-to-market replacement value of the derivative contract.

The following table provides the Group's current net exposure from contingent credit risk relating to derivative contracts with bilateral counterparties and SPEs that include credit support agreements, the related collateral posted and the additional collateral required in a one-notch and a two-notch downgrade event, respectively. The table also includes derivative contracts with contingent credit risk features without credit support agreements that have accelerated termination event conditions. The current net exposure for derivative contracts with bilateral counterparties and contracts with accelerated termination event conditions is the aggregate fair value of derivative instruments that were in a net liability position. For SPEs, the current net exposure is the contractual amount that is used to determine the collateral payable in the event of a downgrade. The contractual amount could include both the NRV and a percentage of the notional value of the derivative.

Contingent credit risk

	2Q13				4Q12			
end of	Bilateral counterparties	Special purpose entities	Accelerated terminations	**Total**	Bilateral counterparties	Special purpose entities	Accelerated terminations	**Total**
Contingent credit risk (CHF billion)								
Current net exposure	11.4	1.4	0.2	**13.0**	15.3	1.4	0.6	**17.3**
Collateral posted	10.2	1.4	–	**11.6**	13.4	1.4	–	**14.8**
Additional collateral required in a one-notch downgrade event	0.2	0.5	0.0	**0.7**	0.2	0.5	0.0	**0.7**
Additional collateral required in a two-notch downgrade event	2.8	1.3	0.0	**4.1**	2.7 [1]	1.5	0.5	**4.7**

[1] Additional collateral required in a two-notch downgrade event has been corrected.

Credit derivatives

▸ Refer to "Note 30 – Derivatives and hedging activities" in V – Consolidated financial statements – Credit Suisse Group in the Credit Suisse Annual Report 2012 for further information on credit derivatives.

Credit protection sold/purchased

The following tables do not include all credit derivatives and differ from the credit derivatives in the "Fair value of derivative instruments" tables. This is due to the exclusion of certain credit derivative instruments under US GAAP, which defines a credit derivative as a derivative instrument (a) in which one or more of its underlyings are related to the credit risk of a specified entity (or a group of entities) or an index based on the credit risk of a group of entities and (b) that exposes the seller to potential loss from credit risk-related events specified in the contract.

Certain cash collateralized debt obligations (CDOs) and other derivative instruments were excluded as they do not fall within the scope of US GAAP rules. Total return swaps (TRS) of CHF 6.3 billion and CHF 6.0 billion as of the end of 2Q13 and 4Q12, respectively, were also excluded because a TRS does not expose the seller to potential loss from credit risk-related events specified in the contract. A TRS only provides protection against a loss in asset value and not against additional amounts as a result of specific credit events.

Credit protection sold

Credit protection sold is the maximum potential payout, which is based on the notional value of derivatives and represents the amount of future payments that the Group would be required to make as a result of credit risk-related events.

Credit protection purchased

Credit protection purchased represents those instruments where the underlying reference instrument is identical to the reference instrument of the credit protection sold.

Other protection purchased

In the normal course of business, the Group purchases protection to offset the risk of credit protection sold that may have similar, but not identical, reference instruments and may use similar, but not identical, products, which reduces the total credit derivative exposure. Other protection purchased is based on the notional value of the instruments.

Fair value of credit protection sold

The fair values of the credit protection sold give an indication of the amount of payment risk, as the negative fair values increase when the potential payment under the derivative contracts becomes more probable.

Credit protection sold/purchased

	2Q13					4Q12				
end of	Credit protection sold	Credit protection purchased [1]	Net credit protection (sold)/ purchased	Other protection purchased	Fair value of credit protection sold	Credit protection sold	Credit protection purchased [1]	Net credit protection (sold)/ purchased	Other protection purchased	Fair value of credit protection sold
Single-name instruments (CHF billion)										
Investment grade [2]	(382.5)	358.9	(23.6)	45.1	1.6	(394.6)	373.9	(20.7)	56.0	2.5
Non-investment grade	(132.7)	128.1	(4.6)	12.3	0.2	(135.4)	129.3	(6.1)	11.3	(0.4)
Total single-name instruments	**(515.2)**	**487.0**	**(28.2)**	**57.4**	**1.8**	**(530.0)** [3]	**503.2** [3]	**(26.8)**	**67.3** [3]	**2.1** [3]
of which sovereigns	(117.1)	113.6	(3.5)	9.1	(1.7)	(119.4)	117.1	(2.3)	10.3	(0.7)
of which non-sovereigns	(398.1)	373.4	(24.7)	48.3	3.5	(410.6)	386.1	(24.5)	57.0	2.8
Multi-name instruments (CHF billion)										
Investment grade [2]	(223.9)	217.2	(6.7)	32.5	0.0	(222.2)	207.1	(15.1)	20.6	(0.7)
Non-investment grade	(67.3)	70.3 [4]	3.0	10.8	(1.2)	(62.8)	56.1 [4]	(6.7)	9.8	(1.6)
Total multi-name instruments	**(291.2)**	**287.5**	**(3.7)**	**43.3**	**(1.2)**	**(285.0)** [3]	**263.2** [3]	**(21.8)**	**30.4** [3]	**(2.3)** [3]
of which sovereigns	(12.6)	12.5	(0.1)	0.2	0.0	(13.5)	13.1	(0.4)	0.4	(0.1)
of which non-sovereigns	(278.6)	275.0	(3.6)	43.1	(1.2)	(271.5)	250.1	(21.4)	30.0	(2.2)
Total instruments (CHF billion)										
Investment grade [2]	(606.4)	576.1	(30.3)	77.6	1.6	(616.8)	581.0	(35.8)	76.6	1.8
Non-investment grade	(200.0)	198.4	(1.6)	23.1	(1.0)	(198.2)	185.4	(12.8)	21.1	(2.0)
Total instruments	**(806.4)**	**774.5**	**(31.9)**	**100.7**	**0.6**	**(815.0)**	**766.4**	**(48.6)**	**97.7**	**(0.2)**
of which sovereigns	(129.7)	126.1	(3.6)	9.3	(1.7)	(132.9)	130.2	(2.7)	10.7	(0.8)
of which non-sovereigns	(676.7)	648.4	(28.3)	91.4	2.3	(682.1)	636.2	(45.9)	87.0	0.6

1 Represents credit protection purchased with identical underlyings and recoveries.
2 Based on internal ratings of BBB and above.
3 Credit protection instruments have been corrected to reclassify certain single-name instruments to multi-name instruments.
4 Includes the Clock Finance transaction.

The following table reconciles the notional amount of credit derivatives included in the table "Fair value of derivative instruments" to the table "Credit protection sold/purchased".

Credit derivatives

end of	2Q13	4Q12
Credit derivatives (CHF billion)		
Credit protection sold	806.4	815.0
Credit protection purchased	774.5	766.4
Other protection purchased	100.7	97.7
Other instruments [1]	15.0	15.3
Total credit derivatives	**1,696.6**	**1,694.4**

1 Consists of certain cash collateralized debt obligations, total return swaps and other derivative instruments.

The segregation of the future payments by maturity range and underlying risk gives an indication of the current status of the potential for performance under the derivative contracts.

Maturity of credit protection sold

end of	Maturity less than 1 year	Maturity between 1 to 5 years	Maturity greater than 5 years	**Total**
2Q13 (CHF billion)				
Single-name instruments	118.3	328.8	68.1	515.2
Multi-name instruments	18.5	187.1	85.6	291.2
Total instruments	**136.8**	**515.9**	**153.7**	**806.4**
4Q12 (CHF billion)				
Single-name instruments	125.0	326.0	79.0	530.0
Multi-name instruments	42.7	171.0	71.3	285.0
Total instruments	**167.7**	**497.0**	**150.3**	**815.0**

Note 25 **Guarantees and commitments**

Guarantees

In the ordinary course of business, guarantees are provided that contingently obligate Credit Suisse to make payments to third parties if the counterparty fails to fulfill its obligation under a borrowing or other contractual arrangement. The total gross amount disclosed within the Guarantees table reflects the maximum potential payment under the guarantees. The carrying value represents the Group's current best estimate of payments that will be required under existing guarantee arrangements.

Guarantees provided by the Group are classified as follows: credit guarantees and similar instruments, performance guarantees and similar instruments, securities lending indemnifications, derivatives and other guarantees.

▸ Refer to "Guarantees" in V – Consolidated financial statements – Credit Suisse Group – Note 31 – Guarantees and commitments in the Credit Suisse Annual Report 2012 for a detailed description of guarantees.

Guarantees

end of	Maturity less than 1 year	Maturity greater than 1 year	**Total gross amount**	Total net amount [1]	Carrying value	Collateral received
2Q13 (CHF million)						
Credit guarantees and similar instruments	10,409	2,371	12,780	12,552	9	1,932
Performance guarantees and similar instruments	4,783	4,308	9,091	8,188	83	3,012
Securities lending indemnifications	12,578	0	12,578	12,578	0	12,578
Derivatives [2]	17,793	17,842	35,635	35,635	1,132	– [3]
Other guarantees	3,862	1,222	5,084	5,070	3	2,628
Total guarantees	**49,425**	**25,743**	**75,168**	**74,023**	**1,227**	**20,150**
4Q12 (CHF million)						
Credit guarantees and similar instruments [4]	10,104	2,483	12,587	12,200	53	1,920
Performance guarantees and similar instruments	5,160	4,371	9,531	8,793	139	3,336
Securities lending indemnifications	12,211	0	12,211	12,211	0	12,211
Derivatives [2]	21,197	14,218	35,415	35,415	985	– [3]
Other guarantees	4,297	1,122	5,419	5,397	3	2,812
Total guarantees	**52,969**	**22,194**	**75,163**	**74,016**	**1,180**	**20,279**

1 Total net amount is computed as the gross amount less any participations.
2 Excludes derivative contracts with certain active commercial and investment banks and certain other counterparties, as such contracts can be cash settled and the Group had no basis to conclude it was probable that the counterparties held, at inception, the underlying instruments.
3 Collateral for derivatives accounted for as guarantees is not significant.
4 Prior period has been corrected.

Deposit-taking banks and securities dealers in Switzerland and certain other European countries are required to ensure the payout of privileged deposits in case of specified restrictions or compulsory liquidation of a deposit-taking bank. In Switzerland, deposit-taking banks and securities dealers jointly guarantee an amount of up to CHF 6 billion. Upon occurrence of a payout event triggered by a specified restriction of business imposed by FINMA or by the compulsory liquidation of another deposit-taking bank, the Group's contribution will be calculated based on its share of privileged deposits in proportion to total privileged deposits. Based on FINMA's estimate for the Group's banking subsidiaries in Switzerland, the Group's share in the deposit insurance guarantee program for the period July 1, 2012 to June 30, 2013 was CHF 0.7 billion. These deposit insurance guarantees were reflected in other guarantees. For the period July 1, 2013 to June 30, 2014, the Group's share in the deposit insurance guarantee program based on FINMA's estimate will be CHF 0.6 billion.

PAF2 transaction

The Group's results are impacted by the risk of counterparty defaults and the potential for changes in counterparty credit spreads related to derivative trading activities of the Group. In 1Q12, the Group entered into the 2011 Partner Asset Facility (PAF2) transaction to hedge the counterparty credit risk of a referenced portfolio of derivatives and their credit spread volatility. The hedge covers approximately USD 12 billion notional amount of expected positive exposure from counterparties of the Group, and is addressed in three layers: (i) first loss (USD 0.5 billion),

(ii) mezzanine (USD 0.8 billion) and (iii) senior (USD 11 billion). The first loss element is retained by the Group and actively managed through normal credit procedures. The mezzanine layer was hedged by transferring the risk of default and counterparty credit spread movements to eligible employees in the form of PAF2 awards, as part of their deferred compensation granted in the annual compensation process.

The model used to value the PAF2 awards is the standard Gaussian copula valuation model used for synthetic collateralized debt obligation (CDO) trades with adjustments necessary to incorporate the specific nature of the PAF2 transaction. The key model inputs are notional value, correlation assumption, credit spreads, liquidity and recovery rates of the portfolio, the Group's own credit spread and the maturity of the trade. In the model, the credit spreads of the counterparties determine the respective probability of default. Such probability is used to compute the expected value of the cash flows contingent on survival and on default of the counterparties in the reference portfolio. The credit spreads are sourced using observable data from CDS on the specific reference entity. Where a specific reference entity curve does not exist for a reference name in the portfolio, a proxy curve is used. The expected value of the counterparty exposure on default determines the equivalent notional value for the given name. This is computed from the effective positive exposure which is the weighted average over time of the expected exposure used by the Group for counterparty risk management. As of the end of 2Q13, the carrying value of the PAF2 awards was CHF 598 million. The amount of the PAF2 awards compensation expense for 2Q13 was a credit of CHF 17 million and is included in the amount reflected in the "Deferred compensation expense" table in Note 22 – Employee deferred compensation, which includes deferred compensation expense for a smaller plan unrelated to the hedging aspects of this transaction.

The Group has purchased protection on the senior layer to hedge against the potential for future counterparty credit spread volatility. This was executed through a CDS, accounted for at fair value, with a third-party entity. The value of the senior layer is calculated using the same model as for the PAF2 awards. As of the end of 2Q13, the CDS had a positive replacement value of CHF 17 million and was reflected in credit derivatives in the "Fair value of derivative instruments" table in Note 24 – Derivatives and hedging activities. The Group also has a credit support facility with this entity that allows the Group to provide credit support in connection with other assets that are commonly financed through the issuance of commercial paper (CP) and, in connection with the CDS, to provide immediately available funding to this entity in certain circumstances. Among others, such circumstances include: (i) a disruption of the CP market such that the entity cannot issue or roll a CP to fund the CDS payment or repay a maturing CP; (ii) the interest payable on the CP exceeds certain thresholds and the Group instructed the entity to draw on the facility instead of issuing a CP; (iii) a CP was issued by the entity to fund a CDS payment and subsequently the short-term rating of the facility provider is downgraded; or (iv) to repay any outstanding CP at the maturity date of the facility. Any funded amount may be settled by the assignment of the rights and obligations of the CDS to the Group. The credit support facility is accounted for on an accrual basis and is reflected in credit guarantees and similar instruments in the "Guarantees" table. As of the end of 2Q13, the carrying value of the credit support facility included in this table was zero (in million Swiss francs). The transaction overall is a four-year transaction, but can be extended to nine years. The Group has the right to terminate the third-party transaction for certain reasons, including certain regulatory developments.

In December 2012, the BCBS published updated regulatory guidance that makes the PAF2 transaction as currently structured ineligible for counterparty credit spread hedging under the Basel III framework. As a result of this new guidance, the Group has the right to exercise the regulatory call to restructure or terminate the CDS and the credit support facility layer at par and terminate the mezzanine layer at fair value. The Group is in the process of negotiating a restructuring of the transaction in order for the PAF2 transaction as a whole to remain an eligible counterparty credit spread hedge under Basel III. If a restructuring is not completed, the Group may terminate the transaction.

Representations and warranties on residential mortgage loans sold

In connection with Investment Banking's sale of US residential mortgage loans, the Group has provided certain representations and warranties relating to the loans sold. The Group has provided these representations and warranties relating to sales of loans to: the US government-sponsored enterprises Fannie Mae and Freddie Mac (GSEs); institutional investors, primarily banks; and non-agency, or private label, securitizations. The loans sold are primarily loans that the Group has purchased from other parties. The scope of representations and warranties, if any, depends on the transaction, but can include: ownership of the mortgage loans and legal capacity to sell the loans; loan-to-value ratios and other characteristics of the property, the borrower and the loan; validity of the liens securing the loans and absence of delinquent taxes or related liens; conformity to underwriting standards and completeness of documentation; and origination in compliance with law. If it is determined that representations and warranties were breached, the Group may be required to repurchase the related loans or indemnify the investors to make them whole for losses. Whether the Group will incur a loss in connection with repurchases and make whole payments depends on: the extent to which claims are made; the validity of such claims (including the likelihood and ability to enforce claims); whether the Group can successfully claim against parties that sold loans to the Group and made representations and warranties to the Group; the residential real estate market, including the number of defaults; and whether the obligations of the securitization vehicles were guaranteed or insured by third parties.

With respect to its outstanding repurchase claims balance for GSEs, private investors and non-agency securitizations, the Group is unable to estimate reasonably possible losses in excess of the amounts accrued because the Group has limited reliable information about the status of such loans following their sale. With respect to outstanding repurchase claims from private investors and non-agency securitizations, the Group is unable to estimate reasonably possible losses in excess of the amounts accrued due to the Group's limited history of resolving such repurchase claims.

The following tables present the total amount of residential mortgage loans sold during the period from January 1, 2004 to June 30, 2013 by counterparty type and the development of outstanding repurchase claims and provisions for outstanding repurchase claims in 2Q13, 1Q13 and 2Q12, including realized losses from the repurchase of residential mortgage loans sold.

Residential mortgage loans sold

January 1, 2004 to June 30, 2013 (USD billion)	
Government-sponsored enterprises	8.2
Private investors [1]	23.1
Non-agency securitizations	132.5 [2]
Total residential mortgage loans sold	**163.8**

[1] Primarily banks.
[2] The outstanding balance of residential mortgage loans sold was USD 27.4 billion as of the end of 2Q13. The difference of the total balance of mortgage loans sold and the outstanding balance as of the end of 2Q13 is attributable to borrower payments of USD 87.3 billion and losses of USD 17.8 billion due to loan defaults.

Residential mortgage loans sold – outstanding repurchase claims

				2Q13				1Q13
	Government-sponsored enterprises	Private investors	Non-agency securitizations	**Total**	Government-sponsored enterprises	Private investors	Non-agency securitizations	**Total**
Outstanding repurchase claims (USD million)								
Balance at beginning of period	**67**	**482**	**1,398**	**1,947**	**67**	**464**	**1,395**	**1,926**
New claims	24	93	149	266	12	22	340	374
Claims settled through repurchases	(1)	0	(2)	(3) [1]	(3)	0	0	(3) [1]
Other settlements	(5)	(155)	(4)	(164) [2]	(3)	0	(3)	(6) [2]
Total claims settled	(6)	(155)	(6)	(167)	(6)	0	(3)	(9)
Claims rescinded	(4)	0	0	(4)	(6)	(4)	0	(10)
Transfers to/from arbitration and litigation, net [3]	0	0	(347)	(347)	0	0	(334)	(334)
Balance at end of period	**81**	**420**	**1,194**	**1,695**	**67**	**482**	**1,398**	**1,947**

				2Q12
	Government-sponsored enterprises	Private investors	Non-agency securitizations	**Total**
Outstanding repurchase claims (USD million)				
Balance at beginning of period	**50**	**437**	**762**	**1,249**
New claims	25	14	242	281
Claims settled through repurchases	(2)	0	(3)	(5) [1]
Other settlements	(2)	(1)	(6)	(9) [2]
Total claims settled	(4)	(1)	(9)	(14)
Claims rescinded	0	(2)	0	(2)
Transfers to/from arbitration and litigation, net [3]	0	0	(144)	(144)
Balance at end of period	**71**	**448**	**851**	**1,370**

[1] Settled at a repurchase price of USD 3 million, USD 3 million and USD 6 million in 2Q13, 1Q13 and 2Q12, respectively.
[2] Settled at USD 20 million, USD 5 million and USD 7 million in 2Q13, 1Q13 and 2Q12, respectively.
[3] Refer to "Note 29 – Litigation" for repurchase claims that are in arbitration or litigation.

Residential mortgage loans sold – outstanding repurchase claims (continued)

				6M13				6M12
	Government-sponsored enterprises	Private investors	Non-agency securitizations	Total	Government-sponsored enterprises	Private investors	Non-agency securitizations	Total
Outstanding repurchase claims (USD million)								
Balance at beginning of period	**67**	**464**	**1,395**	**1,926**	**68**	**432**	**243**	**743**
New claims	36	115	489	640	36	22	777	835
Claims settled through repurchases	(4)	0	(2)	(6) [1]	(3)	0	(5)	(8) [1]
Other settlements	(8)	(155)	(7)	(170) [2]	(4)	(1)	(8)	(13) [2]
Total claims settled	(12)	(155)	(9)	(176)	(7)	(1)	(13)	(21)
Claims rescinded	(10)	(4)	0	(14)	(26)	(5)	0	(31)
Transfers to/from arbitration and litigation, net [3]	0	0	(681)	(681)	0	0	(156)	(156)
Balance at end of period	**81**	**420**	**1,194**	**1,695**	**71**	**448**	**851**	**1,370**

[1] Settled at a repurchase price of USD 6 million and USD 9 million in 6M13 and 6M12, respectively.
[2] Settled at USD 25 million and USD 10 million in 6M13 and 6M12, respectively.
[3] Refer to "Note 29 – Litigation" for repurchase claims that are in arbitration or litigation.

Provisions for outstanding repurchase claims

	2Q13	1Q13	2Q12	6M13	6M12
Provisions for outstanding repurchase claims (USD million) [1]					
Balance at beginning of period	**59**	**55**	**49**	**55**	**59**
Increase/(decrease) in provisions, net	62	12	20	74	16
Realized losses [2]	(23)	(8) [3]	(13) [3]	(31)	(19) [3]
Balance at end of period [4]	**98**	**59**	**56**	**98**	**56**

[1] Excludes provisions for repurchase claims related to residential mortgage loans sold that are in arbitration or litigation. Refer to "Note 29 – Litigation" for further information.
[2] Includes indemnifications paid to resolve loan repurchase claims.
[3] Primarily related to government-sponsored enterprises and non-agency securitizations.
[4] Primarily related to government-sponsored enterprises.

Representations and warranties relating to residential mortgage loans sold to non-agency securitization vehicles are more limited in scope than those relating to residential mortgage loans sold to GSEs, and it can be more difficult to establish causation and standing in making a repurchase claim for breach of representations and warranties on residential mortgage loans sold in non-agency securitizations. The Group is involved in litigation relating to representations and warranties on residential mortgage loans sold.

▸ Refer to "Note 29 – Litigation" for further information.

Repurchase claims on residential mortgage loans sold that are subject to arbitration or litigation proceedings, or become so during the reporting period, are not included in the Guarantees and commitments disclosure of repurchase claims and related loss contingencies and provisions but are addressed in litigation and related loss contingencies and provisions.

Repurchase claims relating to residential mortgage loans sold may increase in the future based on the large number of defaults in residential mortgages, including those sold or securitized by the Group.

Disposal-related contingencies and other indemnifications

The Group has certain guarantees for which its maximum contingent liability cannot be quantified. These guarantees include disposal-related contingencies in connection with the sale of assets or businesses, and other indemnifications. These guarantees are not reflected in the "Guarantees" table.

▸ Refer to "Disposal-related contingencies and other indemnifications" in V – Consolidated financial statements – Credit Suisse Group – Note 31 – Guarantees and commitments in the Credit Suisse Annual Report 2012 for a description of these guarantees.

Other commitments

Other commitments of the Group are classified as follows: irrevocable commitments under documentary credits, loan commitments, forward reverse repurchase agreements and other commitments.

▸ Refer to "Other commitments" in V – Consolidated financial statements – Credit Suisse Group – Note 31 – Guarantees and commitments in the Credit Suisse Annual Report 2012 for a description of these commitments.

Other commitments

end of	2Q13 Maturity less than 1 year	2Q13 Maturity greater than 1 year	2Q13 **Total gross amount**	2Q13 Total net amount [1]	2Q13 Collateral received	4Q12 Maturity less than 1 year	4Q12 Maturity greater than 1 year	4Q12 **Total gross amount**	4Q12 Total net amount [1]	4Q12 Collateral received
Other commitments (CHF million)										
Irrevocable commitments under documentary credits	5,660	29	5,689	5,574	3,160	6,217	41	6,258	6,061	3,219
Loan commitments	170,538	74,593	245,131 [2]	239,693	163,905	169,462	67,648	237,110 [2]	231,639	153,460
Forward reverse repurchase agreements	43,192	0	43,192	43,192	43,192	45,556	0	45,556	45,556	45,556
Other commitments	3,807	1,531	5,338	5,338	167	949	1,612	2,561	2,561	131
Total other commitments	**223,197**	**76,153**	**299,350**	**293,797**	**210,424**	**222,184**	**69,301**	**291,485**	**285,817**	**202,366**

1 Total net amount is computed as the gross amount less any participations.
2 Includes CHF 140,510 million and CHF 139,709 million of unused credit limits as of the end of 2Q13 and 4Q12, respectively, which were revocable at the Group's sole discretion upon notice to the client.

Note 26 Transfers of financial assets and variable interest entities

In the normal course of business, the Group enters into transactions with, and makes use of, SPEs. An SPE is an entity in the form of a trust or other legal structure designed to fulfill a specific limited need of the company that organized it and is generally structured to isolate the SPE's assets from creditors of other entities, including the Group. The principal uses of SPEs are to assist the Group and its clients in securitizing financial assets and creating investment products. The Group also uses SPEs for other client-driven activity, such as to facilitate financings, and Group tax or regulatory purposes.

Transfers of financial assets

Securitizations

The majority of the Group's securitization activities involve mortgages and mortgage-related securities and are predominantly transacted using SPEs. In a typical securitization, the SPE purchases assets financed by proceeds received from the SPE's issuance of debt and equity instruments, certificates, CP and other notes of indebtedness. These assets and liabilities are recorded on the balance sheet of the SPE and not reflected on the Group's consolidated balance sheet, unless either the Group sold the assets to the entity and the accounting requirements for sale were not met or the Group consolidates the SPE.

The Group purchases commercial and residential mortgages for the purpose of securitization and sells these mortgage loans to SPEs. These SPEs issue CMBS, RMBS and asset-backed securities (ABS) that are collateralized by the assets transferred to the SPE and that pay a return based on the returns on those assets. Investors in these mortgage-backed securities or ABS typically have recourse to the assets in the SPEs, unless a third-party guarantee has been received to further enhance the creditworthiness of the assets. The investors and the SPEs have no recourse to the Group's assets. The Group is typically an underwriter of, and makes a market in, these securities.

The Group also transacts in re-securitizations of previously issued RMBS securities. Typically, certificates issued out of an existing securitization vehicle are sold into a newly created and separate securitization vehicle. Often, these re-securitizations are initiated in order to repackage an existing security to give the investor a higher rated tranche.

The Group also uses SPEs for other asset-backed financings relating to client-driven activity and for Group tax or regulatory purposes. Types of structures included in this category include CDOs, leveraged finance, repack and other types of transactions, including life insurance structures, emerging market structures set up for financing, loan participation or loan origination purposes, and other alternative structures created for the purpose of investing in venture capital-like investments. CDOs are collateralized by the assets transferred to the CDO vehicle and pay a return based on the returns on those assets. Leveraged finance structures are used to assist in the syndication of certain loans held by the Group, while repack structures are designed to give a client collateralized exposure to specific cash flows or credit risk backed by collateral purchased from the Group. In these asset-backed financing structures investors typically only have recourse to the collateral of the SPE and do not have recourse to the Group's assets.

When the Group transfers assets into an SPE, it must assess whether that transfer is accounted for as a sale of the assets. Transfers of assets may not meet sale requirements if the assets have not been legally isolated from the Group and/or if the Group's continuing involvement is deemed to give it effective control over the assets. If the transfer is not deemed a sale, it is instead accounted for as a secured borrowing, with the transferred assets as collateral.

Gains and losses on securitization transactions depend, in part, on the carrying values of mortgages and CDOs involved in the transfer and are allocated between the assets sold and any beneficial interests retained according to the relative fair values at the date of sale.

The Group does not retain material servicing responsibilities from securitization activities.

The following table provides the gains or losses and proceeds from the transfer of assets relating to 6M13 and 6M12 securitizations of financial assets that qualify for sale accounting and subsequent derecognition, along with the cash flows between the Group and the SPEs used in any securitizations in which the Group still has continuing involvement, regardless of when the securitization occurred.

Securitizations

in	6M13	6M12
Gains and cash flows (CHF million)		
CMBS		
Net gain [1]	1	23
Proceeds from transfer of assets	3,631	3,718
Cash received on interests that continue to be held	32	35
RMBS		
Net gain/(loss) [1]	2	(2)
Proceeds from transfer of assets	14,257	8,483
Purchases of previously transferred financial assets or its underlying collateral	(8)	(11)
Servicing fees	2	1
Cash received on interests that continue to be held	275	246
Other asset-backed financings		
Net gain [1]	7	71
Proceeds from transfer of assets	553	279
Purchases of previously transferred financial assets or its underlying collateral [2]	(65)	(161)
Cash received on interests that continue to be held	329	582

[1] Includes underwriting revenues, deferred origination fees, gains or losses on the sale of collateral to the SPE and gains or losses on the sale of newly issued securities to third parties, but excludes net interest income on assets prior to the securitization. The gains or losses on the sale of the collateral is the difference between the fair value on the day prior to the securitization pricing date and the sale price of the loans.
[2] Represents market making activity and voluntary repurchases at fair value where no repurchase obligations were present.

Continuing involvement in transferred financial assets

The Group may have continuing involvement in the financial assets that are transferred to an SPE which may take several forms, including, but not limited to, servicing, recourse and guarantee arrangements, agreements to purchase or redeem transferred assets, derivative instruments, pledges of collateral and beneficial interests in the transferred assets.

▸ Refer to “Transfer of financial assets” in V – Consolidated financial statements – Credit Suisse Group – Note 32 – Transfer of financial assets and variable interest entities in the Credit Suisse Annual Report 2012 for a detailed description of continuing involvement in transferred financial assets.

The following table provides the outstanding principal balance of assets to which the Group continued to be exposed after the transfer of the financial assets to any SPE and the total assets of the SPE as of the end of 2Q13 and 4Q12, regardless of when the transfer of assets occurred.

Principal amounts outstanding and total assets of SPEs resulting from continuing involvement

end of	2Q13	4Q12
CHF million		
CMBS		
Principal amount outstanding	33,203	30,050
Total assets of SPE	48,661	45,407
RMBS		
Principal amount outstanding	51,891	58,112
Total assets of SPE	53,731	60,469
Other asset-backed financings		
Principal amount outstanding	28,467	32,805
Total assets of SPE	28,518	32,805

Principal amount outstanding relates to assets transferred from the Group and does not include principal amounts for assets transferred from third parties.

Fair value of beneficial interests

The fair value measurement of the beneficial interests held at the time of transfer and as of the reporting date that result from any continuing involvement is determined using fair value estimation techniques, such as the present value of estimated future cash flows that incorporate assumptions that market participants customarily use in these valuation techniques. The fair value of the assets or liabilities that result from any continuing involvement does not include any benefits from financial instruments that the Group may utilize to hedge the inherent risks.

Key economic assumptions at the time of transfer

▸ Refer to “Note 27 – Financial instruments” for information on fair value hierarchy levels.

Key economic assumptions used in measuring fair value of beneficial interests at time of transfer

	2Q13		4Q12	
at time of transfer	CMBS	RMBS	CMBS	RMBS
CHF million, except where indicated				
Fair value of beneficial interests	158	1,963	761	2,219
of which level 2	141	1,922	654	2,090
of which level 3	17	41	107	129
Weighted-average life, in years	8.9	7.0	8.4	5.0
Prepayment speed assumption (rate per annum), in % [1]	– [2]	6.3–31.0	– [2]	0.1–34.9
Cash flow discount rate (rate per annum), in % [3]	1.6–8.2	0.0–45.9	0.8–10.7	0.1–25.7
Expected credit losses (rate per annum), in %	0.0–7.5	0.0–45.8	0.5–9.0	0.0–25.1

Transfers of assets in which the Group does not have beneficial interests are not included in this table.
[1] Prepayment speed assumption (PSA) is an industry standard prepayment speed metric used for projecting prepayments over the life of a residential mortgage loan. PSA utilizes the constant prepayment rate (CPR) assumptions. A 100% prepayment assumption assumes a prepayment rate of 0.2% per annum of the outstanding principal balance of mortgage loans in the first month. This increases by 0.2% thereafter during the term of the mortgage loan, leveling off to a CPR of 6% per annum beginning in the 30th month and each month thereafter during the term of the mortgage loan. 100 PSA equals 6 CPR.
[2] To deter prepayment, commercial mortgage loans typically have prepayment protection in the form of prepayment lockouts and yield maintenances.
[3] The rate was based on the weighted-average yield on the beneficial interests.

Key economic assumptions as of the reporting date

The following table provides the sensitivity analysis of key economic assumptions used in measuring the fair value of beneficial interests held in SPEs as of the end of 2Q13 and 4Q12.

Key economic assumptions used in measuring fair value of beneficial interests held in SPEs

	2Q13			4Q12		
	CMBS [1]	RMBS	Other asset-backed financing activities [2]	CMBS [1]	RMBS	Other asset-backed financing activities [2]
CHF million, except where indicated						
Fair value of beneficial interests	537	1,658	452	274	1,929	692
of which non-investment grade	96	127	428	90	342	686
Weighted-average life, in years	6.2	7.8	4.6	4.0	5.2	3.6
Prepayment speed assumption (rate per annum), in % [3]	–	2.1–33.8	–	–	0.1–27.6	–
Impact on fair value from 10% adverse change	–	(19.4)	–	–	(38.5)	–
Impact on fair value from 20% adverse change	–	(37.3)	–	–	(74.3)	–
Cash flow discount rate (rate per annum), in % [4]	1.2–36.2	1.4–33.4	0.8–19.6	1.1–50.2	0.2–42.8	0.7–51.7
Impact on fair value from 10% adverse change	(9.5)	(41.5)	(0.6)	(14.8)	(62.8)	(1.0)
Impact on fair value from 20% adverse change	(18.6)	(80.6)	(1.2)	(19.9)	(93.5)	(1.8)
Expected credit losses (rate per annum), in %	1.0–34.2	2.5–16.9	0.3–19.3	0.9–49.5	0.9–42.8	0.3–51.4
Impact on fair value from 10% adverse change	(4.5)	(23.8)	(0.5)	(14.4)	(55.9)	(0.8)
Impact on fair value from 20% adverse change	(8.8)	(46.5)	(1.0)	(19.2)	(80.3)	(1.6)

[1] To deter prepayment, commercial mortgage loans typically have prepayment protection in the form of prepayment lockouts and yield maintenances.
[2] CDOs within this category are generally structured to be protected from prepayment risk.
[3] Prepayment speed assumption (PSA) is an industry standard prepayment speed metric used for projecting prepayments over the life of a residential mortgage loan. PSA utilizes the constant prepayment rate (CPR) assumptions. A 100% prepayment assumption assumes a prepayment rate of 0.2% per annum of the outstanding principal balance of mortgage loans in the first month. This increases by 0.2% thereafter during the term of the mortgage loan, leveling off to a CPR of 6% per annum beginning in the 30th month and each month thereafter during the term of the mortgage loan. 100 PSA equals 6 CPR.
[4] The rate was based on the weighted-average yield on the beneficial interests.

These sensitivities are hypothetical and do not reflect economic hedging activities. Changes in fair value based on a 10% or 20% variation in assumptions generally cannot be extrapolated because the relationship of the change in assumption to the change in fair value may not be linear. Also, the effect of a variation in a particular assumption on the fair value of the beneficial interests is calculated without changing any other assumption. In practice, changes in one assumption may result in changes in other assumptions (for example, increases in market interest rates may result in lower prepayments and increased credit losses), which might magnify or counteract the sensitivities.

Secured borrowings

The following table provides the carrying amounts of transferred financial assets and the related liabilities where sale treatment was not achieved as of the end of 2Q13 and 4Q12.

▸ Refer to “Note 28 – Assets pledged and collateral” for further information.

Carrying amounts of transferred financial assets and liabilities where sale treatment was not achieved

end of	**2Q13**	4Q12
CHF million		
CMBS		
Other assets	406	467
Liability to SPE, included in Other liabilities	(406)	(467)
Other asset-backed financings		
Trading assets	617	1,171
Other assets	7	913
Liability to SPE, included in Other liabilities	(624)	(2,084)

Variable interest entities

As a normal part of its business, the Group engages in various transactions that include entities that are considered VIEs and are grouped into three primary categories: CDOs, CP conduits and financial intermediation.

▸ Refer to “Variable interest entities” in V – Consolidated financial statements – Credit Suisse Group – Note 32 – Transfer of financial assets and variable interest entities in the Credit Suisse Annual Report 2012 for a detailed description of VIEs, CDOs, CP conduit or financial intermediation.

Collateralized debt obligations

The Group engages in CDO transactions to meet client and investor needs, earn fees and sell financial assets. The Group may act as underwriter, placement agent or asset manager and may warehouse assets prior to the closing of a transaction.

Commercial paper conduit

The Group continues to act as the administrator and provider of liquidity and credit enhancement facilities for one asset-backed CP conduit, Alpine, a client-focused multi-seller conduit vehicle. Alpine publishes portfolio and asset data and submits its portfolio to a rating agency for public ratings based on the cash flows of the portfolio taken as a whole. This CP conduit purchases assets, primarily loans and receivables, from clients and finances such purchases through the issuance of CP backed by these assets. For an asset to qualify for acquisition by the CP conduit, it must be rated at least investment grade after giving effect to the related asset-specific credit enhancement primarily provided by the client seller of the asset. The clients provide credit support to investors of the CP conduit in the form of over-collateralization and other asset-specific enhancements. Further, an unaffiliated investor retains a limited first-loss position in Alpine’s entire portfolio. Alpine is a separate legal entity that is wholly owned by the Group. However, its assets are available to satisfy only the claims of its creditors. In addition, the Group, as administrator and liquidity and credit enhancement facilities provider, has significant exposure to and power over the activities of Alpine. Alpine is considered a VIE for accounting purposes and the Group is deemed the primary beneficiary and consolidates this entity.

The overall average maturity of the conduit’s outstanding CP was approximately 21 days and 27 days as of 2Q13 and 4Q12, respectively. As of 2Q13 and 4Q12, Alpine had the highest short-term ratings from Moody’s and Dominion Bond Rating Service and was rated A-1 by Standard & Poor’s and F-1 by Fitch. The majority of Alpine’s purchased assets were highly rated loans or receivables in the consumer sector, including auto and equipment loans or leases, student loans, residential mortgages and advance financing receivables. As of 2Q13 and 4Q12, those assets had an average rating of AA, based on the lowest of each asset’s external or internal rating, and an average maturity of 1.5 years and 2.9 years as of 2Q13 and 4Q12, respectively.

Financial intermediation

The Group has significant involvement with VIEs in its role as a financial intermediary on behalf of clients.

Financial intermediation consists of securitizations, funds, loans and other vehicles.

Consolidated VIEs

The Group has significant involvement with VIEs in its role as a financial intermediary on behalf of clients. The Group consolidates all VIEs related to financial intermediation for which it was the primary beneficiary.

The consolidated VIEs tables provide the carrying amounts and classifications of the assets and liabilities of consolidated VIEs as of the end of 2Q13 and 4Q12.

Consolidated VIEs in which the Group was the primary beneficiary

			Financial intermediation				
end of	CDO	CP Conduit	Securi-tizations	Funds	Loans	Other	**Total**
2Q13 (CHF million)							
Cash and due from banks	1,353	2	4	154	53	26	1,592
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	0	1,336	0	0	0	0	1,336
Trading assets	1,004	57	35	1,935	616	203	3,850
Investment securities	0	175	0	0	0	0	175
Other investments	0	0	0	0	1,607	589	2,196
Net loans	0	2,671	825	0	538	532	4,566
Premises and equipment	0	0	0	0	494	67	561
Other assets	8,541	1,495	3,027	4	510	1,833	15,410
of which loans held-for-sale	8,499	0	2,823	0	67	0	11,389
Total assets of consolidated VIEs	**10,898**	**5,736**	**3,891**	**2,093**	**3,818**	**3,250**	**29,686**
Customer deposits	0	0	0	0	0	167	167
Trading liabilities	14	0	0	0	7	85	106
Short-term borrowings	0	4,440	0	10	0	0	4,450
Long-term debt	10,884	14	3,733	282	97	440	15,450
Other liabilities	25	7	78	10	154	866	1,140
Total liabilities of consolidated VIEs	**10,923**	**4,461**	**3,811**	**302**	**258**	**1,558**	**21,313**
4Q12 (CHF million)							
Cash and due from banks	1,534	27	0	125	44	20	1,750
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	0	117	0	0	0	0	117
Trading assets	1,064	196	14	1,861	565	997	4,697
Investment securities	0	23	0	0	0	0	23
Other investments	0	0	0	0	1,712	577	2,289
Net loans	0	4,360	859	0	405	429	6,053
Premises and equipment	0	0	0	0	509	72	581
Other assets	7,369	1,637	3,111	4	572	1,843	14,536
of which loans held-for-sale	7,324	0	3,110	0	71	0	10,505
Total assets of consolidated VIEs	**9,967**	**6,360**	**3,984**	**1,990**	**3,807**	**3,938**	**30,046**
Customer deposits	0	0	0	0	0	247	247
Trading liabilities	20	0	0	0	4	101	125
Short-term borrowings	0	5,776	0	3	0	3,803	9,582
Long-term debt	9,944	14	3,608	500	38	428	14,532
Other liabilities	45	6	97	7	168	905	1,228
Total liabilities of consolidated VIEs	**10,009**	**5,796**	**3,705**	**510**	**210**	**5,484**	**25,714**

Non-consolidated VIEs

The non-consolidated VIEs tables provide the carrying amounts and classification of the assets and liabilities of variable interests recorded in the Group's consolidated balance sheets, maximum exposure to loss and total assets of the non-consolidated VIEs.

Certain VIEs have not been included in the following table, including VIEs structured by third parties in which the Group's interest is in the form of securities held in the Group's inventory, certain single-asset financing vehicles not sponsored by the Group to which the Group provides financing but has very little risk of loss due to over-collateralization and guarantees, failed sales where the Group does not have any other holdings and other entities out of scope.

▸ Refer to "Variable interest entities" in V – Consolidated financial statements – Credit Suisse Group – Note 32 – Transfer of financial assets and variable interest entities in the Credit Suisse Annual Report 2012 for further information on non-consolidated VIEs.

Non-consolidated VIEs

			Financial intermediation			
end of	CDO	Securi-tizations	Funds	Loans	Other	**Total**
2Q13 (CHF million)						
Trading assets	95	5,326	1,095	763	634	7,913
Net loans	1	421	2,484	3,424	1,174	7,504
Other assets	0	0	25	0	4	29
Total variable interest assets	**96**	**5,747**	**3,604**	**4,187**	**1,812**	**15,446**
Maximum exposure to loss	**105**	**17,807**	**3,811**	**6,699**	**1,914**	**30,336**
Non-consolidated VIE assets	**7,007**	**109,492**	**60,215**	**25,662**	**15,608**	**217,984**
4Q12 (CHF million)						
Trading assets	100	3,210	1,143	868	600	5,921
Net loans	8	111	2,148	3,572	1,668	7,507
Other assets	0	17	49	0	4	70
Total variable interest assets	**108**	**3,338**	**3,340**	**4,440**	**2,272**	**13,498**
Maximum exposure to loss	**108**	**14,123**	**3,575**	**4,906**	**3,039**	**25,751**
Non-consolidated VIE assets	**5,163**	**103,990**	**52,268**	**22,304**	**15,491**	**199,216**

Note 27 Financial instruments

The disclosure of the Group's financial instruments below includes the following sections:

- Concentration of credit risk;
- Fair value measurement (including fair value hierarchy, transfers between levels; level 3 reconciliation; qualitative and quantitative disclosures of valuation techniques and nonrecurring fair value changes)
- Fair value option; and
- Disclosures about fair value of financial instruments not carried at fair value.

Concentrations of credit risk

Credit risk concentrations arise when a number of counterparties are engaged in similar business activities, are located in the same geographic region or when there are similar economic features that would cause their ability to meet contractual obligations to be similarly impacted by changes in economic conditions.

▸ Refer to "Note 33 – Financial instruments" in V – Consolidated financial statements – Credit Suisse Group in the Credit Suisse Annual Report 2012 for further information on the Group's concentrations of credit risk.

Fair value measurement

A significant portion of the Group's financial instruments are carried at fair value. Deterioration of financial markets could significantly impact the fair value of these financial instruments and the results of operations.

The fair value of the majority of the Group's financial instruments is based on quoted prices in active markets or observable inputs. These instruments include government and agency securities, certain CP, most investment grade corporate debt, certain high yield debt securities, exchange-traded and certain OTC derivative instruments and most listed equity securities.

In addition, the Group holds financial instruments for which no prices are available and which have little or no observable inputs. For these instruments, the determination of fair value requires subjective assessment and judgment, depending on liquidity, pricing assumptions, the current economic and competitive environment and the risks affecting the specific instrument. In such circumstances, valuation is determined based on management's own judgments about the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. These instruments include certain OTC derivatives, including equity and credit derivatives, certain corporate equity-linked securities, mortgage-related and CDO securities, private equity investments, certain loans and credit products, including leveraged finance, certain syndicated loans and certain high yield bonds, and life finance instruments.

The fair value of financial assets and liabilities is impacted by factors such as benchmark interest rates, prices of financial instruments issued by third parties, commodity prices, foreign exchange rates and index prices or rates. In addition, valuation adjustments are an integral part of the valuation process when market prices are not indicative of the credit quality of a counterparty, and are applied to both OTC derivatives and debt instruments. The impact of changes in a counterparty's credit spreads (known as CVA) is considered when measuring the fair value of assets and the impact of changes in the Group's own credit spreads (known as DVA) is considered when measuring the fair value of its liabilities. For OTC derivatives, the impact of changes in both the Group's and the counterparty's credit standing is considered when measuring their fair value, based on current CDS prices. The adjustments also take into account contractual factors designed to reduce the Group's credit exposure to a counterparty, such as collateral held and master netting agreements. For hybrid debt instruments with embedded derivative features, the impact of changes in the Group's credit standing is considered when measuring their fair value, based on current funded debt spreads.

ASU 2011-04 permits a reporting entity to measure the fair value of a group of financial assets and financial liabilities on the basis of the price that would be received to sell a net long position or paid to transfer a net short position for a particular risk exposure in an orderly transaction between market participants at the measurement date. This change to the fair value measurement guidance is consistent with industry practice. As such, the Group continues to apply bid and offer adjustments to net portfolios of cash securities and/or derivative instruments to adjust the value of the net position from a mid-market price to the appropriate bid or offer level that would be realized under normal market conditions for the net long or net short position for a specific market risk. In addition, the Group reflects the net exposure to credit risk for its derivative instruments where the Group has legally enforceable agreements with its counterparties that mitigate credit risk exposure in the event of default. Valuation adjustments are recorded in a reasonable and consistent manner that results in an allocation to the relevant disclosures in the notes to the financial statements as if the valuation adjustment had been allocated to the individual unit of account.

Fair value hierarchy

The levels of the fair value hierarchy are defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group has the ability to access. This level of the fair value hierarchy provides the most reliable evidence of fair value and is used to measure fair value whenever available.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. These inputs include: (i) quoted prices for similar assets or liabilities in active markets; (ii) quoted prices for identical or similar assets or liabilities in markets that are not active, that is, markets in which there are few transactions for the asset or liability, the prices are not current or price quotations vary substantially either over time or among market makers, or in which little information is publicly available; (iii) inputs other than quoted prices that are observable for the asset or liability; or (iv) inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3: Inputs that are unobservable for the asset or liability. These inputs reflect the Group's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These inputs are developed based on the best information available in the circumstances, which include the Group's own data. The Group's own data used to develop unobservable inputs is adjusted if information indicates that market participants would use different assumptions.

Assets and liabilities measured at fair value on a recurring basis

end of 2Q13	Level 1	Level 2	Level 3	Netting impact [1]	Total
Assets (CHF million)					
Cash and due from banks	0	386	0	0	386
Interest-bearing deposits with banks	0	396	0	0	396
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	0	99,972	0	0	99,972
Debt	216	186	0	0	402
of which corporates	0	184	0	0	184
Equity	20,714	559	0	0	21,273
Securities received as collateral	20,930	745	0	0	21,675
Debt	46,148	66,264	4,511	0	116,923
of which foreign governments	45,429	6,863	30	0	52,322
of which corporates	47	25,266	2,057	0	27,370
of which RMBS	0	29,510	906	0	30,416
of which CMBS	0	2,237	306	0	2,543
of which CDO	0	2,317	865	0	3,182
Equity	71,520	6,338	423	0	78,281
Derivatives	15,978	663,276	6,579	(646,593)	39,240
of which interest rate products	7,229	530,479	1,560	–	–
of which foreign exchange products	49	69,797	505	–	–
of which equity/index-related products	8,249	27,452	2,076	–	–
of which credit derivatives	0	27,652	1,627	–	–
Other	4,735	3,655	3,000	0	11,390
Trading assets	138,381	739,533	14,513	(646,593)	245,834
Debt	2,025	1,107	317	0	3,449
of which foreign governments	1,575	2	22	0	1,599
of which corporates	0	672	120	0	792
of which CDO	0	432	175	0	607
Equity	2	93	2	0	97
Investment securities	2,027	1,200	319	0	3,546
Private equity	0	0	3,980	0	3,980
of which equity funds	0	0	2,617	0	2,617
Hedge funds	0	348	133	0	481
of which debt funds	0	218	40	0	258
Other equity investments	247	83	2,099	0	2,429
of which private	0	48	2,099	0	2,147
Life finance instruments	0	0	1,713	0	1,713
Other investments	247	431	7,925	0	8,603
Loans	0	12,421	7,149	0	19,570
of which commercial and industrial loans	0	6,189	4,899	0	11,088
of which financial institutions	0	4,865	1,298	0	6,163
Other intangible assets (mortgage servicing rights)	0	0	39	0	39
Other assets	4,962	26,876	6,631	(301)	38,168
of which loans held-for-sale	0	16,891	5,842	0	22,733
Total assets at fair value	**166,547**	**881,960**	**36,576**	**(646,894)**	**438,189**
Less other investments – equity at fair value attributable to noncontrolling interests	(221)	(133)	(3,584)	0	(3,938)
Less assets consolidated under ASU 2009-17 [2]	0	(9,190)	(3,372)	0	(12,562)
Assets at fair value excluding noncontrolling interests and assets not risk-weighted under the Basel framework	**166,326**	**872,637**	**29,620**	**(646,894)**	**421,689**

[1] Derivative contracts are reported on a gross basis by level. The impact of netting represents legally enforceable master netting agreements.
[2] Assets of consolidated VIEs that are not risk-weighted under the Basel framework.

Assets and liabilities measured at fair value on a recurring basis (continued)

end of 2Q13	Level 1	Level 2	Level 3	Netting impact [1]	Total
Liabilities (CHF million)					
Due to banks	0	1,903	0	0	1,903
Customer deposits	0	3,538	62	0	3,600
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	0	79,443	0	0	79,443
Debt	216	186	0	0	402
of which corporates	0	184	0	0	184
Equity	20,714	559	0	0	21,273
Obligations to return securities received as collateral	20,930	745	0	0	21,675
Debt	24,011	9,277	10	0	33,298
of which foreign governments	23,723	2,573	0	0	26,296
of which corporates	74	5,745	10	0	5,829
Equity	15,498	389	21	0	15,908
Derivatives	15,150	670,205	5,338	(649,982)	40,711
of which interest rate products	6,895	524,316	1,095	–	–
of which foreign exchange products	75	80,097	1,312	–	–
of which equity/index-related products	7,528	29,276	1,244	–	–
of which credit derivatives	0	27,823	1,361	–	–
Trading liabilities	54,659	679,871	5,369	(649,982)	89,917
Short-term borrowings	0	5,427	193	0	5,620
Long-term debt	17	52,965	10,960	0	63,942
of which treasury debt over two years	0	10,538	0	0	10,538
of which structured notes over two years	0	19,652	6,306	0	25,958
of which non-recourse liabilities	17	11,377	3,088	0	14,482
Other liabilities	0	21,387	2,677	(324)	23,740
of which failed sales	0	1,342	936	0	2,278
Total liabilities at fair value	**75,606**	**845,279**	**19,261**	**(650,306)**	**289,840**

[1] Derivative contracts are reported on a gross basis by level. The impact of netting represents legally enforceable master netting agreements.

Assets and liabilities measured at fair value on a recurring basis (continued)

end of 4Q12	Level 1	Level 2	Level 3	Netting impact [1]	Total
Assets (CHF million)					
Cash and due from banks	0	569	0	0	569
Interest-bearing deposits with banks	0	627	0	0	627
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	0	113,664	0	0	113,664
Debt	92	350	0	0	442
of which corporates	0	320	0	0	320
Equity	29,585	18	0	0	29,603
Securities received as collateral	29,677	368	0	0	30,045
Debt	55,592	74,391	5,888	0	135,871
of which foreign governments	53,918	11,032	79	0	65,029
of which corporates	1	25,932	3,192	0	29,125
of which RMBS	0	30,392	724	0	31,116
of which CMBS	0	4,335	1,023	0	5,358
of which CDO	0	2,620	447	0	3,067
Equity	66,664	7,746	485	0	74,895
Derivatives	3,428	823,016	6,650	(799,886)	33,208
of which interest rate products	703	698,297	1,859	–	–
of which foreign exchange products	1	62,717	754	–	–
of which equity/index-related products	2,538	25,820	1,920	–	–
of which credit derivatives	0	29,274	1,294	–	–
Other	7,203	2,736	2,486	0	12,425
Trading assets	132,887	907,889	15,509	(799,886)	256,399
Debt	2,066	1,168	169	0	3,403
of which foreign governments	1,583	1	21	0	1,605
of which corporates	0	720	125	0	845
of which CDO	0	447	23	0	470
Equity	4	90	1	0	95
Investment securities	2,070	1,258	170	0	3,498
Private equity	0	0	3,958	0	3,958
of which equity funds	0	0	2,633	0	2,633
Hedge funds	0	470	165	0	635
of which debt funds	0	349	84	0	433
Other equity investments	271	69	2,243	0	2,583
of which private	0	61	2,245	0	2,306
Life finance instruments	0	0	1,818	0	1,818
Other investments	271	539	8,184	0	8,994
Loans	0	13,381	6,619	0	20,000
of which commercial and industrial loans	0	6,191	4,778	0	10,969
of which financial institutions	0	5,934	1,530	0	7,464
Other intangible assets (mortgage servicing rights)	0	0	43	0	43
Other assets	5,439	26,912	5,164	(240)	37,275
of which loans held-for-sale	0	14,899	4,463	0	19,362
Total assets at fair value	**170,344**	**1,065,207**	**35,689**	**(800,126)**	**471,114**
Less other investments – equity at fair value attributable to noncontrolling interests	(240)	(99)	(3,292)	0	(3,631)
Less assets consolidated under ASU 2009-17 [2]	0	(8,769)	(2,745)	0	(11,514)
Assets at fair value excluding noncontrolling interests and assets not risk-weighted under the Basel framework	**170,104**	**1,056,339**	**29,652**	**(800,126)**	**455,969**

[1] Derivative contracts are reported on a gross basis by level. The impact of netting represents legally enforceable master netting agreements.
[2] Assets of consolidated VIEs that are not risk-weighted under the Basel framework.

Assets and liabilities measured at fair value on a recurring basis (continued)

end of 4Q12	Level 1	Level 2	Level 3	Netting impact [1]	Total
Liabilities (CHF million)					
Due to banks	0	3,413	0	0	3,413
Customer deposits	0	4,618	25	0	4,643
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	0	108,784	0	0	108,784
Debt	92	350	0	0	442
of which corporates	0	320	0	0	320
Equity	29,585	18	0	0	29,603
Obligations to return securities received as collateral	29,677	368	0	0	30,045
Debt	25,782	7,014	196	0	32,992
of which foreign governments	25,623	1,476	0	0	27,099
of which corporates	0	5,030	196	0	5,226
Equity	17,912	389	6	0	18,307
Derivatives	3,173	834,228	5,154	(803,038)	39,517
of which interest rate products	628	693,430	1,357	–	–
of which foreign exchange products	1	76,963	1,648	–	–
of which equity/index-related products	2,305	27,684	1,003	–	–
of which credit derivatives	0	28,952	819	–	–
Trading liabilities	46,867	841,631	5,356	(803,038)	90,816
Short-term borrowings	0	4,389	124	0	4,513
Long-term debt	218	55,068	10,098	0	65,384
of which treasury debt over two years	0	10,565	0	0	10,565
of which structured notes over two years	0	22,543	6,189	0	28,732
of which non-recourse liabilities	218	11,006	2,551	0	13,775
Other liabilities	0	24,399	2,848	(376)	26,871
of which failed sales	0	2,523	1,160	0	3,683
Total liabilities at fair value	**76,762**	**1,042,670**	**18,451**	**(803,414)**	**334,469**

[1] Derivative contracts are reported on a gross basis by level. The impact of netting represents legally enforceable master netting agreements.

Transfers between level 1 and level 2

All transfers between level 1 and level 2 are reported through the last day of the reporting period.

In 6M13, transfers to level 1 out of level 2 were from trading assets and trading liabilities. The transfers were primarily in exchange traded derivatives as they moved closer to maturity and pricing inputs became more observable. Transfers out of level 1 to level 2 were primarily from trading assets. The transfers were primarily in equity as suitable closing prices were unobtainable as of the end of 6M13.

Transfers between level 1 and level 2

	6M13		6M12	
in	Transfers to level 1 out of level 2	Transfers out of level 1 to level 2	Transfers to level 1 out of level 2	Transfers out of level 1 to level 2
Assets (CHF million)				
Debt	471	85	47	96
Equity	422	171	99	202
Derivatives	4,093	1	4,374	16
Trading assets	**4,986**	**257**	**4,520**	**314**
Liabilities (CHF million)				
Debt	6	17	26	32
Equity	250	17	43	20
Derivatives	3,536	9	5,116	66
Trading liabilities	**3,792**	**43**	**5,185**	**118**

Assets and liabilities measured at fair value on a recurring basis for level 3

6M13	Balance at beginning of period	Transfers in	Transfers out	Purchases
Assets (CHF million)				
Debt	5,888	465	(979)	3,291
of which corporates	3,192	146	(483)	1,009
of which RMBS	724	257	(292)	758
of which CMBS	1,023	26	(100)	129
of which CDO	447	14	(39)	1,384
Equity	485	190	(173)	139
Derivatives	6,650	916	(897)	0
of which interest rate products	1,859	42	(198)	0
of which equity/index-related products	1,920	149	(258)	0
of which credit derivatives	1,294	721	(262)	0
Other	2,486	165	(224)	2,727
Trading assets	15,509	1,736	(2,273)	6,157
Investment securities	170	0	0	166
Equity	6,366	0	(40)	745
Life finance instruments	1,818	0	0	100
Other investments	8,184	0	(40)	845
Loans	6,619	93	(1,644)	368
of which commercial and industrial loans	4,778	81	(322)	368
of which financial institutions	1,530	11	(2)	1
Other intangible assets	43	0	0	0
Other assets	5,164	1,551	(1,556)	2,673
of which loans held-for-sale [2]	4,463	1,540	(1,554)	2,494
Total assets at fair value	**35,689**	**3,380**	**(5,513)**	**10,209**
Liabilities (CHF million)				
Customer deposits	25	0	0	0
Trading liabilities	5,356	1,024	(814)	53
of which interest rate derivatives	1,357	59	(132)	0
of which foreign exchange derivatives	1,648	15	(14)	0
of which equity/index-related derivatives	1,003	111	(302)	0
of which credit derivatives	819	808	(267)	0
Short-term borrowings	124	46	(34)	0
Long-term debt	10,098	1,728	(1,209)	0
of which structured notes over two years	6,189	321	(893)	0
of which non-recourse liabilities	2,551	1,369	(196)	0
Other liabilities	2,848	31	(131)	62
of which failed sales	1,160	12	(77)	45
Total liabilities at fair value	**18,451**	**2,829**	**(2,188)**	**115**
Net assets/(liabilities) at fair value	**17,238**	**551**	**(3,325)**	**10,094**

[1] For all transfers to level 3 or out of level 3, the Group determines and discloses as level 3 events only gains or losses through the last day of the reporting period.

[2] Includes unrealized gains recorded in trading revenues of CHF 90 million primarily related to subprime exposures in the RMBS and CMBS businesses and market movements across the wider loans held-for-sale portfolio.

			Trading revenues		Other revenues			
Sales	Issuances	Settlements	On transfers in / out [1]	On all other	On transfers in / out [1]	On all other	Foreign currency translation impact	**Balance at end of period**
(4,604)	0	0	130	150	0	0	170	4,511
(2,020)	0	0	113	9	0	0	91	2,057
(638)	0	0	6	64	0	0	27	906
(821)	0	0	(3)	33	0	0	19	306
(1,008)	0	0	2	45	0	0	20	865
(236)	0	0	6	(2)	0	0	14	423
0	721	(1,004)	96	(97)	0	0	194	6,579
0	164	(198)	2	(161)	0	0	50	1,560
0	116	(225)	62	250	0	0	62	2,076
0	111	(302)	33	(9)	0	0	41	1,627
(2,133)	0	(65)	1	(46)	0	0	89	3,000
(6,973)	721	(1,069)	233	5	0	0	467	14,513
(17)	0	0	0	0	0	0	0	319
(1,329)	0	0	0	(2)	0	276	196	6,212
(186)	0	0	0	(80)	0	0	61	1,713
(1,515)	0	0	0	(82)	0	276	257	7,925
(834)	3,593	(1,193)	(1)	(81)	0	0	229	7,149
(595)	1,346	(780)	0	(126)	0	0	149	4,899
(119)	240	(363)	0	(49)	0	0	49	1,298
0	0	0	0	0	0	(6)	2	39
(1,707)	700	(501)	16	133	0	0	158	6,631
(1,538)	700	(501)	15	92	0	0	131	5,842
(11,046)	**5,014**	**(2,763)**	**248**	**(25)**	**0**	**270**	**1,113**	**36,576**
0	53	0	0	(13)	0	0	(3)	62
(155)	489	(1,125)	124	252	0	0	165	5,369
0	82	(43)	3	(269)	0	0	38	1,095
0	13	(472)	(1)	73	0	0	50	1,312
0	275	(308)	90	341	0	0	34	1,244
0	71	(226)	40	89	0	0	27	1,361
0	203	(86)	(4)	(61)	0	0	5	193
0	2,818	(2,787)	16	(51)	0	0	347	10,960
0	1,966	(1,160)	12	(352)	0	0	223	6,306
0	438	(1,274)	10	114	0	0	76	3,088
(280)	1	(58)	(16)	(18)	26	135	77	2,677
(230)	0	0	(4)	(8)	0	0	38	936
(435)	**3,564**	**(4,056)**	**120**	**109**	**26**	**135**	**591**	**19,261**
(10,611)	**1,450**	**1,293**	**128**	**(134)**	**(26)**	**135**	**522**	**17,315**

Assets and liabilities measured at fair value on a recurring basis for level 3 (continued)

6M12	Balance at beginning of period	Transfers in	Transfers out	Purchases
Assets (CHF million)				
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	1,204	0	0	0
Securities received as collateral	193	0	(195)	0
Debt	10,028	1,269	(1,477)	3,338
of which corporates	5,076	479	(665)	2,268
of which RMBS	1,786	517	(545)	477
of which CMBS	1,517	111	(154)	206
of which CDO	727	136	(44)	300
Equity	467	287	(39)	198
Derivatives	9,587	912	(1,128)	0
of which interest rate products	2,547	55	(247)	0
of which equity/index-related products	2,732	396	(459)	0
of which credit derivatives	2,171	455	(328)	0
Other	2,196	110	(115)	1,239
Trading assets	22,278	2,578	(2,759)	4,775
Investment securities	102	0	0	0
Equity	7,076	4	(48)	420
Life finance instruments	1,969	0	0	70
Other investments	9,045	4	(48)	490
Loans	6,842	220	(97)	327
of which commercial and industrial loans	4,559	114	(97)	92
of which financial institutions	2,179	76	0	227
Other intangible assets	70	0	0	2
Other assets	7,469	1,180	(1,593)	1,513
of which loans held-for-sale	6,901	1,155	(1,592)	1,465
Total assets at fair value	**47,203**	**3,982**	**(4,692)**	**7,107**
Liabilities (CHF million)				
Obligation to return securities received as collateral	193	0	(195)	0
Trading liabilities	7,343	704	(980)	36
of which interest rate derivatives	1,588	79	(377)	0
of which foreign exchange derivatives	2,836	1	(167)	0
of which equity/index-related derivatives	1,022	62	(109)	0
of which credit derivatives	1,520	520	(313)	0
Short-term borrowings	236	4	(60)	0
Long-term debt	12,715	1,493	(1,654)	0
of which structured notes over two years	7,576	657	(852)	0
of which non-recourse liabilities	3,585	744	(716)	0
Other liabilities	3,891	131	(46)	273
of which failed sales	1,909	72	(19)	266
Total liabilities at fair value	**24,378**	**2,332**	**(2,935)**	**309**
Net assets/(liabilities) at fair value	**22,825**	**1,650**	**(1,757)**	**6,798**

[1] For all transfers to level 3 or out of level 3, the Group determines and discloses as level 3 events only gains or losses through the last day of the reporting period.

			Trading revenues		Other revenues			
Sales	Issuances	Settlements	On transfers in / out [1]	On all other	On transfers in / out [1]	On all other	Foreign currency translation impact	**Balance at end of period**
0	0	0	0	(25)	0	0	7	1,186
0	0	0	0	0	0	0	2	0
(5,310)	0	0	28	34	0	0	25	7,935
(3,323)	0	0	35	232	0	0	23	4,125
(999)	0	0	(11)	26	0	0	2	1,253
(142)	0	0	(5)	(170)	0	0	1	1,364
(485)	0	0	1	17	0	0	2	654
(446)	0	0	16	(52)	0	0	(2)	429
0	701	(1,656)	73	55	0	0	42	8,586
0	152	(369)	11	34	0	0	12	2,195
0	259	(616)	57	(129)	0	0	7	2,247
0	145	(385)	0	22	0	0	11	2,091
(1,128)	0	0	(2)	10	0	0	17	2,327
(6,884)	701	(1,656)	115	47	0	0	82	19,277
(7)	0	0	0	0	0	0	(3)	92
(629)	0	0	0	1	0	381	31	7,236
(154)	0	0	0	25	0	0	12	1,922
(783)	0	0	0	26	0	381	43	9,158
(712)	1,779	(1,803)	5	(186)	0	0	25	6,400
(353)	1,095	(1,459)	5	12	0	0	10	3,978
(345)	496	(329)	0	(221)	0	0	10	2,093
0	0	0	0	0	0	(9)	0	63
(1,744)	101	(664)	54	318	0	0	1	6,635
(1,662)	101	(665)	53	286	0	0	10	6,052
(10,130)	**2,581**	**(4,123)**	**174**	**180**	**0**	**372**	**157**	**42,811**
0	0	0	0	0	0	0	2	0
(271)	465	(1,282)	41	47	0	0	28	6,131
0	63	(66)	23	13	0	0	11	1,334
0	0	(496)	20	1	0	0	10	2,205
0	236	(191)	(32)	(99)	0	0	0	889
0	69	(459)	30	(113)	0	0	2	1,256
0	129	(233)	(6)	9	0	0	(1)	78
0	1,438	(2,852)	116	351	0	0	70	11,677
0	1,039	(1,517)	59	152	0	0	53	7,167
0	173	(1,171)	53	147	0	0	6	2,821
(668)	1	(219)	(7)	80	0	115	7	3,558
(661)	0	(46)	0	144	0	0	6	1,671
(939)	**2,033**	**(4,586)**	**144**	**487**	**0**	**115**	**106**	**21,444**
(9,191)	**548**	**463**	**30**	**(307)**	**0**	**257**	**51**	**21,367**

Gains and losses on assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (level 3)

			6M13			6M12
in	Trading revenues	Other revenues	**Total revenues**	Trading revenues	Other revenues	Total revenues
Gains and losses on assets and liabilities (CHF million)						
Net realized/unrealized gains/(losses) included in net revenues	(6)	109	**103** [1]	(277)	257	(20) [1]
Whereof:						
Unrealized gains/(losses) relating to assets and liabilities still held as of the reporting date	(1,079)	103	**(976)**	113	318	431

[1] Excludes net realized/unrealized gains/(losses) attributable to foreign currency translation impact.

Both observable and unobservable inputs may be used to determine the fair value of positions that have been classified within level 3. As a result, the unrealized gains and losses for assets and liabilities within level 3 presented in the table above may include changes in fair value that were attributable to both observable and unobservable inputs.

The Group employs various economic hedging techniques in order to manage risks, including risks in level 3 positions. Such techniques may include the purchase or sale of financial instruments that are classified in levels 1 and/or 2. The realized and unrealized gains and losses for assets and liabilities in level 3 presented in the table above do not reflect the related realized or unrealized gains and losses arising on economic hedging instruments classified in levels 1 and/or 2.

Transfers in and out of level 3

Transfers into level 3 assets during 6M13 were CHF 3,380 million, primarily from trading assets and loans held-for-sale. The transfers were primarily in the corporate credit and private equity businesses due to limited observability of pricing data and reduced pricing information from external providers. Transfers out of level 3 assets during 6M13 were CHF 5,513 million, primarily in trading assets, loans and loans held-for-sale. The transfers out of level 3 assets were primarily in the Brazil trading, private equity, corporate credit, prime services and rates businesses due to improved observability of pricing data and increased availability of pricing information from external providers.

Transfers into level 3 assets during 2Q13 were CHF 2,128 million, primarily from trading assets and loans held-for-sale. The transfers were primarily in the corporate credit and private equity businesses due to limited observability of pricing data and reduced pricing information from external providers. Transfers out of level 3 assets during 2Q13 were CHF 2,174 million, primarily in trading assets, loans held-for-sale and loans. The transfers out of level 3 assets were primarily in the corporate credit, private equity and prime services businesses due to improved observability of pricing data and increased availability of pricing information from external providers.

Qualitative disclosures of valuation techniques

Overview

The Group has implemented and maintains a valuation control framework, which is supported by policies and procedures that define the principles for controlling the valuation of the Group's financial instruments. Product Control and Risk Management create, review and approve significant valuation policies and procedures. The framework includes three main internal processes: (i) valuation governance; (ii) independent price verification and significant unobservable inputs review; and (iii) a cross-functional pricing model review. Through this framework, the Group determines the reasonableness of the fair value of its financial instruments.

On a monthly basis, meetings are held for each business line with senior representatives of the Front Office and Product Control to discuss independent price verification results, valuation adjustments, and other significant valuation issues. On a quarterly basis, a review of significant changes in the fair value of financial instruments is undertaken by Product Control and conclusions are reached regarding the reasonableness of those changes. Additionally, on a quarterly basis, meetings are held for each business line with senior representatives of the Front Office, Product Control, Risk Management, and Financial Accounting to discuss independent price verification results, valuation issues, business and market updates, as well as a review of significant changes in fair value from the prior quarter, significant unobservable inputs and prices used in valuation techniques, and valuation adjustments.

The results of these meetings are aggregated for presentation to the Valuation and Risk Management Committee (VARMC) and the Audit Committee. The VARMC, which is comprised of Executive Board members and the heads of the business and control functions, meets to review and ratify valuation review conclusions, and to resolve significant valuation issues for the Group. Oversight of the valuation control framework is through specific and regular reporting on valuation directly to the Group's Executive Board through the VARMC.

One of the key components of the governance process is the segregation of duties between the Front Office and Product Control. The Front Office is responsible for measuring inventory at fair value on a daily basis, while Product Control is responsible for independently reviewing and validating those valuations on a periodic basis. The Front Office values the inventory using, wherever possible, observable market data which may include executed transactions, dealer quotes, or broker quotes for the same or similar instruments. Product Control validates this inventory using independently sourced data that also includes executed transactions, dealer quotes, and broker quotes.

Product Control utilizes independent pricing service data as part of their review process. Independent pricing service data is analyzed to ensure that it is representative of fair value including confirming that the data corresponds to executed transactions or executable broker quotes, review and assessment of contributors to ensure they are active market participants, review of statistical data and utilization of pricing challenges. The analysis also includes understanding the sources of the pricing service data and any models or assumptions used in determining the results. The purpose of the review is to judge the quality and reliability of the data for fair value measurement purposes and its appropriate level of usage within the Product Control independent valuation review.

For certain financial instruments the fair value is estimated in full or in part using valuation techniques based on assumptions that are not supported by market observable prices, rates, or other inputs. In addition, there may be uncertainty about a valuation, which results from the choice of valuation technique or model used, the assumptions embedded in those models, the extent to which inputs are not market observable, or as a consequence of other elements affecting the valuation technique or model. Model calibration is performed when significant new market information becomes available or at a minimum on a quarterly basis as part of the business review of significant unobservable inputs for level 3 instruments. For models that have been deemed to be significant to the overall fair value of the financial instrument, model validation is performed as part of the periodic review of the related model.

The Group performs a sensitivity analysis of its significant level 3 financial instruments. This sensitivity analysis estimates a fair value range by changing the related significant unobservable inputs value. This sensitivity analysis is an internal mechanism to monitor the impact of reasonable alternative inputs or prices for level 3 financial instruments. Where a model-based technique is used to determine the fair value of the level 3 financial instrument, an alternative input value is utilized to derive an estimated fair value range. Where a price-based technique is used to determine the fair value of the level 3 financial instruments, Front Office professional judgment is used to estimate a fair value range.

The following information on the valuation techniques and significant unobservable inputs of the various financial instruments, and the sensitivity of fair value measurements to changes in significant unobservable inputs, should be read in conjunction with the tables "Quantitative information about level 3 assets at fair value" and "Quantitative information about level 3 liabilities at fair value".

Debt securities

Foreign governments and corporates

Government debt securities typically have quoted prices in active markets and are categorized as level 1 instruments. For debt securities for which market prices are not available, valuations are based on yields reflecting credit rating, historical performance, delinquencies, loss severity, the maturity of the security, recent transactions in the market or other modeling techniques, which may involve judgment. Those securities where the price or model inputs are observable in the market are categorized as level 2 instruments, while those securities where prices are not observable and significant model inputs are unobservable are categorized as level 3 of the fair value hierarchy.

Corporate bonds are priced to reflect current market levels either through recent market transactions or broker or dealer quotes. Where a market price for the particular security is not directly available, valuations are obtained based on yields reflected by other instruments in the specific or similar entity's capital structure and adjusting for differences in seniority and maturity, benchmarking to a comparable security where market data is available (taking into consideration differences in credit, liquidity and maturity), or through the application of cash flow modeling techniques utilizing observable inputs, such as current interest rate curves and observable CDS spreads. Significant unobservable inputs may include price, buyback probability, correlation and credit spread. For securities using market comparable price, the differentiation between level 2 and level 3 is based upon the relative significance of any yield adjustments as well as the accuracy of the comparison characteristics (i.e., the observable comparable security may be in the same country but a different industry and may have a different seniority level – the lower the comparability the more likely the security will be level 3).

CMBS, RMBS and CDO securities

Fair values of RMBS, CMBS and CDO may be available through quoted prices, which are often based on the prices at which similarly structured and collateralized securities trade between dealers and to and from customers. Fair values of RMBS, CMBS and CDO for which there are significant unobservable inputs are valued using capitalization rate. Price may not be observable for fair value measurement purposes for many reasons, such as the length of time since the last executed transaction for the related security, use of a price from a similar instrument, or use of a price from an indicative quote. Fair values determined by market comparable price may include discounted cash flow models using the inputs prepayment rates, default rates, loss severity and discount rates. Prices from similar observable instruments are used to calculate implied inputs which are then used to value unobservable instruments using discounted cash flow. The discounted cash flow price is then compared to the unobservable prices and assessed for reasonableness.

For most structured debt securities, determination of fair value requires subjective assessment depending on liquidity, ownership concentration, and the current economic and competitive environment. Valuation is determined based on the Front Office's own assumptions about how market participants would price the asset. Collateralized bond and loan obligations are split into various structured tranches and each tranche is valued based upon its individual rating and the underlying collateral supporting the structure. Valuation models are used to value both cash and synthetic CDOs.

Equity securities

The majority of the Group's positions in equity securities are traded on public stock exchanges for which quoted prices are readily and regularly available and are therefore categorized as level 1 instrument. Level 2 and level 3 equities include fund-linked products, convertible bonds or equity securities with restrictions that are not traded in active markets. Significant unobservable inputs may include earnings before interest, taxes, depreciation and amortization (EBITDA) multiple, discount rate and capitalization rate.

Derivatives

Derivatives held for trading purposes or used in hedge accounting relationships include both OTC and exchange-traded derivatives. The fair values of exchange-traded derivatives measured using observable exchange prices are included in level 1 of the fair value hierarchy. Some observable exchange prices may not be considered executable at the reporting date and may have been adjusted for liquidity concerns. For those instruments where liquidity adjustments have been made to the exchange price, such as long-dated option contracts, the instrument has been included in level 2 of the fair value hierarchy.

The fair values of OTC derivatives are determined on the basis of either industry standard models or internally developed proprietary models. Both model types use various observable and unobservable inputs in order to determine fair value. The inputs include those characteristics of the derivative that have a bearing on the economics of the instrument. The determination of the fair value of many derivatives involves only a limited degree of subjectivity because the required inputs are observable in the marketplace, while more complex derivatives may use unobservable inputs that rely on specific proprietary modeling assumptions. Where observable inputs (prices from exchanges, dealers, brokers or market consensus data providers) are not available, attempts are made to infer values from observable prices through model calibration (spot and forward rates, mean reversion, benchmark interest rate curves and volatility inputs for commonly traded option products). For inputs that cannot be derived from other sources, estimates from historical data may be made. OTC derivatives where the majority of the value is derived from market observable inputs are categorized as level 2 instruments, while those where the majority of the value is derived from unobservable inputs are categorized as level 3 of the fair value hierarchy.

Interest rate derivatives

OTC vanilla interest rate products, such as interest rate swaps, swaptions, and caps and floors are valued by discounting the anticipated future cash flows. The future cash flows and discounting are derived from market standard yield curves and industry standard volatility inputs. Where applicable, exchange-traded prices are also used to value exchange-traded futures and options and can be used in yield curve construction. For more complex products, inputs include, but are not limited to correlation, volatility, volatility skew, prepayment rate, credit spread, basis spread and mean reversion.

Foreign exchange derivatives

Foreign exchange derivatives include vanilla products such as spot, forward and option contracts where the anticipated discounted future cash flows are determined from foreign exchange forward curves and industry standard optionality modeling techniques. Where applicable, exchange-traded prices are also used for futures and option prices. For more complex products inputs include, but are not limited to prepayment rate and correlation.

Equity and index-related derivatives

Equity derivatives include vanilla options and swaps in addition to different types of exotic options. Inputs for equity derivatives can include correlation, volatility, skew, buyback probability and gap risk.

Generally, the interrelationship between the volatility and correlation is positively correlated.

Credit derivatives

Credit derivatives include index and single name CDS in addition to more complex structured credit products. Vanilla products are valued using industry standard models and inputs that are generally market observable including credit spread and recovery rate.

Complex structured credit derivatives are valued using proprietary models requiring unobservable inputs such as recovery rate, credit spread, correlation and price. These inputs are generally implied from available market observable data. Fair values determined by price may include discounted cash flow models using the inputs prepayment rate, default rate, loss severity and discount rate.

Other trading assets

Other trading assets primarily include RMBS loans and life settlement and premium finance instruments. Life settlement and premium finance instruments are valued using proprietary models with several inputs. The significant unobservable inputs of the fair value for life settlement and premium finance instruments is the estimate of market implied life expectancy, while for RMBS loans it is market comparable price.

For life settlement and premium finance instruments, individual life expectancy rates are typically obtained by multiplying a base mortality curve for the general insured population provided by a professional actuarial organization together with an individual-specific multiplier. Individual specific multipliers are determined based on data from third-party life expectancy data providers, which examine the insured individual's medical conditions, family history and other factors to arrive at a life expectancy estimate.

For RMBS loans, the use of market comparable price varies depending upon each specific loan. For some loans, similar to unobservable RMBS securities, prices from similar observable instruments are used to calculate implied inputs which are then used to value unobservable instruments using discounted cash flow. The discounted cash flow price is then compared to the unobservable prices and assessed for reasonableness. For other RMBS loans, the loans are categorized by specific characteristics, such as loan-to-value ratio, average account balance, loan type (single or multi-family), lien, seasoning, coupon, FICO score, locality, delinquency status, cash flow velocity, roll rates, loan purpose, occupancy, servicers advance agreement type, modification status, Federal Housing Administration insurance, property value and documentation quality. Loans with unobservable prices are put into consistent buckets which are then compared to market observable comparable prices in order to assess the reasonableness of those unobservable prices.

Other investments

Private equity, hedge funds and other equity investments

Other equity investments principally includes equity investments in the form of a) direct investments in third-party hedge funds, private equity funds and funds of funds, b) equity-method investments where the Group has the ability to significantly influence the operating and financial policies of the investee, and c) direct investments in non-marketable equity securities.

Direct investments in third-party hedge funds, private equity funds and funds of funds are measured at fair value based on their published net asset values (NAVs). Most of these investments are classified as level 3 of the fair value hierarchy, as there are restrictions imposed upon the redemption of the funds at their NAV in the near term. In some cases, NAVs may be adjusted where there is sufficient evidence that the NAV published by the investment manager is not current with observed market movements, it is probable that these investments will be sold for an amount other than NAV or there exist other circumstances that would require an adjustment to the published NAV. Although rarely adjusted, significant judgment is involved in making any adjustments to the published NAVs. As of June 30, 2013, the fair value of investments valued at an amount other than NAV where it is probable they will be sold was CHF 287 million. The remaining actions to complete the sales include steps that are usual and customary for sales of such investments in the secondary market. Substantial increases (decreases) in the NAV for private equity and hedge funds would result in a higher (lower) fair value.

Direct investments in non-marketable equity securities consist of both real estate investments and non-real estate investments. Equity-method investments and direct investments in non-marketable equity securities are initially measured at their transaction price, as this is the best estimate of fair value. Thereafter, these investments are individually measured at fair value based upon a number of factors that include any recent rounds of financing involving third-party investors, comparable company transactions, multiple analyses of cash flows or book values, or discounted cash flow analyses. Unobservable inputs may include credit spread, contingent probability and EBITDA multiple. The availability of information used in these modeling techniques is often limited and involves significant judgment in evaluating these different factors over time. As a result, these investments are included in level 3 of the fair value hierarchy.

Life finance instruments

Life finance instruments include Single Premium Immediate Annuities (SPIA) and other premium finance instruments. Life finance instruments are valued in a similar manner as described for life settlement and premium finance instruments under the other trading assets section above.

Loans

The Group's loan portfolio which is measured at fair value primarily consists of commercial and industrial loans and loans to financial institutions. Within these categories, loans measured at fair value include commercial loans, real estate loans, corporate loans, leverage finance loans and emerging market loans. Fair value is based on recent transactions and quoted prices, where available. Where recent transactions and quoted prices are not available, fair value may be determined by relative value benchmarking (which includes pricing based upon another position in the same capital structure, other comparable loan issues, generic industry credit spreads, implied credit spreads derived from CDS for the specific borrower, and enterprise valuations) or calculated based on the exit price of the collateral, based on current market conditions.

Both the funded and unfunded portion of revolving credit lines on the corporate lending portfolio are valued using a CDS pricing model, which requires estimates of significant inputs including credit spreads, recovery rates, credit conversion factors, and weighted average life of the loan. Significant unobservable inputs may include credit spread and price.

The Group's other assets and liabilities include mortgage loans held in conjunction with securitization activities and assets and liabilities of VIEs and mortgage securitizations that do not meet the criteria for sale treatment under US GAAP. The fair value of mortgage loans held in conjunction with securitization activities is determined on a whole-loan basis and is consistent with the valuation of RMBS loans discussed in "Other trading assets" above. Whole-loan valuations are calculated based on the exit price reflecting the current market conditions. The fair value of assets and liabilities of VIEs and mortgage securitizations that do not meet the criteria for sale treatment under US GAAP are determined based on the quoted prices for securitized bonds, where available, or on cash flow analyses for securitized bonds, when quoted prices are not available.

Accrual based Private Banking & Wealth Management loans, for which an estimated fair value is disclosed in the table "Carrying value and fair value of financial instruments not carried at fair value" below, include consumer loans relating to mortgages, loans collateralized by securities or consumer finance, as well as corporate and institutional loans relating to real estate, commercial and industrial loans, and loans to financial institutions, governments and public institutions. Fair values for these loans are determined by using a discounted cash flow model. Future cash flows are discounted using risk-adjusted discount rates which are derived from observable market interest rates for the applicable maturity and currency and from counterparty-related credit spreads.

Deposits

Accrual based deposits with a stated maturity, for which an estimated fair value is disclosed in the table "Carrying value and fair value of financial instruments not carried at fair value" below, are generally fair valued by using a discounted cash flow model incorporating the Group's credit spreads. The estimated fair value of accrual accounted deposits without a stated maturity approximates the carrying amount; however, the value does not include an estimate of the value attributed to the long-term relationships with its customers that in the aggregate adds significant value to the Group's stable deposit base.

Short-term borrowings and long-term debt

The Group's short-term borrowings and long-term debt include structured notes (hybrid financial instruments that are both bifurcatable and non-bifurcatable) and vanilla debt. The fair value of structured notes is based on quoted prices, where available. When quoted prices are not available, fair value is determined by using a discounted cash flow model incorporating the Group's credit spreads, the value of derivatives embedded in the debt and the residual term of the issuance based on call options. Derivatives structured into the issued debt are valued consistently with the Group's stand-alone derivative contracts held for trading purposes or used in hedge accounting relationships as discussed above. The fair value of structured debt is heavily influenced by the combined call options and performance of the underlying derivative returns. Significant unobservable inputs for long-term debt include buyback probability, gap risk, correlation, volatility and price.

Generally, the interrelationships between volatility, skew, correlation, gap risk and credit spreads inputs are positively correlated.

Other liabilities

Failed sales

These liabilities represent the financing of assets that did not achieve sale accounting treatment under US GAAP. Failed sales are valued in a manner consistent with the related underlying financial instruments.

Short-term financial instruments

Certain short-term financial instruments are not carried at fair value on the balance sheet, but a fair value has been disclosed in the table "Carrying value and fair value of financial instruments not carried at fair value" below. These instruments include: cash and due from banks, cash collateral receivables and payables and other receivables and payables arising in the ordinary course of business. For these financial instruments, the carrying value approximates the fair value due to the relatively short period of time between their origination and expected realization, as well as the minimal credit risk inherent in these instruments.

Sensitivity of fair value measurements to changes in significant unobservable inputs

For level 3 assets with a significant unobservable input of basis spread, buyback probability, EBITDA multiple, market implied life expectancy (for life finance instruments), prepayment rate, correlation, recovery rate, price, skew, volatility, volatility skew and contingent probability, in general, an increase in the significant unobservable input would increase the fair value. For level 3 assets instruments with a significant unobservable input of capitalization rate, gap risk, default rate, discount rate, loss severity, credit spread and market implied life expectancy (for life settlement and premium finance instruments), in general, an increase in the significant unobservable input would decrease the fair value.

For level 3 liabilities an increase in the related significant unobservable inputs would have the inverse impact on fair value. An increase in the significant unobservable input mean reversion would decrease the fair value.

Interrelationships between significant unobservable inputs

Except as noted above, there are no material interrelationships between the significant unobservable inputs for the financial instruments. As the significant unobservable inputs move independently, generally an increase or decrease in one significant unobservable input will have no impact on the other significant unobservable inputs.

Quantitative disclosures of valuation techniques

The following tables provide the representative range of minimum and maximum values and the associated weighted averages of each significant unobservable input for level 3 assets and liabilities by the related valuation technique most significant to the related financial instrument.

Quantitative information about level 3 assets at fair value

end of 2Q13	Fair value	Valuation technique	Unobservable input	Minimum value	Maximum value	Weighted average [1]
CHF million, except where indicated						
Debt	4,511					
of which corporates	2,057					
of which	136	Option model	Correlation, in %	(83)	93	15
			Buyback probability, in % [2]	50	100	61
of which	872	Market comparable	Price, in %	0	136	90
of which	797	Discounted cash flow	Credit spread, in bp	54	650	406
of which RMBS	906	Discounted cash flow	Discount rate, in %	1	38	10
			Prepayment rate, in %	0	26	7
			Default rate, in %	0	25	7
			Loss severity, in %	0	100	39
of which CMBS	306	Discounted cash flow	Capitalization rate, in %	4	12	9
			Discount rate, in %	0	34	15
			Prepayment rate, in %	0	10	7
			Default rate, in %	0	15	4
			Loss severity, in %	0	50	14
of which CDO	865					
of which	175	Vendor price	Price, in %	0	138	102
of which	442	Discounted cash flow	Discount rate, in %	3	19	6
			Prepayment rate, in %	0	20	16
			Default rate, in %	1	3	2
			Loss severity, in %	25	50	33
of which	86	Market comparable	Price, in %	84	97	87

[1] Cash instruments are generally presented on a weighted average basis while certain derivative instruments either contain a combination of weighted averages and arithmetic means of the related inputs or are presented on an arithmetic mean basis.
[2] Estimate of the probability of corporate bonds being called by the issuer at its option over the remaining life of the financial instrument.

Quantitative information about level 3 assets at fair value (continued)

end of 2Q13	Fair value	Valuation technique	Unobservable input	Minimum value	Maximum value	Weighted average [1]
CHF million, except where indicated						
Equity	423					
of which	191	Market comparable	EBITDA multiple	3	12	8
of which	41	Discounted cash flow	Capitalization rate, in %	7	7	7
			Discount rate, in %	15	15	15
Derivatives	6,579					
of which interest rate products	1,560	Option model	Correlation, in %	17	100	72
			Prepayment rate, in %	2	45	28
			Volatility, in %	2	31	7
			Volatility skew, in %	(9)	4	(2)
			Credit spread, in bp	21	500	92
of which equity/index-related products	2,076	Option model	Correlation, in %	(83)	93	15
			Volatility, in %	4	148	30
of which credit derivatives	1,627	Discounted cash flow	Credit spread, in bp	1	2,688	140
			Recovery rate, in %	0	77	25
			Discount rate, in %	0	38	10
			Default rate, in %	0	25	11
			Loss severity, in %	0	100	58
			Correlation, in %	41	97	60
			Prepayment rate, in %	0	25	5
Other	3,000					
of which	2,313	Market comparable	Price, in %	0	123	38
of which	553	Discounted cash flow	Market implied life expectancy, in years	4	20	10
Trading assets	14,513					
Investment securities	319	–	–	–	–	–
Private equity	3,980	– [2]	– [2]	– [2]	– [2]	– [2]
Hedge funds	133	– [2]	– [2]	– [2]	– [2]	– [2]
Other equity investments	2,099					
of which private	2,099					
of which	650	Discounted cash flow	Credit spread, in bp	963	1,315	1,123
			Contingent probability, in %	50	50	50
of which	963	Market comparable	EBITDA multiple	2	12	8
Life finance instruments	1,713	Discounted cash flow	Market implied life expectancy, in years	1	22	9
Other investments	7,925					
Loans	7,149					
of which commercial and industrial loans	4,899					
of which	4,459	Discounted cash flow	Credit spread, in bp	37	2,527	507
of which	282	Market comparable	Price, in %	0	100	48
of which financial institutions	1,298	Discounted cash flow	Credit spread, in bp	99	920	461
Other intangible assets (mortgage servicing rights)	39	–	–	–	–	
Other assets	6,631					
of which loans held-for-sale	5,842					
of which	2,546	Vendor price	Price, in %	1	150	103
of which	796	Discounted cash flow	Credit spread, in bp	110	1,710	522
of which	1,786	Market comparable	Price, in %	0	116	73
Total level 3 assets at fair value	**36,576**					

[1] Cash instruments are generally presented on a weighted average basis while certain derivative instruments either contain a combination of weighted averages and arithmetic means of the related inputs or are presented on an arithmetic mean basis.

[2] Disclosure not required as balances are carried at unadjusted NAV. Refer to "Fair value measurements of investments in certain entities that calculate NAV per share" for further information.

Quantitative information about level 3 assets at fair value (continued)

end of 4Q12	Fair value	Valuation technique	Unobservable input	Minimum value	Maximum value
CHF million, except where indicated					
Debt	5,888				
of which corporates	3,192				
of which	754	Option model	Correlation, in %	(87)	97
			Buyback probability, in % [1]	50	100
of which	797	Market comparable	Price, in %	0	146
of which	1,231	Discounted cash flow	Credit spread, in bp	0	2,439
of which RMBS	724	Discounted cash flow	Discount rate, in %	2	50
			Prepayment rate, in %	0	55
			Default rate, in %	0	25
			Loss severity, in %	0	100
of which CMBS	1,023	Discounted cash flow	Capitalization rate, in %	5	12
			Internal rate of return, in %	9	15
			Discount rate, in %	2	35
			Prepayment rate, in %	0	10
			Default rate, in %	0	40
			Loss severity, in %	0	90
of which CDO	447				
of which	193	Vendor price	Price, in %	0	102
of which	123	Discounted cash flow	Discount rate, in %	2	35
			Prepayment rate, in %	0	40
			Default rate, in %	0	25
			Loss severity, in %	0	100
of which	78	Market comparable	Price, in %	80	93

[1] Estimate of the probability of corporate bonds being called by the issuer at its option over the remaining life of the financial instrument.

Quantitative information about level 3 assets at fair value (continued)

end of 4Q12	Fair value	Valuation technique	Unobservable input	Minimum value	Maximum value
CHF million, except where indicated					
Equity	485				
of which	237	Market comparable	EBITDA multiple	3	12
of which	26	Discounted cash flow	Capitalization rate, in %	7	7
Derivatives	6,650				
of which interest rate products	1,859	Option model	Correlation, in %	17	100
			Prepayment rate, in %	2	45
			Volatility, in %	(5)	31
			Credit spread, in bp	34	157
of which equity/index-related products	1,920	Option model	Correlation, in %	(87)	97
			Volatility, in %	2	157
of which credit derivatives	1,294	Discounted cash flow	Credit spread, in bp	1	5,843
			Recovery rate, in %	0	75
			Discount rate, in %	2	35
			Default rate, in %	0	25
			Loss severity, in %	0	100
			Correlation, in %	30	97
			Prepayment rate, in %	0	40
Other	2,486				
of which	1,891	Market comparable	Price, in %	0	103
of which	564	Discounted cash flow	Life expectancy, in years	4	20
Trading assets	15,509				
Investment securities	170	–	–	–	–
Private equity	3,958	– [1]	– [1]	– [1]	– [1]
Hedge funds	165	– [1]	– [1]	– [1]	– [1]
Other equity investments	2,243				
of which private	2,245				
of which	759	Discounted cash flow	Credit spread, in bp	1,070	2,049
			Contingent probability, in %	50	50
of which	903	Market comparable	EBITDA multiple	2	13
Life finance instruments	1,818	Discounted cash flow	Life expectancy, in years	1	23
Other investments	8,184				
Loans	6,619				
of which commercial and industrial loans	4,778	Discounted cash flow	Credit spread, in bp	0	2,763
of which financial institutions	1,530	Discounted cash flow	Credit spread, in bp	0	888
Other intangible assets (mortgage servicing rights)	43	–	–	–	–
Other assets	5,164				
of which loans held-for-sale	4,463				
of which	2,031	Vendor price	Price, in %	0	103
of which	328	Discounted cash flow	Credit spread, in bp	20	1,458
of which	2,009	Market comparable	Price, in %	0	115
Total level 3 assets at fair value	**35,689**				

[1] Disclosure not required as balances are carried at unadjusted NAV. Refer to "Fair value measurements of investments in certain entities that calculate NAV per share" for further information.

Quantitative information about level 3 liabilities at fair value

end of 2Q13	Fair value	Valuation technique	Unobservable input	Minimum value	Maximum value	Weighted average [1]
CHF million, except where indicated						
Customer deposits	62	–	–	–	–	–
Trading liabilities	5,369					
of which interest rate derivatives	1,095	Option model	Basis spread, in bp	(21)	211	106
			Correlation, in %	(30)	99	62
			Mean reversion, in % [2]	3	10	7
			Prepayment rate, in %	5	45	31
of which foreign exchange derivatives	1,312	Option model	Correlation, in %	(10)	70	50
			Prepayment rate, in %	20	32	26
of which equity/index-related derivatives	1,244	Option model	Correlation, in %	(83)	93	15
			Skew, in %	59	129	94
			Volatility, in %	4	148	29
			Buyback probability, in % [3]	50	100	61
			Gap risk, in % [4]	0	8	0
of which credit derivatives	1,361	Discounted cash flow	Credit spread, in bp	1	2,688	151
			Discount rate, in %	0	38	10
			Default rate, in %	0	25	11
			Recovery rate, in %	20	77	42
			Loss severity, in %	0	100	58
			Correlation, in %	42	98	46
			Prepayment rate, in %	0	25	3
Short-term borrowings	193	–	–	–	–	–
Long-term debt	10,960					
of which structured notes over two years	6,306	Option model	Correlation, in %	(83)	99	16
			Volatility, in %	4	148	29
			Buyback probability, in % [3]	50	100	61
			Gap risk, in % [4]	0	8	0
of which non-recourse liabilities	3,088					
of which	2,763	Vendor price	Price, in %	0	150	103
of which	262	Market comparable	Price, in %	0	87	7
Other liabilities	2,677					
of which failed sales	936					
of which	651	Market comparable	Price, in %	0	99	74
of which	263	Discounted cash flow	Credit spread, in bp	175	1,710	965
			Recovery rate, in %	10	10	10
Total level 3 liabilities at fair value	**19,261**					

[1] Cash instruments are generally presented on a weighted average basis while certain derivative instruments either contain a combination of weighted averages and arithmetic means of the related inputs or are presented on an arithmetic mean basis.
[2] Management's best estimate of the speed at which interest rates will revert to the long-term average.
[3] Estimate of the probability of structured notes being put back to the Group at the option of the investor over the remaining life of the financial instruments.
[4] Risk of unexpected large declines in the underlying values occuring between collateral settlement dates.

Quantitative information about level 3 liabilities at fair value (continued)

end of 4Q12	Fair value	Valuation technique	Unobservable input	Minimum value	Maximum value
CHF million, except where indicated					
Customer deposits	25	–	–	–	–
Trading liabilities	5,356				
of which interest rate derivatives	1,357	Option model	Basis spread, in bp	(28)	54
			Correlation, in %	17	100
			Mean reversion, in % [1]	(33)	5
			Prepayment rate, in %	4	45
of which foreign exchange derivatives	1,648	Option model	Correlation, in %	(10)	70
			Prepayment rate, in %	4	22
of which equity/index-related derivatives	1,003	Option model	Correlation, in %	(87)	97
			Skew, in %	56	128
			Volatility, in %	2	157
			Buyback probability, in % [2]	50	100
			Gap risk, in % [3]	0	4
of which credit derivatives	819	Discounted cash flow	Credit spread, in bp	0	5,843
			Discount rate, in %	2	35
			Default rate, in %	0	25
			Recovery rate, in %	0	77
			Loss severity, in %	0	100
			Correlation, in %	0	47
			Prepayment rate, in %	0	40
Short-term borrowings	124	–	–	–	–
Long-term debt	10,098				
of which structured notes over two years	6,189	Option model	Correlation, in %	(87)	97
			Volatility, in %	2	157
			Buyback probability, in % [2]	50	100
			Gap risk, in % [3]	0	12
of which non-recourse liabilities	2,551				
of which	2,255	Vendor price	Price, in %	0	103
of which	230	Market comparable	Price, in %	0	87
Other liabilities	2,848				
of which failed sales	1,160				
of which	646	Market comparable	Price, in %	0	100
of which	290	Discounted cash flow	Credit spread, in bp	0	1,532
Total level 3 liabilities at fair value	**18,451**				

[1] Management's best estimate of the speed at which interest rates will revert to the long-term average.
[2] Estimate of the probability of structured notes being put back to the Group at the option of the investor over the remaining life of the financial instruments.
[3] Risk of unexpected large declines in the underlying values occuring between collateral settlement dates.

Qualitative discussion of the ranges of significant unobservable inputs

The following sections provide further information about the ranges of significant unobservable inputs included in the tables above. The level of aggregation and diversity within the financial instruments disclosed in the tables above result in certain ranges of significant inputs being wide and unevenly distributed across asset and liability categories.

Discount rate

The discount rate is the rate of interest used to calculate the present value of the expected cash flows of a financial instrument. There are multiple factors that will impact the discount rate for any given financial instrument including the coupon on the instrument, the term and the underlying risk of the expected cash flows. Two instruments of similar term and expected cash flows may have significantly different discount rates because the coupons on the instruments are different.

Default rate and loss severity

For financial instruments backed by residential real estate or other assets, diversity in the portfolio is reflected in a wide range for loss severity due to varying levels of default. The lower end of the range represents high performing or government guaranteed collateral with a low probability of default or guaranteed timely payment of principal and interest while the higher end of the range relates collateral with a greater risk of default.

Credit spread and recovery rate

For financial instruments where credit spread is the significant unobservable input, the wide range represents positions with varying levels of risk. The lower end of the credit spread range typically represents shorter-dated instruments and/or those with better perceived credit risk. The higher end of the range typically comprises longer-dated financial instruments or those referencing non-performing, distressed or impaired reference credits. Similarly, the spread between the reference credit and an index can vary significantly based on the risk of the instrument. The spread will be positive for instruments that have a higher risk of default than the index (which is based on a weighted average of its components) and negative for instruments that have a lower risk of default than the index.

Similarly, recovery rates can vary significantly depending upon the specific assets and terms of each transaction. Transactions with higher seniority or more valuable collateral will have higher recovery rates while those transactions which are more subordinated or with less valuable collateral will have lower recovery rates.

Correlation

There are many different types of correlation inputs, including credit correlation, cross-asset correlation (such as equity-interest rate correlation), and same-asset correlation (such as interest rate-interest rate correlation). Correlation inputs are generally used to value hybrid and exotic instruments. Generally, same-asset correlation inputs have a narrower range than cross-asset correlation inputs. However, due to the complex and unique nature of these instruments, the ranges for correlation inputs can vary widely across portfolios.

Prepayment rate

Prepayment rates may vary from collateral pool to collateral pool, and are driven by a variety of collateral-specific factors, including the type and location of the underlying borrower, the remaining tenor of the obligation and the level and type (e.g., fixed or floating) of interest rate being paid by the borrower.

Volatility and skew

Volatility and skew are impacted by the underlying risk, term and strike price of the derivative. In the case of interest rate derivatives, volatility rates may vary significantly between different underlying currencies and expiration dates on the options. Similarly, equity derivatives' volatility may vary greatly depending upon the underlying reference name on the derivative.

Market implied life expectancy

Market implied life expectancy is the primary significant unobservable input on such products as life settlement, premium finance and SPIA and represents the estimated mortality rate for the underlying insured for each contract. This estimate may vary depending upon multiple factors including the age and specific health characteristics of each insured.

Fair value measurements of investments in certain entities that calculate NAV per share

Investments in funds held in trading assets and liabilities primarily include positions held in equity funds of funds as an economic hedge for structured notes and derivatives issued to clients that reference the same underlying risk and liquidity terms of the fund. A majority of these funds have limitations imposed on the amount of withdrawals from the fund during the redemption period due to illiquidity of the investments. In other instances, the withdrawal amounts may vary depending on the redemption notice period and are usually larger for the longer redemption notice periods. In addition, penalties may apply if redemption is within a certain time period from initial investment.

Investment in funds held in other investments principally involves private securities and, to a lesser extent, publicly traded securities and fund of funds. Several of these investments have redemption restrictions subject to the discretion of the Board of Directors of the fund and/or redemption is permitted without restriction, but is limited to a certain percentage of total assets or only after a certain date.

Furthermore, for those investments held in both trading assets and other investments that are nonredeemable, the underlying assets of such funds are expected to be liquidated over the life of the fund, which are generally up to ten years.

The following table pertains to investments in certain entities that calculate NAV per share or its equivalent, primarily private equity and hedge funds. These investments do not have a readily determinable fair value and are measured at fair value using NAV.

Fair value, unfunded commitments and term of redemption conditions

				2Q13				4Q12
end of	Non-redeemable	Redeemable	**Total fair value**	**Unfunded commit-ments**	Non-redeemable	Redeemable	**Total fair value**	**Unfunded commit-ments**
Fair value and unfunded commitments (CHF million)								
Debt funds	126	18	144	0	127	38	165	0
Equity funds	29	3,275 [1]	3,304	0	52	3,810 [2]	3,862	0
Equity funds sold short	0	(89)	(89)	0	0	(111)	(111)	0
Total funds held in trading assets and liabilities	155	3,204	3,359	0	179	3,737	3,916	0
Debt funds	40	218	258	22	69	364	433	157
Equity funds	3	32	35	0	3	43	46	0
Others	3	185	188	33	3	153	156	46
Hedge funds	46	435 [3]	481	55	75	560 [4]	635	203
Debt funds	111	0	111	3	97	0	97	17
Equity funds	2,617	0	2,617	594	2,633	0	2,633	724
Real estate funds	406	0	406	134	382	0	382	131
Others	846	0	846	195	846	0	846	198
Private equities	3,980	0	3,980	926	3,958	0	3,958	1,070
Equity method investments	372	0	372	0	385	0	385	0
Total funds held in other investments	4,398	435	4,833	981	4,418	560	4,978	1,273
Total fair value	**4,553** [5]	**3,639** [6]	**8,192**	**981** [7]	**4,597** [5]	**4,297** [6]	**8,894**	**1,273** [7]

1 52% of the redeemable fair value amount of equity funds is redeemable on demand with a notice period of less than 30 days, 18% is redeemable on an annual basis with a notice period primarily of more than 60 days, 18% is redeemable on a monthly basis with a notice period primarily of less than 30 days and 11% is redeemable on a quarterly basis with a notice period primarily of more than 45 days.
2 57% of the redeemable fair value amount of equity funds is redeemable on demand with a notice period of less than 30 days, 17% is redeemable on an annual basis with a notice period primarily of more than 60 days, 13% is redeemable on a monthly basis with a notice period primarily of less than 30 days and 13% is redeemable on a quarterly basis with a notice period primarily of more than 45 days.
3 54% of the redeemable fair value amount of hedge funds is redeemable on a quarterly basis with a notice period primarily of more than 60 days, 23% is redeemable on demand with a notice period primarily of less than 30 days and 17% is redeemable on an annual basis with a notice period of more than 60 days.
4 66% of the redeemable fair value amount of hedge funds is redeemable on a quarterly basis with a notice period primarily of more than 60 days, 19% is redeemable on demand with a notice period primarily of less than 30 days and 11% is redeemable on an annual basis with a notice period of more than 60 days.
5 Includes CHF 2,169 million and CHF 1,958 million attributable to noncontrolling interests in 2Q13 and 4Q12, respectively.
6 Includes CHF 112 million and CHF 107 million attributable to noncontrolling interests in 2Q13 and 4Q12, respectively.
7 Includes CHF 503 million and CHF 418 million attributable to noncontrolling interests in 2Q13 and 4Q12, respectively.

Nonrecurring fair value changes

Certain assets and liabilities are measured at fair value on a nonrecurring basis; that is, they are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances, for example, when there is evidence of impairment. The Group typically uses nonfinancial assets measured at fair value on a recurring or nonrecurring basis in a manner that reflects their highest and best use.

Nonrecurring fair value changes

end of	**2Q13**	4Q12
Assets held-for-sale recorded at fair value on a nonrecurring basis (CHF billion)		
Assets held-for-sale recorded at fair value on a nonrecurring basis	**0.4**	**0.5**
of which level 3	0.4	0.5

Fair value option

The Group has availed itself of the simplification in accounting offered under the fair value option, primarily in Investment Banking and Private Banking & Wealth Management's Asset Management business. This has been accomplished generally by electing the fair value option, both at initial adoption and for subsequent transactions, on items impacted by the hedge accounting requirements of US GAAP. That is, for instruments for which there was an inability to achieve hedge accounting and for which the Group is economically hedged, the Group has elected the fair value option. Similarly, where the Group manages an activity on a fair value basis but previously has been unable to achieve fair value accounting, the Group has utilized the fair value option to align its risk management reporting to its financial accounting.

▸ Refer to "Note 33 – Financial instruments" in V – Consolidated financial statements – Credit Suisse Group in the Credit Suisse Annual Report 2012 for further information on the Group's election of the fair value option for certain of its financial statement captions.

Difference between the aggregate fair value and the aggregate unpaid principal balances on loans and financial instruments

			2Q13			4Q12
end of	Aggregate fair value	Aggregate unpaid principal	Difference	Aggregate fair value	Aggregate unpaid principal	Difference
Loans (CHF million)						
Non-interest-earning loans	715	3,090	(2,375)	920	3,810	(2,890)
Financial instruments (CHF million)						
Interest-bearing deposits with banks	396	391	5	627	615	12
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	99,972	99,602	370	113,664	113,196	468
Loans	19,570	20,470	(900)	20,000	20,278	(278)
Other assets [1]	25,863	31,188	(5,325)	22,060	29,787	(7,727)
Due to banks and customer deposits	(780)	(774)	(6)	(531)	(493)	(38)
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(79,443)	(79,373)	(70)	(108,784)	(108,701)	(83)
Short-term borrowings	(5,620)	(5,562)	(58)	(4,513)	(4,339)	(174)
Long-term debt	(63,942)	(65,054)	1,112	(65,384)	(66,998)	1,614
Other liabilities	(2,278)	(3,741)	1,463	(3,683)	(6,186)	2,503

[1] Primarily loans held-for-sale.

Gains and losses on financial instruments

	6M13	6M12
in	Net gains/ (losses)	Net gains/ (losses)
Financial instruments (CHF million)		
Cash and due from banks	0	(12) [2]
of which related to credit risk	0	(13)
Interest-bearing deposits with banks	4 [1]	0
of which related to credit risk	(2)	0
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	532 [1]	628 [1]
Other trading assets	0	10 [2]
Other investments	(34) [2]	26 [2]
of which related to credit risk	0	10
Loans	224 [1]	1 [2]
of which related to credit risk	(107)	259
Other assets	1,128 [1]	1,223 [1]
of which related to credit risk	300	268
Due to banks and customer deposits	13 [2]	4 [2]
of which related to credit risk	(1)	16
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	40 [2]	30 [2]
Short-term borrowings	6 [2]	(131) [2]
Long-term debt	800 [2]	(3,005) [2]
of which related to credit risk [3]	10	(1,298)
Other liabilities	239 [2]	265 [2]
of which related to credit risk	51	294

[1] Primarily recognized in net interest income.
[2] Primarily recognized in trading revenues.
[3] Changes in fair value related to credit risk are due to the change in the Group's own credit spreads. Other changes in fair value are attributable to changes in foreign currency exchange rates and interest rates, as well as movements in the reference price or index for structured notes. Changes in fair value on Credit Suisse vanilla debt and on debit valuation adjustments on structured notes related to credit risk were CHF (20) million and CHF 38 million in 6M13, respectively, and CHF (785) million and CHF (500) million in 6M12, respectively.

Disclosures about the fair value of financial instruments not carried at fair value in the consolidated balance sheet

The following table provides the carrying value and fair value of financial instruments which are not carried at fair value in the consolidated balance sheet. The disclosure excludes all non-financial instruments such as lease transactions, real estate, premises and equipment, equity method investments and pension and benefit obligations.

Carrying value and fair value of financial instruments not carried at fair value

end of	Carrying value	Level 1	Level 2	Level 3	Fair value Total
2Q13 (CHF million)					
Financial assets					
Central banks funds sold, securities purchased under resale agreements and securities borrowing transactions	73,432	0	72,911	521	73,432
Loans	222,575	0	221,822	4,454	226,276
Other financial assets [1]	152,471	58,890	92,207	1,806	152,903
Financial liabilities					
Due to banks and deposits	352,326	207,672	144,555	10	352,237
Central banks funds purchased, securities sold under repurchase agreements and securities lending transactions	19,630	0	19,630	0	19,630
Short-term borrowings	15,357	0	15,363	0	15,363
Long-term debt	69,563	0	65,972	4,364	70,336
Other financial liabilities [2]	117,769	0	116,533	1,151	117,684
4Q12 (CHF million)					
Financial assets					
Central banks funds sold, securities purchased under resale agreements and securities borrowing transactions	69,791	0	69,764	27	69,791
Loans	218,281	0	221,030	4,482	225,512
Other financial assets [1]	132,147	63,900	66,798	1,772	132,470
Financial liabilities					
Due to banks and deposits	331,270	200,838	130,313	9	331,160
Central banks funds purchased, securities sold under repurchase agreements and securities lending transactions	23,937	0	23,939	0	23,939
Short-term borrowings	14,128	0	14,131	0	14,131
Long-term debt	82,750	0	79,846	4,546	84,392
Other financial liabilities [2]	89,361	0	88,121	1,171	89,292

[1] Primarily includes cash and due from banks, interest-bearing deposits with banks, brokerage receivables, loans held-for-sale, cash collateral on derivative instruments, interest and fee receivables and non-marketable equity securities.

[2] Primarily includes brokerage payables, cash collateral on derivative instruments and interest and fee payables.

Note 28 **Assets pledged and collateral**

Assets pledged

The Group pledges assets mainly for repurchase agreements and other securities financing. Certain pledged assets may be encumbered, meaning they have the right to be sold or repledged. The encumbered assets are parenthetically disclosed on the consolidated balance sheet.

Assets pledged

end of	2Q13	4Q12
Assets pledged (CHF million)		
Total assets pledged or assigned as collateral	146,389	151,419
of which encumbered	86,390	90,745

Collateral

The Group receives cash and securities in connection with resale agreements, securities borrowing and loans, derivative transactions and margined broker loans. A substantial portion of the collateral and securities received by the Group was sold or repledged in connection with repurchase agreements, securities sold not yet purchased, securities borrowings and loans, pledges to clearing organizations, segregation requirements under securities laws and regulations, derivative transactions and bank loans.

Collateral

end of	2Q13	4Q12
Collateral (CHF million)		
Fair value of collateral received with the right to sell or repledge	387,061	402,793
of which sold or repledged	293,292	292,514

Note 29 **Litigation**

The Group is involved in a number of judicial, regulatory and arbitration proceedings concerning matters arising in connection with the conduct of its businesses. The Group's material proceedings, related provisions and estimate of the aggregate range of reasonably possible losses that are not covered by existing provisions are described in *Note 37 – Litigation in V – Consolidated financial statements – Credit Suisse Group in the Credit Suisse Annual Report 2012* and updated in subsequent quarterly reports (including below). Some of these proceedings have been brought on behalf of various classes of claimants and seek damages of material and/or indeterminate amounts.

The Group accrues litigation provisions (including estimated fees and expenses of external lawyers and other service providers) and takes a charge to income in connection with certain proceedings when losses, additional losses or ranges of loss are probable and reasonably estimable. The Group reviews its legal proceedings each quarter to determine the adequacy of its litigation provisions and may increase or release provisions based on management's judgment and the advice of counsel. The establishment of additional provisions or releases of litigation provisions may be necessary in the future as developments in such proceedings warrant.

It is inherently difficult to determine whether a loss is probable or even reasonably possible or to estimate the amount of any loss or loss range for many of the Group's legal proceedings. Estimates, by their nature, are based on judgment and currently available information and involve a variety of factors, including, but not limited to, the type and nature of the proceeding, the progress of the matter, the advice of counsel, the Group's defenses and its experience in similar matters, as well as its assessment of matters, including settlements, involving other defendants in similar or related cases or proceedings. Factual and legal determinations, many of which are complex, must be made before a loss, additional losses or ranges of loss can be reasonably estimated for any proceeding.

Most matters pending against the Group seek damages of an indeterminate amount. While certain matters specify the damages claimed, such claimed amount may not represent the Group's reasonably possible losses. For certain of the proceedings, the Group has disclosed the amount of damages claimed and certain other quantifiable information that is publicly available.

The Group's aggregate litigation provisions include estimates of losses, additional losses or ranges of loss for proceedings for which such losses are probable and can be reasonably estimated. The Group does not believe that it can estimate an aggregate range of reasonably possible losses for certain of its proceedings because of their complexity, the novelty of some of the claims, the early stage of the proceedings, the limited amount of discovery that has occurred and/or other factors. The Group's estimate of the aggregate range of reasonably possible losses that are not covered by existing provisions for the proceedings discussed in Note 37 referenced above and updated in quarterly reports and below for which the Group believes an estimate is possible is zero to CHF 2.3 billion.

In 2Q13, the Group recorded net litigation provisions of CHF 155 million. After taking into account its litigation provisions, the Group believes, based on currently available information and advice of counsel, that the results of its legal proceedings, in the aggregate, will not have a material adverse effect on the Group's financial condition. However, in light of the inherent uncertainties of such proceedings, including those brought by regulators or other governmental authorities, the ultimate cost to the Group of resolving such proceedings may exceed current litigation provisions and any excess may be material to its operating results for any particular period, depending, in part, upon the operating results for such period.

Mortgage-related matters

The amounts disclosed below do not reflect actual realized plaintiff losses to date or anticipated future litigation exposure. Rather, unless otherwise stated, these amounts reflect the original unpaid principal balance amounts as alleged in these actions and do not include any reduction in principal amounts since issuance.

Individual investor actions

On April 24, 2013, the Supreme Court of the State of New York, New York County (SCNY) dismissed the action brought by Phoenix Light SF Ltd. and affiliated entities against Credit Suisse Securities (USA) LLC (CSS LLC) and its affiliates, although plaintiffs were granted leave to replead. On May 28, 2013, The Union Central Life Insurance Company and affiliated entities filed a letter motion to propose a second amended complaint in the action brought against CSS LLC and its affiliates and employees. On May 13, 2013, following a settlement, a West Virginia state court dismissed with prejudice the action brought by West Virginia Investment Management Board against CSS LLC. On June 20, 2013, the US District Court for the Central District of California dismissed in part the action pending in such court against CSS LLC brought by the FDIC, as receiver for Colonial Bank; the remaining claims relate to approximately USD 34 million of the RMBS at issue (approximately 12% of the USD 283 million at issue against all defendants in the operative pleading).

Repurchase litigations

On May 31, 2013, Asset Backed Securities Corporation Home Equity Loan Trust Series AMQ 2007-HE2 filed an action against DLJ Mortgage Capital, Inc. (DLJ) in the SCNY, alleging that DLJ breached representations and warranties in respect of certain mortgage loans and failed to repurchase such mortgage loans as required under the applicable agreements. No damages amount is alleged.

Auction Rate Securities

On May 22, 2013, the Group and Elbit Systems Ltd (Elbit) settled Elbit's lawsuit in the US District Court for the Southern District of New York seeking approximately USD 16 million related to the purchase of auction rate securities, alleging federal securities law claims and state law aiding and abetting fraud and unjust enrichment causes of action.

Tax matters

Credit Suisse has been responding to subpoenas and other requests for information from the United States Department of Justice (DOJ), SEC and other authorities involving historical Private Banking services provided on a cross-border basis to US persons. US authorities are investigating possible violations of US tax and securities laws. In particular, the DOJ is investigating whether US clients violated their US tax obligations and whether Credit Suisse and certain of its employees assisted such clients. The SEC is investigating whether certain of our relationship managers triggered obligations for Credit Suisse or the relationship managers in Switzerland to register with the SEC as a broker-dealer or investment advisor. A limited number of current or former employees have been indicted and one former employee pleaded guilty to conduct while employed at other financial institutions that did not involve Credit Suisse. Credit Suisse received a grand jury target letter from the DOJ. We understand that certain US authorities are also investigating other Swiss and non-US financial institutions. We have been conducting an internal investigation and are continuing to cooperate with the authorities both in the US and Switzerland to resolve this matter in a responsible manner that complies with our legal obligations. Our provision of Swiss-based information to these US authorities has been in accordance with permission granted by Swiss authorities including the Swiss Federal Council. In early July 2013 the Federal Council announced that it would also provide permission to banks, including Credit Suisse, to transmit information on the destination of assets of US clients who closed their Swiss bank account. Credit Suisse has applied for and received such permission from the Federal Council.

Singapore MAS matter

On June 14, 2013, the Monetary Authority of Singapore (MAS) announced it was taking supervisory action against 20 banks for various deficiencies relating to the benchmark processes regarding the Singapore dollar interest rate benchmarks, Singapore Interbank Offered Rates and Swap Offered Rates, and the foreign exchange spot benchmarks commonly used to settle Non-Deliverable Forward foreign exchange contracts. Credit Suisse AG Singapore Branch (CSSB) was one of the named banks. The MAS censured the banks and directed them to adopt measures to address these deficiencies. The MAS has also required 19 of the 20 banks, including CSSB, to set aside additional statutory reserves for a period of one year. CSSB, along with six other panel banks, has been calibrated in the third of five tiers by the MAS and required to set aside additional statutory reserves of SGD 400-600 million, which were deposited with the MAS in a non-interest bearing account. These additional reserves will be returned to each bank within one year, assuming it has satisfied the MAS that it has adopted sufficient measures to address the identified deficiencies.

CDS-related matters

In July 2013, the Directorate General for Competition of the European Commission (DG Comp) issued a Statement of Objections (SO) to various entities of thirteen CDS dealer banks, certain Markit entities and the International Swaps and Derivatives Association, Inc. (ISDA) in relation to DG Comp's investigation into possible violations of competition law by certain CDS market participants. Certain Credit Suisse entities were among the named bank entities. The SO marks the commencement of enforcement proceedings in respect of what DG Comp alleges were unlawful attempts to prevent the development of exchange traded platforms for CDS between 2006 and 2009. The next step in the process is for the named entities to provide written responses.

In addition, certain Credit Suisse entities, as well as other banks, have been named in civil litigation in the US. Further, Credit Suisse (USA), Inc. has received civil investigative demands from the DOJ.

Note 30 Subsidiary guarantee information

Certain wholly-owned finance subsidiaries of the Group, including Credit Suisse Group (Guernsey) I Limited and Credit Suisse Group (Guernsey) III Limited, each of which is a Guernsey incorporated non-cellular company limited by shares, may issue contingent convertible securities fully and unconditionally guaranteed by the Group. There are various legal and regulatory requirements, including the satisfaction of a solvency test under Guernsey law, applicable to some of the Group's subsidiaries that limit their ability to pay dividends or distributions and make loans and advances to the Group.

On March 26, 2007, the Group and the Bank issued full, unconditional and several guarantees of Credit Suisse (USA), Inc.'s outstanding SEC-registered debt securities. In accordance with the guarantees, if Credit Suisse (USA), Inc. fails to make any timely payment under the agreements governing such debt securities, the holders of the debt securities may demand payment from either the Group or the Bank, without first proceeding against Credit Suisse (USA), Inc. The guarantee from the Group is subordinated to senior liabilities. Credit Suisse (USA), Inc. is an indirect, wholly owned subsidiary of the Group.

Condensed consolidating statements of operations

in 2Q13	Credit Suisse (USA), Inc. consolidated	Bank parent company and other subsidiaries [1]	Bank	Group parent company	Other Group subsidiaries [1]	Credit Suisse Group
Condensed consolidating statements of operations (CHF million)						
Interest and dividend income	1,690	4,392	6,082	13	124	6,219
Interest expense	(1,053)	(2,507)	(3,560)	(11)	(7)	(3,578)
Net interest income	637	1,885	2,522	2	117	2,641
Commissions and fees	1,076	2,488	3,564	1	46	3,611
Trading revenues	(466)	822	356	0	1	357
Other revenues	280	139	419	1,039 [2]	(1,041)	417
Net revenues	**1,527**	**5,334**	**6,861**	**1,042**	**(877)**	**7,026**
Provision for credit losses	**2**	**33**	**35**	**0**	**16**	**51**
Compensation and benefits	896	1,989	2,885	18	70	2,973
General and administrative expenses	508	1,416	1,924	(34)	11	1,901
Commission expenses	58	401	459	0	3	462
Total other operating expenses	566	1,817	2,383	(34)	14	2,363
Total operating expenses	**1,462**	**3,806**	**5,268**	**(16)**	**84**	**5,336**
Income/(loss) before taxes	**63**	**1,495**	**1,558**	**1,058**	**(977)**	**1,639**
Income tax expense/(benefit)	(28)	483	455	13	7	475
Net income/(loss)	**91**	**1,012**	**1,103**	**1,045**	**(984)**	**1,164**
Net income/(loss) attributable to noncontrolling interests	98	222	320	0	(201)	119
Net income/(loss) attributable to shareholders	**(7)**	**790**	**783**	**1,045**	**(783)**	**1,045**

[1] Includes eliminations and consolidation adjustments.
[2] Primarily consists of revenues from investments in Group companies accounted for under the equity method.

Condensed consolidating statements of comprehensive income

in 2Q13	Credit Suisse (USA), Inc. consolidated	Bank parent company and other subsidiaries [1]	Bank	Group parent company	Other Group subsidiaries [1]	Credit Suisse Group
Comprehensive income (CHF million)						
Net income/(loss)	91	1,012	1,103	1,045	(984)	1,164
Gains/(losses) on cash flow hedges	0	(21)	(21)	6	0	(15)
Foreign currency translation	(15)	(151)	(166)	0	0	(166)
Unrealized gains/(losses) on securities	0	(6)	(6)	0	(8)	(14)
Actuarial gains/(losses)	10	4	14	0	67	81
Net prior service credit/(cost)	0	0	0	0	(31)	(31)
Other comprehensive income/(loss), net of tax	(5)	(174)	(179)	6	28	(145)
Comprehensive income/(loss)	**86**	**838**	**924**	**1,051**	**(956)**	**1,019**
Comprehensive income/(loss) attributable to noncontrolling interests	**94**	**201**	**295**	**0**	**(185)**	**110**
Comprehensive income/(loss) attributable to shareholders	**(8)**	**637**	**629**	**1,051**	**(771)**	**909**

[1] Includes eliminations and consolidation adjustments.

Condensed consolidating statements of operations

in 2Q12	Credit Suisse (USA), Inc. consolidated	Bank parent company and other subsidiaries [1]	Bank	Group parent company	Other Group subsidiaries [1]	Credit Suisse Group
Condensed consolidating statements of operations (CHF million)						
Interest and dividend income	1,996	4,909	6,905	21	118	7,044
Interest expense	(1,175)	(4,232)	(5,407)	(19)	(4)	(5,430)
Net interest income	821	677	1,498	2	114	1,614
Commissions and fees	913	2,144	3,057	3	56	3,116
Trading revenues	(497)	1,578	1,081	0	75	1,156
Other revenues	129	232	361	789 [2]	(775)	375
Net revenues	**1,366**	**4,631**	**5,997**	**794**	**(530)**	**6,261**
Provision for credit losses	**0**	**10**	**10**	**0**	**15**	**25**
Compensation and benefits	814	2,171	2,985	23	(3)	3,005
General and administrative expenses	383	1,295	1,678	(24)	19	1,673
Commission expenses	58	365	423	1	3	427
Total other operating expenses	441	1,660	2,101	(23)	22	2,100
Total operating expenses	**1,255**	**3,831**	**5,086**	**0**	**19**	**5,105**
Income/(loss) before taxes	**111**	**790**	**901**	**794**	**(564)**	**1,131**
Income tax expense	33	221	254	6	51	311
Net income/(loss)	**78**	**569**	**647**	**788**	**(615)**	**820**
Net income/(loss) attributable to noncontrolling interests	13	70	83	0	(51)	32
Net income/(loss) attributable to shareholders	**65**	**499**	**564**	**788**	**(564)**	**788**

[1] Includes eliminations and consolidation adjustments.
[2] Primarily consists of revenues from investments in Group companies accounted for under the equity method.

Condensed consolidating statements of comprehensive income

in 2Q12	Credit Suisse (USA), Inc. consolidated	Bank parent company and other subsidiaries [1]	Bank	Group parent company	Other Group subsidiaries [1]	Credit Suisse Group
Comprehensive income (CHF million)						
Net income/(loss)	78	569	647	788	(615)	820
Gains/(losses) on cash flow hedges	0	2	2	(5)	(1)	(4)
Foreign currency translation	999	108	1,107	0	8	1,115
Unrealized gains/(losses) on securities	0	(52)	(52)	0	5	(47)
Actuarial gains/(losses)	10	4	14	0	32	46
Net prior service credit/(cost)	0	0	0	0	(14)	(14)
Other comprehensive income/(loss), net of tax	1,009	62	1,071	(5)	30	1,096
Comprehensive income/(loss)	**1,087**	**631**	**1,718**	**783**	**(585)**	**1,916**
Comprehensive income/(loss) attributable to noncontrolling interests	**208**	**262**	**470**	**0**	**(253)**	**217**
Comprehensive income/(loss) attributable to shareholders	**879**	**369**	**1,248**	**783**	**(332)**	**1,699**

[1] Includes eliminations and consolidation adjustments.

Condensed consolidating statements of operations

in 6M13	Credit Suisse (USA), Inc. consolidated	Bank parent company and other subsidiaries [1]	Bank	Group parent company	Other Group subsidiaries [1]	Credit Suisse Group
Condensed consolidating statements of operations (CHF million)						
Interest and dividend income	3,402	7,370	10,772	27	244	11,043
Interest expense	(2,027)	(4,467)	(6,494)	(23)	(78)	(6,595)
Net interest income	1,375	2,903	4,278	4	166	4,448
Commissions and fees	2,030	4,810	6,840	3	96	6,939
Trading revenues	(459)	2,623	2,164	0	8	2,172
Other revenues	497	163	660	2,314 [2]	(2,337)	637
Net revenues	**3,443**	**10,499**	**13,942**	**2,321**	**(2,067)**	**14,196**
Provision for credit losses	**2**	**35**	**37**	**0**	**36**	**73**
Compensation and benefits	1,821	4,102	5,923	32	42	5,997
General and administrative expenses	1,015	2,679	3,694	(74)	35	3,655
Commission expenses	121	814	935	0	6	941
Total other operating expenses	1,136	3,493	4,629	(74)	41	4,596
Total operating expenses	**2,957**	**7,595**	**10,552**	**(42)**	**83**	**10,593**
Income/(loss) before taxes	**484**	**2,869**	**3,353**	**2,363**	**(2,186)**	**3,530**
Income tax expense	71	868	939	15	31	985
Net income/(loss)	**413**	**2,001**	**2,414**	**2,348**	**(2,217)**	**2,545**
Net income/(loss) attributable to noncontrolling interests	167	368	535	0	(338)	197
Net income/(loss) attributable to shareholders	**246**	**1,633**	**1,879**	**2,348**	**(1,879)**	**2,348**

[1] Includes eliminations and consolidation adjustments.
[2] Primarily consists of revenues from investments in Group companies accounted for under the equity method.

Condensed consolidating statements of comprehensive income

in 6M13	Credit Suisse (USA), Inc. consolidated	Bank parent company and other subsidiaries [1]	Bank	Group parent company	Other Group subsidiaries [1]	Credit Suisse Group
Comprehensive income (CHF million)						
Net income/(loss)	413	2,001	2,414	2,348	(2,217)	2,545
Gains/(losses) on cash flow hedges	0	(17)	(17)	4	0	(13)
Foreign currency translation	724	44	768	0	(7)	761
Unrealized gains/(losses) on securities	0	(10)	(10)	0	(11)	(21)
Actuarial gains/(losses)	20	8	28	0	123	151
Net prior service cost	0	0	0	0	(58)	(58)
Other comprehensive income/(loss), net of tax	744	25	769	4	47	820
Comprehensive income/(loss)	**1,157**	**2,026**	**3,183**	**2,352**	**(2,170)**	**3,365**
Comprehensive income/(loss) attributable to noncontrolling interests	**286**	**479**	**765**	**0**	**(450)**	**315**
Comprehensive income/(loss) attributable to shareholders	**871**	**1,547**	**2,418**	**2,352**	**(1,720)**	**3,050**

[1] Includes eliminations and consolidation adjustments.

Condensed consolidating statements of operations

in 6M12	Credit Suisse (USA), Inc. consolidated	Bank parent company and other subsidiaries [1]	**Bank**	Group parent company	Other Group subsidiaries [1]	**Credit Suisse Group**
Condensed consolidating statements of operations (CHF million)						
Interest and dividend income	3,837	8,224	12,061	52	226	12,339
Interest expense	(2,209)	(6,576)	(8,785)	(50)	(6)	(8,841)
Net interest income	1,628	1,648	3,276	2	220	3,498
Commissions and fees	1,873	4,285	6,158	5	115	6,278
Trading revenues	243	1,198	1,441	0	(96)	1,345
Other revenues	415	747	1,162	817 [2]	(802)	1,177
Net revenues	**4,159**	**7,878**	**12,037**	**824**	**(563)**	**12,298**
Provision for credit losses	**(4)**	**36**	**32**	**0**	**27**	**59**
Compensation and benefits	1,973	4,718	6,691	35	(10)	6,716
General and administrative expenses	800	2,520	3,320	(53)	59	3,326
Commission expenses	114	746	860	1	7	868
Total other operating expenses	914	3,266	4,180	(52)	66	4,194
Total operating expenses	**2,887**	**7,984**	**10,871**	**(17)**	**56**	**10,910**
Income/(loss) before taxes	**1,276**	**(142)**	**1,134**	**841**	**(646)**	**1,329**
Income tax expense/(benefit)	432	(155)	277	9	9	295
Net income/(loss)	**844**	**13**	**857**	**832**	**(655)**	**1,034**
Net income/(loss) attributable to noncontrolling interests	199	89	288	0	(86)	202
Net income/(loss) attributable to shareholders	**645**	**(76)**	**569**	**832**	**(569)**	**832**

[1] Includes eliminations and consolidation adjustments.
[2] Primarily consists of revenues from investments in Group companies accounted for under the equity method.

Condensed consolidating statements of comprehensive income

in 6M12	Credit Suisse (USA), Inc. consolidated	Bank parent company and other subsidiaries [1]	**Bank**	Group parent company	Other Group subsidiaries [1]	**Credit Suisse Group**
Comprehensive income (CHF million)						
Net income/(loss)	844	13	857	832	(655)	1,034
Gains/(losses) on cash flow hedges	0	1	1	10	(1)	10
Foreign currency translation	169	(282)	(113)	0	111	(2)
Unrealized gains/(losses) on securities	0	122	122	0	15	137
Actuarial gains/(losses)	19	7	26	0	93	119
Net prior service cost	(1)	1	0	0	(36)	(36)
Other comprehensive income/(loss), net of tax	187	(151)	36	10	182	228
Comprehensive income/(loss)	**1,031**	**(138)**	**893**	**842**	**(473)**	**1,262**
Comprehensive income/(loss) attributable to noncontrolling interests	**229**	**102**	**331**	**0**	**(123)**	**208**
Comprehensive income/(loss) attributable to shareholders	**802**	**(240)**	**562**	**842**	**(350)**	**1,054**

[1] Includes eliminations and consolidation adjustments.

Condensed consolidating balance sheets

end of 2Q13	Credit Suisse (USA), Inc. consolidated	Bank parent company and other subsidiaries [1]	**Bank**	Group parent company	Other Group subsidiaries [1]	**Credit Suisse Group**
Assets (CHF million)						
Cash and due from banks	4,942	52,587	57,529	3	(948)	56,584
Interest-bearing deposits with banks	86	2,222	2,308	0	(745)	1,563
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	121,158	52,237	173,395	0	9	173,404
Securities received as collateral	22,502	(827)	21,675	0	0	21,675
Trading assets	86,589	159,423	246,012	0	(178)	245,834
Investment securities	0	2,072	2,072	0	1,474	3,546
Other investments	5,801	5,629	11,430	40,916	(40,718)	11,628
Net loans	21,967	207,776	229,743	4,175	12,268	246,186
Premises and equipment	1,026	4,234	5,260	0	199	5,459
Goodwill	601	7,075	7,676	0	878	8,554
Other intangible assets	86	151	237	0	0	237
Brokerage receivables	37,474	34,772	72,246	0	1	72,247
Other assets	19,835	52,798	72,633	242	111	72,986
Total assets	**322,067**	**580,149**	**902,216**	**45,336**	**(27,649)**	**919,903**
Liabilities and equity (CHF million)						
Due to banks	247	29,307	29,554	2,451	(2,565)	29,440
Customer deposits	0	316,482	316,482	0	11,907	328,389
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	111,386	(12,313)	99,073	0	0	99,073
Obligation to return securities received as collateral	22,502	(827)	21,675	0	0	21,675
Trading liabilities	19,154	70,789	89,943	0	(26)	89,917
Short-term borrowings	29,994	(9,018)	20,976	0	0	20,976
Long-term debt	36,228	96,561	132,789	418	298	133,505
Brokerage payables	68,473	22,931	91,404	0	0	91,404
Other liabilities	11,811	44,052	55,863	65	189	56,117
Total liabilities	**299,795**	**557,964**	**857,759**	**2,934**	**9,803**	**870,496**
Total shareholders' equity	**18,531**	**18,056**	**36,587**	**42,402**	**(36,587)**	**42,402**
Noncontrolling interests	3,741	4,129	7,870	0	(865)	7,005
Total equity	**22,272**	**22,185**	**44,457**	**42,402**	**(37,452)**	**49,407**
Total liabilities and equity	**322,067**	**580,149**	**902,216**	**45,336**	**(27,649)**	**919,903**

[1] Includes eliminations and consolidation adjustments.

Condensed consolidating balance sheets

end of 4Q12	Credit Suisse (USA), Inc. consolidated	Bank parent company and other subsidiaries [1]	Bank	Group parent company	Other Group subsidiaries [1]	Credit Suisse Group
Assets (CHF million)						
Cash and due from banks	4,388	56,988	61,376	19	368	61,763
Interest-bearing deposits with banks	86	3,633	3,719	0	(1,774)	1,945
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	124,976	58,470	183,446	0	9	183,455
Securities received as collateral	34,980	(4,935)	30,045	0	0	30,045
Trading assets	87,958	168,644	256,602	0	(203)	256,399
Investment securities	0	1,939	1,939	0	1,559	3,498
Other investments	5,899	5,917	11,816	35,088	(34,882)	12,022
Net loans	22,945	204,553	227,498	4,459	10,266	242,223
Premises and equipment	1,062	4,354	5,416	0	202	5,618
Goodwill	581	6,929	7,510	0	879	8,389
Other intangible assets	77	166	243	0	0	243
Brokerage receivables	20,545	25,223	45,768	0	0	45,768
Other assets	15,469	57,313	72,782	173	(43)	72,912
Total assets	**318,966**	**589,194**	**908,160**	**39,739**	**(23,619)**	**924,280**
Liabilities and equity (CHF million)						
Due to banks	164	30,410	30,574	3,753	(3,313)	31,014
Customer deposits	1	297,689	297,690	0	10,622	308,312
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	127,666	5,055	132,721	0	0	132,721
Obligation to return securities received as collateral	34,980	(4,935)	30,045	0	0	30,045
Trading liabilities	23,332	67,759	91,091	0	(275)	90,816
Short-term borrowings	20,102	(5,264)	14,838	0	3,803	18,641
Long-term debt	35,485	111,512	146,997	437	700	148,134
Brokerage payables	44,400	20,276	64,676	0	0	64,676
Other liabilities	12,008	45,359	57,367	51	219	57,637
Total liabilities	**298,138**	**567,861**	**865,999**	**4,241**	**11,756**	**881,996**
Total shareholders' equity	**17,318**	**17,449**	**34,767**	**35,498**	**(34,767)**	**35,498**
Noncontrolling interests	3,510	3,884	7,394	0	(608)	6,786
Total equity	**20,828**	**21,333**	**42,161**	**35,498**	**(35,375)**	**42,284**
Total liabilities and equity	**318,966**	**589,194**	**908,160**	**39,739**	**(23,619)**	**924,280**

[1] Includes eliminations and consolidation adjustments.

Condensed consolidating statements of cash flows

in 6M13	Credit Suisse (USA), Inc. consolidated	Bank parent company and other subsidiaries [1]	Bank	Group parent company	Other Group subsidiaries [1]	Credit Suisse Group
Operating activities of continuing operations (CHF million)						
Net cash provided by/(used in) operating activities of continuing operations	**1,908**	**12,669**	**14,577**	**169** [2]	**(132)**	**14,614**
Investing activities of continuing operations (CHF million)						
(Increase)/decrease in interest-bearing deposits with banks	3	1,556	1,559	0	(1,030)	529
(Increase)/decrease in central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	7,978	6,029	14,007	0	0	14,007
Purchase of investment securities	0	(212)	(212)	0	0	(212)
Proceeds from sale of investment securities	0	36	36	0	0	36
Maturities of investment securities	0	39	39	0	53	92
Investments in subsidiaries and other investments	224	(863)	(639)	0	(262)	(901)
Proceeds from sale of other investments	910	438	1,348	32	237	1,617
(Increase)/decrease in loans	1,739	(3,513)	(1,774)	541	(2,365)	(3,598)
Proceeds from sales of loans	0	484	484	0	0	484
Capital expenditures for premises and equipment and other intangible assets	(119)	(317)	(436)	0	(4)	(440)
Proceeds from sale of premises and equipment and other intangible assets	0	8	8	0	0	8
Other, net	(61)	59	(2)	0	0	(2)
Net cash provided by/(used in) investing activities of continuing operations	**10,674**	**3,744**	**14,418**	**573**	**(3,371)**	**11,620**
Financing activities of continuing operations (CHF million)						
Increase/(decrease) in due to banks and customer deposits	76	14,745	14,821	(1,314)	2,086	15,593
Increase/(decrease) in short-term borrowings	9,118	(3,222)	5,896	0	0	5,896
Increase/(decrease) in central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(20,405)	(16,959)	(37,364)	0	0	(37,364)
Issuances of long-term debt	679	16,338	17,017	5	237	17,259
Repayments of long-term debt	(1,974)	(31,113)	(33,087)	(288)	(247)	(33,622)
Issuances of common shares	0	0	0	928	0	928
Sale of treasury shares	0	0	0	38	5,090	5,128
Repurchase of treasury shares	0	0	0	(192)	(5,287)	(5,479)
Dividends paid	0	(147)	(147)	(154)	(105)	(406)
Other, net	323	(1,417)	(1,094)	221	409	(464)
Net cash provided by/(used in) financing activities of continuing operations	**(12,183)**	**(21,775)**	**(33,958)**	**(756)**	**2,183**	**(32,531)**
Effect of exchange rate changes on cash and due from banks (CHF million)						
Effect of exchange rate changes on cash and due from banks	**155**	**961**	**1,116**	**(2)**	**4**	**1,118**
Net increase/(decrease) in cash and due from banks (CHF million)						
Net increase/(decrease) in cash and due from banks	**554**	**(4,401)**	**(3,847)**	**(16)**	**(1,316)**	**(5,179)**
Cash and due from banks at beginning of period	4,388	56,988	61,376	19	368	61,763
Cash and due from banks at end of period	**4,942**	**52,587**	**57,529**	**3**	**(948)**	**56,584**

[1] Includes eliminations and consolidation adjustments.
[2] Consists of dividend payments from Group companies of CHF 161 million and CHF 21 million from bank and non-bank subsidiaries, respectively, and other cash items from parent company operations such as Group financing.

Condensed consolidating statements of cash flows

in 6M12	Credit Suisse (USA), Inc. consolidated	Bank parent company and other subsidiaries [1]	**Bank**	Group parent company	Other Group subsidiaries [1]	**Credit Suisse Group**
Operating activities of continuing operations (CHF million)						
Net cash provided by/(used in) operating activities of continuing operations	**(8,011)**	**(2,032)**	**(10,043)**	**190** [2]	**(569)**	**(10,422)**
Investing activities of continuing operations (CHF million)						
(Increase)/decrease in interest-bearing deposits with banks	(1)	(268)	(269)	0	87	(182)
(Increase)/decrease in central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	(6,167)	16,522	10,355	0	19	10,374
Purchase of investment securities	0	(25)	(25)	0	(183)	(208)
Proceeds from sale of investment securities	0	339	339	0	0	339
Maturities of investment securities	0	106	106	0	61	167
Investments in subsidiaries and other investments	(163)	(452)	(615)	(45)	(28)	(688)
Proceeds from sale of other investments	608	448	1,056	0	56	1,112
(Increase)/decrease in loans	2,084	(7,469)	(5,385)	719	(1,309)	(5,975)
Proceeds from sales of loans	0	522	522	0	0	522
Capital expenditures for premises and equipment and other intangible assets	(170)	(494)	(664)	0	(6)	(670)
Proceeds from sale of premises and equipment and other intangible assets	2	6	8	0	0	8
Other, net	214	1,817	2,031	28	(20)	2,039
Net cash provided by/(used in) investing activities of continuing operations	**(3,593)**	**11,052**	**7,459**	**702**	**(1,323)**	**6,838**
Financing activities of continuing operations (CHF million)						
Increase/(decrease) in due to banks and customer deposits	213	(3,220)	(3,007)	(586)	1,558	(2,035)
Increase/(decrease) in short-term borrowings	678	(8,492)	(7,814)	0	0	(7,814)
Increase/(decrease) in central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	15,780	(4,193)	11,587	0	0	11,587
Issuances of long-term debt	444	18,550	18,994	5	668	19,667
Repayments of long-term debt	(3,727)	(23,712)	(27,439)	(660)	(321)	(28,420)
Issuances of common shares	0	0	0	1,323	0	1,323
Sale of treasury shares	0	0	0	361	3,414	3,775
Repurchase of treasury shares	0	0	0	(472)	(3,390)	(3,862)
Dividends paid	0	(176)	(176)	(944)	(31)	(1,151)
Excess tax benefits related to share-based compensation	0	14	14	0	(14)	0
Other, net	(1,467)	615	(852)	77	(5)	(780)
Net cash provided by/(used in) financing activities of continuing operations	**11,921**	**(20,614)**	**(8,693)**	**(896)**	**1,879**	**(7,710)**
Effect of exchange rate changes on cash and due from banks (CHF million)						
Effect of exchange rate changes on cash and due from banks	**31**	**(228)**	**(197)**	**57**	**(101)**	**(241)**
Net increase/(decrease) in cash and due from banks (CHF million)						
Net increase/(decrease) in cash and due from banks	**348**	**(11,822)**	**(11,474)**	**53**	**(114)**	**(11,535)**
Cash and due from banks at beginning of period	3,698	107,526	111,224	13	(664)	110,573
Cash and due from banks at end of period	**4,046**	**95,704**	**99,750**	**66**	**(778)**	**99,038**

[1] Includes eliminations and consolidation adjustments.
[2] Consists of dividend payments from Group companies of CHF 166 million and CHF 46 million from bank and non-bank subsidiaries, respectively, and other cash items from parent company operations such as Group financing.

List of abbreviations

A	
ABS	Asset-Backed Securities
ADS	American Depositary Share
AGM	Annual General Meeting
AOCI	Accumulated other comprehensive income/(loss)
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
B	
BCBS	Basel Committee on Banking Supervision
BCN	Buffer capital notes
BIS	Bank for International Settlements
BoJ	Bank of Japan
bp	Basis point
C	
CDO	Collateralized debt obligation
CDS	Credit default swaps
CET1	Common equity tier 1
CFTC	Commodity Futures Trading Commission
CMBS	Commercial mortgage-backed securities
CP	Commercial paper
CPR	Constant prepayment rate
CRD	Capital Requirement Directive
CVA	Credit valuation adjustment
D	
DLJ	DLJ Mortgage Capital, Inc.
DOJ	United States Department of Justice
DVA	Debit valuation adjustment
E	
EC	European Commission
ECB	European Central Bank
EMEA	Europe, Middle East and Africa
ESMA	European Securities and Markets Authority
ETF	Exchange-traded funds
EU	European Union
F	
FASB	Financial Accounting Standards Board
FDIC	Federal Deposit Insurance Corporation
Fed	US Federal Reserve
FINMA	Swiss Financial Market Supervisory Authority FINMA
G	
G-7	Group of seven leading industry nations
G-SIB	Global systemically important banks
GSE	Government-sponsored enterprise
I	
IPO	Initial public offering
ISDA	International Swaps and Derivatives Association, Inc.
ISU	Incentive Share Unit
K	
KPI	Key performance indicator
L	
LCR	Liquidity coverage ratio
M	
MACCS	Mandatory and contingent convertible securities
M&A	Mergers and acquisitions
N	
NRV	Negative replacement value
NSFR	Net stable funding ratio
O	
OTC	Over-the-counter
P	
PAF2	2011 Partner Asset Facility
PRV	Positive replacement value
PSA	Prepayment speed assumption
Q	
QoQ	Quarter on quarter
R	
RMBS	Residential mortgage-backed securities
RWA	Risk-weighted assets
S	
SCNY	Supreme Court of the State of New York, New York County
SEC	US Securities and Exchange Commission
SEI	Significant economic interest
SISU	Scaled Incentive Share Unit
SNB	Swiss National Bank
SPE	Special purpose entity
U	
UK	United Kingdom
UHNWI	Ultra-high-net-worth individual
US	United States of America
US GAAP	Accounting principles generally accepted in the US
V	
VaR	Value-at-risk
VIE	Variable interest entity
VIX	Chicago Board Options Exchange Market Volatility Index
Y	
YoY	Year on year
Ytd	Year to date

Investor information

Share data

				in / end of
	6M13	2012	2011	2010
Share price (common shares, CHF)				
Average	25.95	21.23	31.43	45.97
Minimum	22.90	16.01	19.65	37.04
Maximum	29.25	27.20	44.99	56.40
End of period	25.05	22.26	22.07	37.67
Share price (American Depositary Shares, USD)				
Average	27.64	22.70	35.36	44.16
Minimum	24.56	16.20	21.20	36.54
Maximum	30.26	29.69	47.63	54.57
End of period	26.46	24.56	23.48	40.41
Market capitalization				
Market capitalization (CHF million)	39,937	29,402	27,021	44,683
Market capitalization (USD million)	42,185	32,440	28,747	47,933
Dividend per share (CHF)				
Dividend per share	–	0.75 [1, 3]	0.75 [2, 3]	1.30 [3]

[1] The distribution was payable in cash of CHF 0.10 per share and in the form of new shares with an approximate value of CHF 0.65 per share.
[2] The distribution was payable in cash or, subject to any legal restrictions applicable in shareholders' home jurisdictions, in new shares of Credit Suisse Group at the option of the shareholder.
[3] Paid out of reserves from capital contributions.

Ticker symbols / stock exchange listings

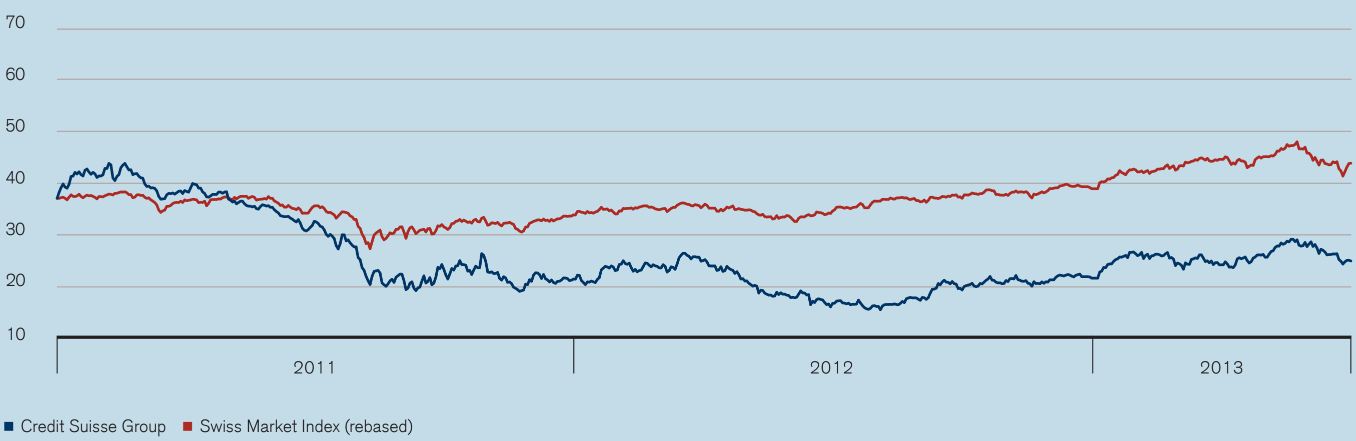
	Common shares	ADS [1]
Ticker symbols		
Bloomberg	CSGN VX	CS US
Reuters	CSGN.VX	CS.N
Telekurs	CSGN,380	CS,065
Stock exchange listings		
Swiss security number	1213853	570660
ISIN number	CH0012138530	US2254011081
CUSIP number	–	225 401 108

[1] One American Depositary Share (ADS) represents one common share.

Bond ratings

as of July 30, 2013	Moody's	Standard & Poor's	Fitch Ratings
Credit Suisse Group ratings			
Short-term	–	–	F1
Long-term	A2	A-	A
Outlook	Stable	Stable	Stable
Credit Suisse (the Bank) ratings			
Short-term	P-1	A-1	F1
Long-term	A1	A	A
Outlook	Stable	Stable	Stable

Share performance



Financial calendar and contacts

Financial calendar	
Third quarter 2013 results	Thursday, October 24, 2013
Fourth quarter / Full year 2013 results	Thursday, February 6, 2014

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Foreign currency translation rates

				End of			Average in		Average in
	2Q13	1Q13	4Q12	2Q12	**2Q13**	1Q13	2Q12	**6M13**	6M12
1 USD / 1 CHF	0.95	0.95	0.92	0.95	0.95	0.92	0.93	0.93	0.92
1 EUR / 1 CHF	1.23	1.22	1.21	1.20	1.23	1.22	1.20	1.23	1.20
1 GBP / 1 CHF	1.44	1.44	1.48	1.48	1.45	1.44	1.48	1.44	1.46
100 JPY / 1 CHF	0.95	1.01	1.06	1.19	0.96	1.01	1.17	0.99	1.17

Cautionary statement regarding forward-looking information

This report contains statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In addition, in the future we, and others on our behalf, may make statements that constitute forward-looking statements. Such forward-looking statements may include, without limitation, statements relating to the following:

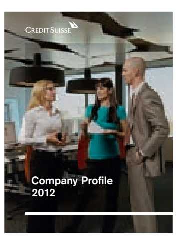
- our plans, objectives or goals;
- our future economic performance or prospects;
- the potential effect on our future performance of certain contingencies; and
- assumptions underlying any such statements.

Words such as "believes," "anticipates," "expects," "intends" and "plans" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. We do not intend to update these forward-looking statements except as may be required by applicable securities laws.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. We caution you that a number of important factors could cause results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include:

- the ability to maintain sufficient liquidity and access capital markets;
- market and interest rate fluctuations and interest rate levels;
- the strength of the global economy in general and the strength of the economies of the countries in which we conduct our operations, in particular the risk of continued slow economic recovery or downturn in the US or other developed countries in 2013 and beyond;
- the direct and indirect impacts of deterioration or slow recovery in residential and commercial real estate markets;
- adverse rating actions by credit rating agencies in respect of sovereign issuers, structured credit products or other credit-related exposures;
- the ability to achieve our strategic objectives, including improved performance, reduced risks, lower costs and more efficient use of capital;
- the ability of counterparties to meet their obligations to us;
- the effects of, and changes in, fiscal, monetary, trade and tax policies, and currency fluctuations;
- political and social developments, including war, civil unrest or terrorist activity;
- the possibility of foreign exchange controls, expropriation, nationalization or confiscation of assets in countries in which we conduct our operations;
- operational factors such as systems failure, human error, or the failure to implement procedures properly;
- actions taken by regulators with respect to our business and practices in one or more of the countries in which we conduct our operations;
- the effects of changes in laws, regulations or accounting policies or practices;
- competition in geographic and business areas in which we conduct our operations;
- the ability to retain and recruit qualified personnel;
- the ability to maintain our reputation and promote our brand;
- the ability to increase market share and control expenses;
- technological changes;
- the timely development and acceptance of our new products and services and the perceived overall value of these products and services by users;
- acquisitions, including the ability to integrate acquired businesses successfully, and divestitures, including the ability to sell non-core assets;
- the adverse resolution of litigation and other contingencies;
- the ability to achieve our cost efficiency goals and cost targets; and
- our success at managing the risks involved in the foregoing.

We caution you that the foregoing list of important factors is not exclusive. When evaluating forward-looking statements, you should carefully consider the foregoing factors and other uncertainties and events, including the information set forth in "Risk factors" in I – Information on the company in our Annual Report 2012.



Our 2012 annual publication suite consisting of Annual Report and Corporate Responsibility Report, which also contains the Company Profile 2012, is available on our website www.credit-suisse.com/investors

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